

VOLUME 5
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SEVENTY-SIXTH SESSION
OF THE
LEGISLATURE
STATE OF MINNESOTA

1990

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STATE OF MINNESOTA

SEVENTY-SIXTH SESSION — 1990

FIFTY-NINTH DAY

SAINT PAUL, MINNESOTA, MONDAY, FEBRUARY 12, 1990

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, House Chaplain.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

Speaker Vanasek introduced the new House member, Alice Hausman, from District 63B and announced that she had previously been administered the oath of office and that her election certificate was on file. She was elected in an election held on November 7, 1989, following the resignation of Ann Wynia dated September 1, 1989.

The roll was called and the following members were present:

Abrams	Frerichs	Kostohryz	Onnen	Schreiber
Anderson, G.	Girard	Krueger	Orenstein	Seaberg
Anderson, R.	Greenfield	Lasley	Osthoff	Segal
Battaglia	Gruenes	Lieder	Ostrom	Simoneau
Bauerly	Gutknecht	Limmer	Otis	Skoglund
Beard	Hartle	Long	Ozment	Solberg
Begich	Hasskamp	Lynch	Pappas	Sparby
Bennett	Haukoos	Macklin	Pauly	Stanius
Bertram	Hausman	Marsh	Pellow	Steenma
Bishop	Heap	McDonald	Pelowski	Sviggum
Blatz	Henry	McEachern	Peterson	Swenson
Boo	Himle	McGuire	Popenhagen	Tjornhom
Brown	Hugoson	McPherson	Price	Tompkins
Burger	Jacobs	Milbert	Pugh	Trimble
Carlson, D.	Janezich	Miller	Quinn	Tunheim
Carlson, L.	Jaros	Morrison	Redalen	Uphus
Carruthers	Jefferson	Munger	Reding	Valento
Clark	Jennings	Murphy	Rest	Vellenga
Conway	Johnson, A.	Nelson, C.	Rice	Wagenius
Cooper	Johnson, R.	Nelson, K.	Richter	Waltman
Dauner	Johnson, V.	Neuenschwander	Rodosovich	Weaver
Dawkins	Kahn	O'Connor	Rukavina	Welle
Dempsey	Kalis	Ogren	Runbeck	Wenzel
Dille	Kelly	Olsen, S.	Sarna	Williams
Dorn	Kelso	Olson, E.	Schafer	Winter
Forsythe	Kinkel	Olson, K.	Scheid	Spk. Vanasek
Frederick	Knickerbocker	Omann		

A quorum was present.

McLaughlin was excused.

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

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Lieder and Kalis introduced:

H. F. No. 1802, A bill for an act relating to transportation; apportioning revenues from the motor vehicle excise tax; amending Minnesota Statutes 1989 Supplement, section 297B.09, subdivision 1.

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

Lieder and Kalis introduced:

H. F. No. 1803, A bill for an act relating to transportation; authorizing the issuance of \$32,000,000 in Minnesota state transportation bonds for the construction and reconstruction of county and city bridges; appropriating money.

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

Bauerly and McEachern introduced:

H. F. No. 1804, A bill for an act relating to libraries; authorizing a regional library system to allocate levy authority for libraries; changing certain levy limits; amending Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 134.

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

Kelso; Johnson, A.; Wagenius; Omann and McEachern introduced:

H. F. No. 1805, A bill for an act relating to education; requiring the state fire marshal to inspect a public school building every three years; increasing complement; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299F.

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

O'Connor and Kostohryz introduced:

H. F. No. 1806, A bill for an act relating to veterans; redefining the term "veteran"; amending Minnesota Statutes 1988, section 197.447.

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

Solberg introduced:

H. F. No. 1807, A bill for an act relating to intoxicating liquor; restrictions on issuance of off-sale and combination licenses within unorganized territory in certain counties; amending Minnesota Statutes 1988, section 340A.405, subdivision 2.

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

Nelson, C., introduced:

H. F. No. 1808, A bill for an act relating to agriculture; providing grasshopper control; authorizing levies; appropriating money; amending Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 1989 Supplement, section 18.0266.

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

Blatz introduced:

H. F. No. 1809, A bill for an act relating to crime; increasing the penalty for malicious child punishment resulting in great bodily harm; amending Minnesota Statutes 1989 Supplement, section 609.377.

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

Hartle introduced:

H. F. No. 1810, A bill for an act relating to real property; validating deeds to real property conveyed by religious corporations and recorded before July 1, 1959; proposing coding for new law in Minnesota Statutes, chapter 315.

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

Carlson, D., introduced:

H. F. No. 1811, A bill for an act relating to public safety; allowing state trooper to aid another peace officer during industrial disputes when peace officer's life or safety is in jeopardy; establishing pilot program to stop drug trafficking on interstate highway I-35 between Duluth and the metropolitan area; appropriating money; amending Minnesota Statutes 1989 Supplement, section 299D.03, subdivision 1.

The bill was read for the first time and referred to the Committee on Judiciary/Criminal Justice Division.

Anderson, R., introduced:

H. F. No. 1812, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in Otter Tail county.

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

Olson, K.; Tunheim; Olson, E.; Steensma and Winter introduced:

H. F. No. 1813, A bill for an act relating to education; clarifying education district levy limits; amending Minnesota Statutes 1989 Supplement, section 124.2721, subdivision 3.

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

Forsythe introduced:

H. F. No. 1814, A bill for an act relating to retirement; Minneapolis teachers retirement fund association; extending the deadline for the payment of extended leave of absence employee contributions in certain cases.

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

Sparby and Olson, K., introduced:

H. F. No. 1815, A bill for an act relating to agriculture; extending the farmer-lender mediation act; appropriating money; amending Laws 1986, chapter 398, article 1, section 18, as amended.

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

Sparby, Cooper and Hugoson introduced:

H. F. No. 1816, A bill for an act relating to the environment; changing the collection period of the fee; changing the terms for reimbursement of petroleum tank release costs by the petroleum tank release compensation board; amending Minnesota Statutes 1988, section 115C.08, subdivision 2; and Minnesota Statutes 1989 Supplement, sections 115C.08, subdivision 5; and 115C.09, subdivision 3.

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

Olson, E.; Vellenga; Dempsey and Steensma introduced:

H. F. No. 1817, A bill for an act relating to local government aid; modifying and extending equalization aid; amending Minnesota Statutes Second 1989 Supplement, sections 477A.011, subdivisions 1a and 25; and 477A.013, subdivision 5.

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

Orenstein, Winter, Dauner, Vanasek and Boo introduced:

H. F. No. 1818, A bill for an act relating to insurance; prohibiting provider discrimination for pharmacy services; amending Minne-

sota Statutes 1988, section 62D.30, 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 Insurance.

Blatz introduced:

H. F. No. 1819, A bill for an act relating to traffic regulations; establishing an age requirement for motorcycle passengers; establishing safety requirements for passengers; amending Minnesota Statutes 1988, section 169.974, subdivision 5.

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

Valento introduced:

H. F. No. 1820, A bill for an act relating to dogs; requiring certain persons to cooperate with health and law enforcement officials investigating dog bites; 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 Judiciary.

Blatz introduced:

H. F. No. 1821, A bill for an act relating to traffic regulations; increasing criminal and civil penalties for littering highways; amending Minnesota Statutes 1988, sections 169.42, subdivision 5; and 169.421, subdivision 4.

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

Hasskamp, Peterson and Kelly introduced:

H. F. No. 1822, A bill for an act relating to licensed occupations; providing for the licensure of private detectives and protective agents by the commissioner of public safety; requiring the registration of their employees; setting standards and training requirements for the employees of private detectives and protective agents; abolishing the board of private detective and protective agent services; directing the commissioner of public safety to appoint a private detective and protective agent advisory board; providing penalties; amending Minnesota Statutes 1988, sections 214.01, subdivision 3;

and 626.88, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 299K; repealing Minnesota Statutes 1988, sections 326.32 to 326.339.

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

Vellenga, Wagenius and Blatz introduced:

H. F. No. 1823, A bill for an act relating to human services; including mental injuries and threatened injuries as abuse to be reported as maltreatment of minors; amending Minnesota Statutes 1988, section 626.556, subdivision 3; Minnesota Statutes 1989 Supplement, section 626.556, subdivisions 2 and 10e.

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

Vellenga and Kelly introduced:

H. F. No. 1824, A bill for an act relating to children; establishing procedures for the placement and removal of children in foster homes; proposing coding for new law in Minnesota Statutes, chapter 257.

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

Waltman introduced:

H. F. No. 1825, A bill for an act relating to human services; creating an exception to the deadline for receiving hospital-attached nursing home rates for the rate year beginning July 1, 1989; amending Minnesota Statutes 1989 Supplement, section 256B.431, subdivision 2j.

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

Milbert introduced:

H. F. No. 1826, A bill for an act relating to education; repealing the requirement that the Minnesota state high school league conduct a two-class high school hockey championship; clarifying the status and effect of certain law; removing surplus language; amending Minnesota Statutes 1989 Supplement, section 129.121, subdivision 7.

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

Rest introduced:

H. F. No. 1827, A bill for an act relating to taxation; real property; extending class 4c property tax treatment to certain property financed by a local government unit loan; amending Minnesota Statutes Second 1989 Supplement, section 273.13, subdivision 25.

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

Olsen, S., and Schreiber introduced:

H. F. No. 1828, A bill for an act relating to retirement; public employees retirement association; authorizing a purchase of prior service credit for certain former St. Louis Park city elected officials.

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

Schreiber, Haukoos, Morrison, Lynch and Abrams introduced:

H. F. No. 1829, A bill for an act relating to elections; prohibiting certain contributions during regular legislative sessions; proposing coding for new law in Minnesota Statutes, chapter 10A.

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, Schreiber moved that the rule therein be suspended and an urgency be declared so that H. F. No. 1829 be given its second and third readings and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Schreiber motion and the roll was called. There were 57 yeas and 73 nays as follows:

Those who voted in the affirmative were:

- | | | | | |
|--------------|-------------|-----------|---------------|----------|
| Abrams | Carlson, D. | Girard | Heap | Limmer |
| Anderson, R. | Dempsey | Gruenes | Henry | Lynch |
| Bennett | Dille | Gutknecht | Himle | Macklin |
| Blatz | Forsythe | Hartle | Hugoson | Marsh |
| Boo | Frederick | Hasskamp | Johnson, V. | McDonald |
| Burger | Frerichs | Haukoos | Knickerbocker | McGuire |

McPherson	Onnen	Redalen	Stanius	Valento
Milbert	Orenstein	Richter	Sviggum	Waltman
Miller	Ozment	Runbeck	Swenson	Weaver
Morrison	Pauly	Schafer	Tjornhom	
Olsen, S.	Pellow	Schreiber	Tompkins	
Omann	Poppenhagen	Seaberg	Uphus	

Those who voted in the negative were:

Anderson, G.	Greenfield	Krueger	Otis	Skoglund
Battaglia	Hausman	Lasley	Pappas	Solberg
Bauerly	Jacobs	Lieder	Pelowski	Sparby
Beard	Janezich	Long	Peterson	Steenma
Begich	Jaros	McBachern	Price	Trimble
Bertram	Jefferson	Murphy	Pugh	Tunheim
Brown	Jennings	Nelson, C.	Reding	Vellenga
Carlson, L.	Johnson, A.	Nelson, K.	Rest	Wagenius
Carruthers	Johnson, R.	Neuenschwander	Rice	Welle
Clark	Kahn	O'Connor	Rodosovich	Wenzel
Conway	Kalis	Ogren	Rukavina	Williams
Cooper	Kelly	Olson, E.	Sarna	Winter
Dauner	Kelso	Olson, K.	Scheid	Spk. Vanasek
Dawkins	Kinkel	Osthoff	Segal	
Dorn	Kostohryz	Ostrom	Simoneau	

The motion did not prevail.

H. F. No. 1829 was referred to the Committee on General Legislation, Veterans Affairs and Gaming.

INTRODUCTION AND FIRST READING OF HOUSE BILLS, Continued

The following House Files were introduced:

Morrison, Kelly, Seaberg and Milbert introduced:

H. F. No. 1830, A bill for an act relating to crime; increasing the penalty for malicious child punishment resulting in great bodily harm; amending Minnesota Statutes 1989 Supplement, section 609.377.

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

Hasskamp introduced:

H. F. No. 1831, A bill for an act relating to human services; clarifying the distribution of state aids under the community social services act; amending Minnesota Statutes 1988, section 256E.06, subdivisions 2 and 7.

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

Johnson, V., introduced:

H. F. No. 1832, A bill for an act relating to transportation; exempting volunteers driving private automobiles from certain rules of the commissioner of transportation; amending Minnesota Statutes 1989 Supplement, section 221.031, subdivision 3a.

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

Sparby and Nelson, C., introduced:

H. F. No. 1833, A bill for an act relating to game and fish; authorizing the Leech Lake Band of Chippewa Indians to conduct certain types of aquaculture; directing promotion of and commercial licenses to take rough fish from Lake of the Woods; removing aquaculture restrictions in private waters if public waters are not made unhealthy; authorizing transportation of minnows by common carrier; providing restrictions for taking crayfish; amending Minnesota Statutes 1988, sections 97A.155, by adding a subdivision; 97C.501, subdivision 1; and 97C.525, by adding a subdivision; Minnesota Statutes 1989 Supplement, section 17.49, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 17 and 97C.

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

Wenzel introduced:

H. F. No. 1834, A bill for an act relating to health; preventing abortions for birth control purposes; requiring informed consent for abortions; 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.

Boo introduced:

H. F. No. 1835, A bill for an act relating to motor vehicles; authorizing refund of registration tax paid when ownership is transferred; amending Minnesota Statutes 1988, section 168.16.

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

Carruthers introduced:

H. F. No. 1836, A bill for an act relating to meetings of public bodies; government data practices; defining final disposition of a disciplinary action regarding personnel records; making clear that meetings may not be closed on the basis of data classification statutes; providing an exception to the open meeting law for preliminary discussions concerning allegations of misconduct against government employees; amending Minnesota Statutes 1988, sections 13.43, subdivision 2; and 471.705, by adding subdivisions.

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

Skoglund, Peterson, Kinkel, Winter and Stanius introduced:

H. F. No. 1837, A bill for an act relating to insurance; creating and regulating the life and health insurance guaranty association; prescribing its powers and duties; providing general supervisory duties to the commissioner of commerce; amending Minnesota Statutes 1988, section 60B.25; proposing coding for new law in Minnesota Statutes, chapter 61B; repealing Minnesota Statutes 1988, sections 61B.01; 61B.02; 61B.03, subdivisions 1 to 5 and 7 to 14; 61B.04; 61B.05; 61B.06; 61B.07; 61B.08; 61B.09; 61B.10; 61B.11; 61B.12; 61B.13; 61B.14; 61B.15; and 61B.16; and Minnesota Statutes 1989 Supplement, section 61B.03, subdivision 6.

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

Jennings, Osthoff, Boo, Quinn and Abrams introduced:

H. F. No. 1838, A bill for an act relating to financial institutions; regulating electronic fund transfer facilities; providing for access by other transmission facilities; amending Minnesota Statutes 1988, section 47.65, subdivision 1.

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

Kelly and Begich introduced:

H. F. No. 1839, A bill for an act relating to employment; raising

the minimum wage; amending Minnesota Statutes 1988, section 177.24, subdivision 1.

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

Kelly and Carruthers introduced:

H. F. No. 1840, A bill for an act relating to crime; increasing penalties for drug crimes committed with a firearm; imposing penalties on persons who commit a crime while wearing or possessing soft body armor; permitting summary forfeiture of weapons used to commit a controlled substance offense; permitting summary forfeiture of soft body armor worn or possessed during the commission of a crime; amending Minnesota Statutes 1988, section 609.5316, subdivision 3; Minnesota Statutes 1989 Supplement, section 152.026; proposing coding for new law in Minnesota Statutes, chapters 152 and 609.

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

Kelly, Gutknecht, Swenson, Vellenga and Trimble introduced:

H. F. No. 1841, A bill for an act relating to consumer protection; regulating membership travel contracts; providing a right to cancel; prescribing penalties; providing remedies; 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.

Kelly, Orenstein, Vellenga and Pappas introduced:

H. F. No. 1842, A bill for an act relating to taxation; property; changing the date personal property taxes are deemed delinquent; amending Minnesota Statutes Second 1989 Supplement, section 277.01, subdivision 1.

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

Kelly, Seaberg, Long and Vellenga introduced:

H. F. No. 1843, A bill for an act relating to controlled substances; allowing prosecution in any county of controlled substance offenses involving sales of amounts aggregated over a 90-day period; provid-

ing that cocaine base is weighed as a mixture for purposes of first, second, and third degree controlled substance crimes; prohibiting the importing of controlled substances into the state; requiring the reporting of transactions involving substances that are precursors to controlled substances; defining controlled substances for purposes of reporting prenatal exposure to controlled substances; requiring adoption of day-fine systems by each judicial district; creating pilot programs to require drug and alcohol testing as a condition of probation; creating pilot programs to provide chemical dependency treatment services in juvenile and adult jails and correctional facilities; creating pilot programs to require chemical dependency assessments for drug offenders; appropriating money; amending Minnesota Statutes 1988, sections 609.135, by adding a subdivision; and 631.40; Minnesota Statutes 1989 Supplement, sections 152.021; 152.022; 152.023, subdivision 2; 152.028, subdivision 2, and by adding a subdivision; 626.556, subdivision 2; 626.5561, subdivisions 3, 4, and by adding a subdivision; and 626.5562, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 152 and 299A.

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

Carruthers and Scheid introduced:

H. F. No. 1844, A bill for an act relating to liquor; authorizing an on-sale liquor license for the Earle Brown Heritage Center.

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

McLaughlin, Welle, Stanius, Hasskamp and Cooper introduced:

H. F. No. 1845, A bill for an act relating to nursing; allowing nurse practitioners to prescribe and administer drugs and therapeutic devices; amending Minnesota Statutes 1989 Supplement, section 148.171.

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

Wagenius, Dawkins and Kelly introduced:

H. F. No. 1846, A bill for an act relating to prostitution; increasing penalties for certain patrons of prostitutes; providing for driver's license revocation for repeat violators who use a motor vehicle during the commission of the offense; amending Minnesota Statutes

1988, sections 609.324, subdivisions 2, 3, and by adding a subdivision; and 609.3241.

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

Greenfield, Welle and Stanius introduced:

H. F. No. 1847, A bill for an act relating to health; requiring the licensing of wholesale drug distributors; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 151.06, subdivision 1; and 151.25; proposing coding for new law in Minnesota Statutes, chapter 151.

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

Segal and Greenfield introduced:

H. F. No. 1848, A bill for an act relating to human services; clarifying treatment and assessment requirements under the Minnesota comprehensive mental health acts for adults and children; amending Minnesota Statutes 1988, section 245.467, subdivision 2; Minnesota Statutes 1989 Supplement, sections 245.467, subdivision 3; 245.469; 245.4711, subdivisions 1, 2, and 3; 245.4871, subdivision 3; 245.4873, subdivision 2; 245.4876, subdivisions 2 and 3; 245.4879; 245.4881, subdivisions 1, 2, 3, and 4; 245.4882, subdivision 1; 245.4883, subdivision 1; 245.4885, subdivision 1; 245.696, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 245; repealing Minnesota Statutes 1989 Supplement, sections 245.4711, subdivisions 6, 7, and 8; and 245.4881, subdivisions 6 to 10.

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

MOTIONS AND RESOLUTIONS

Rest moved that the name of Carruthers be added as chief author and the name of Ogren be added as an author on H. F. No. 244. The motion prevailed.

Vellenga moved that H. F. No. 1823 be recalled from the Committee on Judiciary and be re-referred to the Committee on Health and Human Services. The motion prevailed.

Kostohryz moved that H. F. No. 1826 be recalled from the Committee on Education and be re-referred to the Committee on General Legislation, Veterans Affairs and Gaming. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the following changes in committee assignments:

Appropriations: Remove the name of Pappas and add the name of Trimble, and the name of Simoneau as Chair.

Agriculture, Transportation and Semi-State Division/Appropriations: Remove the names of Anderson, G., and Pappas and add the names of Simoneau and Trimble.

Health and Human Services Division/Appropriations: Remove the name of Anderson, G., and add the name of Simoneau.

State Departments Division/Appropriations: Remove the name of Anderson, G., and add the name of Simoneau.

Economic Development: Remove the name of Reding and add the name of Krueger.

International Trade and Technology Division/Economic Development: Remove the name of Reding and add the name of Krueger as Chair.

Education: Remove the names of Vellenga and Trimble and add the name of Pappas.

Education Finance Division/Education: Remove the name of Vellenga and add the name of Pappas.

Environment and Natural Resources: Remove the name of Simoneau and add the name of Hausman.

Governmental Operations: Remove the name of Simoneau and add the name of Hausman and the name of Reding as Chair.

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

Insurance: Remove the name of Wynia and add the name of Segal.

Local Government and Metropolitan Affairs: Remove the name of Simoneau and add the name of Hausman.

Rules and Legislative Administration: Remove the name of Wynia and add the name of Greenfield and the name of Long as Chair.

Taxes: Remove the name of Wynia and add the name of Vellenga and the name of Ogren as Chair.

Transportation: Remove the name of Vellenga and add the name of Hausman.

Ways and Means: Remove the name of Wynia and add the names of Simoneau and Ogren.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 10:00 a.m., Thursday, February 15, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Thursday, February 15, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SIXTIETH DAY

SAINT PAUL, MINNESOTA, TUESDAY, FEBRUARY 13, 1990

The Senate met on Tuesday, February 13, 1990, which was the Sixtieth Legislative Day of the Seventy-sixth Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SIXTY-FIRST DAY

SAINT PAUL, MINNESOTA, THURSDAY, FEBRUARY 15, 1990

The House of Representatives convened at 10:00 a.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Monsignor James D. Habiger, House Chaplain.

The roll was called and the following members were present:

Abrams	Ferichs	Kostohryz	Onnen	Schreiber
Anderson, G.	Girard	Krueger	Orenstein	Seaberg
Anderson, R.	Greenfield	Lasley	Osthoff	Segal
Battaglia	Gruenes	Lieder	Ostrom	Simoneau
Bauerly	Gutknecht	Limmer	Otis	Skoglund
Beard	Hartle	Long	Ozment	Solberg
Begich	Hasskamp	Lynch	Pappas	Sparby
Bennett	Haukoos	Macklin	Pauly	Stanius
Bertram	Hausman	Marsh	Pellow	Steensma
Bishop	Heap	McDonald	Pelowski	Sviggum
Boo	Henry	McEachern	Peterson	Swenson
Brown	Himle	McGuire	Poppenhagen	Tjornhom
Burger	Hugoson	McPherson	Price	Tompkins
Carlson, D.	Jacobs	Milbert	Pugh	Trimble
Carlson, L.	Janezich	Miller	Quinn	Uphus
Carruthers	Jaros	Morrison	Redalen	Valento
Clark	Jefferson	Munger	Reding	Vellenga
Conway	Jennings	Murphy	Rest	Waltman
Cooper	Johnson, A.	Nelson, C.	Rice	Weaver
Dauner	Johnson, R.	Nelson, K.	Richter	Welle
Dawkins	Johnson, V.	Neuenschwander	Rodosovich	Wenzel
Dempsey	Kalis	O'Connor	Rukavina	Williams
Dille	Kelly	Olsen, S.	Runbeck	Winter
Dorn	Kelso	Olsen, E.	Sarna	Spk. Vanasek
Forsythe	Kinkel	Olson, K.	Schafer	
Frederick	Knickerbocker	Omann	Scheid	

A quorum was present.

Blatz, Kahn, McLaughlin, Ogren, Tunheim and Wagenius were excused.

The Chief Clerk proceeded to read the Journals of the preceding days. Vellenga moved that further reading of the Journals be

dispensed with and that the Journals be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 1728, A bill for an act relating to human services; creating a technology assistance review panel; requiring a study of the feasibility of developing a shared risk pool for technology-assisted persons; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [256.9691] [TECHNOLOGY ASSISTANCE REVIEW PANEL.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of health shall establish a technology assistance review panel to resolve disputes over the provision of health care benefits for technology-assisted persons who receive benefits under a policy or plan of health, medical, hospitalization, or accident and sickness insurance regulated under chapter 62A, a subscriber contract of a nonprofit health service plan corporation regulated under chapter 62C, or a certificate of coverage of a health maintenance organization regulated under chapter 62D.

Subd. 2. [DEFINITION.] For purposes of this section, “technology-assisted person” means a person who:

- (1) has a chronic health condition;
- (2) requires the routine use of a medical device to compensate for the loss of a life-sustaining body function; and
- (3) requires ongoing care or monitoring by trained personnel on a daily basis.

Subd. 3. [STEERING COMMITTEE.] The commissioner shall appoint a seven-member steering committee to appoint the review panel members, develop policies and procedures for the review process, including the replacement of review panel members, serve as a liaison between the regulatory agencies and the review panel, and provide the review panel with technical assistance. The steering

committee shall consist of representatives of the departments of health, human services, and commerce; a health maintenance organization regulated under chapter 62D; an insurer regulated under chapter 62A or a health service plan corporation regulated under chapter 62C; an advocacy organization representing persons who are technology assisted; and a tertiary care center that serves technology-assisted persons. The steering committee shall not be reimbursed for any expenses as defined under section 15.0575, subdivision 3. The steering committee shall dissolve no later than June 30, 1992.

Subd. 4. [COMPOSITION OF REVIEW PANEL.] (a) The review panel shall be appointed by the members of the steering committee that do not represent state agencies and must include:

(1) a medical director from an insurer regulated under chapter 62A, a health service plan corporation regulated under chapter 62C, or a health maintenance organization regulated under chapter 62D;

(2) a contract benefits analyst from an insurer regulated under chapter 62A, a health service plan corporation regulated under chapter 62C, or a health maintenance organization regulated under chapter 62D;

(3) a consumer board member of an insurer regulated under chapter 62A, a health service plan corporation regulated under chapter 62C, or a health maintenance organization regulated under chapter 62D;

(4) a physician with expertise in providing care for technology-assisted persons in a nonhospital setting;

(5) a registered nurse with expertise in providing care for technology-assisted persons in a nonhospital setting; and

(6) a consumer of health care benefits regulated under chapter 62A, 62C, or 62D who is a technology-assisted person or the parent or guardian of a technology-assisted person.

(b) The term of service for review panel members is three years except that, for the initial appointment, the steering committee shall establish procedures to assure that the terms of the members are staggered. Members are eligible to serve two consecutive terms.

Subd. 5. [AUTHORITY.] The review panel may review cases involving disputes over the provision of contract benefits regarding discharge planning, home health care benefits eligibility and coverage, or changes in the level of home health care services for technology-assisted persons. The review may be requested by a third-party payor, a health or social service professional, or a parent

or guardian of a technology-assisted child or a technology-assisted adult. For the case to be eligible for review by the panel, the parent or guardian of a technology-assisted child or technology-assisted adult must consent to the review. The review panel may not review cases involving discharge to a long-term care facility. The review panel may seek advice from experts outside the membership of the panel as necessary. The internal grievance process within an insurer, health service plan corporation, or health maintenance organization must be exhausted before requesting a review by the review panel. The recommendations of the review panel are not binding. If, following a review by the review panel, a complaint is filed with the appropriate state agency regarding the same subject matter, the findings of the review panel must be made available to the agency upon request and with the consent of the parent or guardian of a technology-assisted child or technology-assisted adult. The information must be maintained by the agency as nonpublic information under chapter 13. The steering committee may establish policies for reimbursement of expenses for review panel members consistent with the provisions of section 15.0575, subdivision 3.

Subd. 6. [CONFIDENTIALITY.] All proceedings of the review organization are nonpublic under chapter 13. All data, information, and findings acquired and developed by the review panel in the exercise of its duties or functions must be held in confidence, may not be disclosed to anyone except to the extent necessary to carry out one or more of the purposes of the review panel or as described in subdivision 5, and are not subject to subpoena or discovery. Members of the review panel may not disclose what transpired at a meeting of the review panel except to the extent necessary to carry out one or more of the purposes of the review panel. The proceedings and record of the review panel are not subject to discovery or introduction into evidence in any civil action against a health care professional or insurer, health service plan corporation, or health maintenance organization, arising out of the matter or matters that are the subject of consideration by the review panel.

Subd. 7. [LIMITATION ON LIABILITY FOR MEMBERS OF STEERING COMMITTEE AND REVIEW PANEL.] A person who is a member of, or who acts in an advisory capacity to or who gives counsel or services to, the steering committee or review panel is not liable for damages or other relief in any action brought by a person or persons whose case has been reviewed by the panel, by reason of the performance of any duty, function, or activity of the review panel, unless the performance of the duty, function, or activity was motivated by malice toward the person affected. A member is not liable for damages or other relief in any action by reason of the performance of the member of any duty, function, or activity as a member of the steering committee or review panel or by reason of any recommendation or action of the review committee when the member acts in the reasonable belief that the action or recommen-

ation is warranted by the facts known to the member or review panel after reasonable efforts to ascertain the facts.

Sec. 2. [APPROPRIATION.]

\$ is appropriated from the general fund to the commissioner of health for the fiscal year ending June 30, 1991, for the purpose of operating the technology assistance review panel. The commissioner may contract with an organization or entity to provide administrative support services for the review panel.

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

The report was adopted.

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

H. F. No. 1823, A bill for an act relating to human services; including mental injuries and threatened injuries as abuse to be reported as maltreatment of minors; amending Minnesota Statutes 1988, section 626.556, subdivision 3; Minnesota Statutes 1989 Supplement, section 626.556, subdivisions 2 and 10e.

Reported the same back with the following amendments:

Page 2, line 35, after "physical" insert "or mental"

Page 3, line 27, delete "an immediate and" and insert "a"

Page 5, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 1989 Supplement, section 626.556, subdivision 10e, is amended to read:

Subd. 10e. [DETERMINATIONS.] Upon the conclusion of every assessment or investigation it conducts, the local welfare agency shall make two determinations: first, whether maltreatment has occurred; and second, whether child protective services are needed.

(a) For the purposes of this subdivision, "maltreatment" means any of the following acts or omissions committed by a person responsible for the child's care:

(1) ~~an assault, as defined in section 609.02, subdivision 10, or any physical contact not exempted by section 609.379, where the assault~~

or physical contact is either severe or recurring and causes either injury or significant risk of injury to the child physical abuse as defined in subdivision 2, paragraph (d);

- (2) neglect as defined in subdivision 2, paragraph (c); or
- (3) sexual abuse as defined in subdivision 2, paragraph (a); or
- (4) mental injury as defined in section 1.

(b) For the purposes of this subdivision, a determination that child protective services are needed means that the local welfare agency has documented conditions during the assessment or investigation sufficient to cause a child protection worker, as defined in section 626.559, subdivision 1, to conclude that a child is at significant risk of maltreatment if protective intervention is not provided and that the individuals responsible for the child's care have not taken or are not likely to take actions to protect the child from maltreatment or risk of maltreatment.

(c) This subdivision does not mean that maltreatment has occurred solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, in lieu of medical care. However, if lack of medical care may result in imminent and serious danger to the child's health, the local welfare agency may ensure that necessary medical services are provided to the child."

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

The report was adopted.

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

H. F. No. 1831, A bill for an act relating to human services; clarifying the distribution of state aids under the community social services act; amending Minnesota Statutes 1988, section 256E.06, subdivisions 2 and 7.

Reported the same back with the following amendments:

Page 2, after line 21, insert:

"Sec. 3. [APPROPRIATIONS.]

\$250,000 is appropriated from the general fund to the commissioner of human services for the state fiscal year ending June 30, 1991. The sum shall be used to reimburse counties who suffered a reduction in state aids under section 256E.06, subdivision 7. The amount to be reimbursed shall be the total sum of aid lost for calendar years 1982 to 1990 which is directly attributable to a carryforward of the aid reduction made under section 256E.06, subdivision 7, in calculating subsequent allocations under section 256E.06, subdivision 2. Counties are not to be reimbursed for any one year reduction in aids imposed under section 256E.06, subdivision 7. If the sum appropriated by this section is insufficient to reimburse all eligible counties, the amount shall be prorated among all counties in proportion to their reduction attributable to the carryforward of aid reductions relative to the total of such reductions imposed on all counties for the period in question.

Amend the title as follows:

Page 1, line 4, after "act;" insert "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.

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

H. F. No. 1847, A bill for an act relating to health; requiring the licensing of wholesale drug distributors; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 151.06, subdivision 1; and 151.25; proposing coding for new law in Minnesota Statutes, chapter 151.

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.

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

H. F. No. 1848, A bill for an act relating to human services; clarifying treatment and assessment requirements under the Minnesota comprehensive mental health acts for adults and children;

amending Minnesota Statutes 1988, section 245.467, subdivision 2; Minnesota Statutes 1989 Supplement, sections 245.467, subdivision 3; 245.469; 245.4711, subdivisions 1, 2, and 3; 245.4871, subdivision 3; 245.4873, subdivision 2; 245.4876, subdivisions 2 and 3; 245.4879; 245.4881, subdivisions 1, 2, 3, and 4; 245.4882, subdivision 1; 245.4883, subdivision 1; 245.4885, subdivision 1; 245.696, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 245; repealing Minnesota Statutes 1989 Supplement, sections 245.4711, subdivisions 6, 7, and 8; and 245.4881, subdivisions 6 to 10.

Reported the same back with the following amendments:

Page 1, line 27, delete "but no later than" and insert "or within" and after "intake" insert ", whichever occurs first"

Page 2, line 18, strike "thereafter" and insert "after intake"

Page 2, line 21, after "completed" insert "or obtained,"

Page 4, line 32, before "determination" insert "eligibility"

Page 5, line 16, after the comma insert "and if the adult consents to the services,"

Page 5, line 19, strike "an" and insert "the"

Page 6, line 7, after "the" insert "need for and"

Page 6, line 9, after "stay" delete "as determined by client need"

Page 6, line 17, delete "community" and after "support" insert "for residing in the community"

Page 7, after line 5, insert:

"Sec. 8. Minnesota Statutes 1989 Supplement, section 245.487, subdivision 5, is amended to read:

Subd. 5. [CONTINUATION OF EXISTING MENTAL HEALTH SERVICES FOR CHILDREN.] Counties shall make available case management, community support services, and day treatment to children eligible to receive these services under Minnesota Statutes 1988, section 245.471. No later than August 1, 1989, the county board shall notify providers in the local system of care of their obligations to refer children eligible for case management and community support services as of January 1, 1989. The county board shall forward a copy of this notice to the commissioner. The notice shall indicate which children are eligible, a description of the

services, and the name of the county employee designated to coordinate case management activities and shall include a copy of the plain language notification described in section 245.4881, subdivision 2, paragraph (b). Providers shall distribute copies of this notification when making a referral for case management."

Page 7, line 17, before "developing" insert "assisting in obtaining a comprehensive diagnostic assessment, if needed,"

Page 8, after line 29, insert:

"Sec. 11. Minnesota Statutes 1989 Supplement, section 245.4874, is amended to read:

245.4874 [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 children's mental health service proposal required under section 245.4887, and approved by the commissioner. The county board must:

(1) develop a system of affordable and locally available children's mental health services according to sections 245.487 to 245.4887;

(2) establish a central point of information and referral about children's mental health services and assure that parents and providers in the county receive information about how to access services provided according to sections 245.487 to 245.4887;

(3) coordinate the delivery of children's mental health services with services provided by social services, education, corrections, health, and vocational agencies to improve the availability of mental health services to children and the cost effectiveness of their delivery;

(3) (4) assure that mental health services delivered according to sections 245.487 to 245.4887 are delivered expeditiously and are appropriate to the child's diagnostic assessment and individual treatment plan;

(4) (5) provide the community with information about predictors and symptoms of emotional disturbances and how to access children's mental health services according to sections 245.4877 and 245.4878;

(5) (6) provide for case management services to each child with severe emotional disturbance according to sections 245.486; 245.4871, subdivisions 3 and 4; and 245.4881, subdivisions 1, 3, and 5;

(6) (7) provide for screening of each child under section 245.4885 upon admission to a residential treatment facility, acute care hospital inpatient treatment, or informal admission to a regional treatment center;

(7) (8) prudently administer grants and purchase-of-service contracts that the county board determines are necessary to fulfill its responsibilities under sections 245.487 to 245.4887;

(8) (9) assure that mental health professionals, mental health practitioners, and case managers employed by or under contract to the county to provide mental health services are qualified under section 245.4871; and

(9) (10) assure that children's mental health services are coordinated with adult mental health services specified in sections 245.461 to 245.486 so that a continuum of mental health services is available to serve persons with mental illness, regardless of the person's age.

Sec. 12. Minnesota Statutes 1989 Supplement, section 245.4875, subdivision 5, is amended to read:

Subd. 5. [LOCAL CHILDREN'S ADVISORY COUNCIL.] (a) By October 1, 1989, the county board, individually or in conjunction with other county boards, shall establish a local children's mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council or shall include persons on its existing mental health advisory council who are representatives of children's mental health interests. The following individuals must serve on the local children's mental health advisory council, the children's mental health subcommittee of an existing local mental health advisory council, or be included on an existing mental health advisory council: (1) at least one person who was in a mental health program as a child or adolescent; (2) at least one parent of a child or adolescent with severe emotional disturbance; (3) one children's mental health professional; (4) representatives of minority populations of significant size residing in the county; (5) a representative of the children's mental health local coordinating council; and (6) one family community support services program representative.

(b) The local children's mental health advisory council or children's mental health subcommittee of an existing advisory council shall seek input from parents, former consumers, providers, and others about the needs of children with emotional disturbance in the local area and services needed by families of these children, and shall meet at least quarterly monthly to review, evaluate, and make recommendations regarding the local children's mental health system. Annually, the local children's mental health advisory council or

children's mental health subcommittee of the existing local mental health advisory council shall:

(1) arrange for input from the local system of care providers regarding coordination of care between the services; and

(2) identify for the county board the individuals, providers, agencies, and associations as specified in section 245.4877, clause (2).

(c) The county board shall consider the advice of its local children's mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council in carrying out its authorities and responsibilities."

Page 9, lines 3 and 4, delete "but no later than 30 days after intake" and insert "or 30 days after intake, whichever occurs first"

Page 9, line 14, after "All" insert "providers of"

Page 9, lines 15 and 16, strike "family community support services,"

Page 9, line 17, after the comma insert "and"

Page 9, line 18, after "and" insert "all"

Page 9, line 24, after "residential treatment" insert ", professional home-based family treatment,"

Page 9, line 29, strike "that date" and insert "intake"

Page 10, after line 2, insert:

"Sec. 15. Minnesota Statutes 1989 Supplement, section 245.4876, subdivision 4, is amended to read:

Subd. 4. [REFERRAL FOR CASE MANAGEMENT.] Each provider of emergency services, outpatient treatment, community support services, family community support services, day treatment services, screening under section 245.4885, professional home-based family treatment services, residential treatment facilities, acute care hospital inpatient treatment facilities, or regional treatment center services must inform each child with severe emotional disturbance, and the child's parent or legal representative, of the availability and potential benefits to the child of case management. The information shall be provided as specified in subdivision 5. If consent is obtained according to subdivision 5, the provider must refer the child by notifying the county employee designated by the county board to coordinate case management activities of the child's name and address and by informing the child's family of whom to

contact to request case management. The provider must document compliance with this subdivision in the child's record. The parent or child may directly request case management even if there has been no referral."

Page 10, line 11, after the period insert:

"The county board shall ensure that parents, providers, and county residents are informed about when and how to access emergency mental health services for children."

Page 12, after line 2, insert:

"(b) The county board shall send a notification written in plain language of potential eligibility for case management and family community support services. The notification shall identify the designated case management providers and shall contain:

(1) a brief description of case management and family community support services;

(2) the potential benefits of these services;

(3) the identity and current phone number of the county employee designated to coordinate case management activities;

(4) an explanation of how to obtain county assistance in obtaining a diagnostic assessment, if needed; and

(5) an explanation of the appeal process."

Page 12, strike line 3

Page 12, line 4, strike everything before "The county"

Page 12, line 7, delete "(b)" and insert "(c)" and after "must" insert "promptly"

Page 12, line 9, after "6" insert "or section 245.471"

Page 12, line 14, before "determination" insert "eligibility"

Page 12, line 15, after the comma insert "and if the child and the child's family consent to the services,"

Page 12, line 18, after "board" insert "shall notify the child of the appeal process and"

Page 14, line 21, after "Services" insert "must be appropriate to the child's age and treatment needs and"

Page 16, line 12, after the second "the" insert "need for and"

Page 16, line 23, delete "family and community" and after "support" insert "for residing in the community"

Page 16, line 27, delete "school's" and insert "child's"

Page 18, line 6, delete "Individual treatment plans must be developed that identify" and insert "The treatment team must develop an individual treatment plan that identifies"

Page 18, line 22, strike "ensure that" and insert ", upon admission, screen" and strike "are screened upon admission" and insert "admitted"

Page 19, line 3, delete "assures" and insert "shall assure that the child, child's family, or child's legal representative, as appropriate, have been informed of the child's eligibility for case management services and"

Page 19, after line 17, insert:

"Sec. 25. Minnesota Statutes 1989 Supplement, section 245.4885, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS.] No later than January 1, 1992 1991, screening of children for residential and inpatient services must be conducted by a mental health professional. Mental health professionals providing screening for inpatient and residential services must not be financially affiliated with any acute care inpatient hospital, residential treatment facility, or regional treatment center. The commissioner may waive this requirement for mental health professional participation in sparsely populated areas after January 1, 1991, if the county documents that:

(1) mental health professionals or mental health practitioners are unavailable to provide this service; and

(2) services are provided by a designated person with training in human services who receives clinical supervision from a mental health professional."

Page 21, after line 2, insert:

"Sec. 27. Minnesota Statutes 1989 Supplement, section 245.697, subdivision 2a, is amended 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, state planning, finance, 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 emotional disturbances;

(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 emotional disturbances;

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

(7) educators currently 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;

(11) one person from the local corrections department and one representative of the Minnesota district judges association juvenile committee; and

(12) county commissioners and social services agency representatives.

The chair of the advisory council shall appoint subcommittee members described in clauses (3) to (11) 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 subdi-

vision 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 is elected by the subcommittee from among its members. The subcommittee expires with the expiration of the advisory council.”

Renumber sections in sequence

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 1848 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Johnson, A.; McEachern; Nelson, K.; Kelso and Ozment introduced:

H. F. No. 1849, A bill for an act relating to education; providing for model sites and grants for parenting programs; expanding program characteristics; appropriating money; amending Minnesota Statutes 1988, section 121.882, subdivision 9, and by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 121.882, subdivision 2; and 124.2711, subdivision 1.

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

Schafer and Sviggum introduced:

H. F. No. 1850, A bill for an act relating to education; allowing certain school districts to change education districts; amending Minnesota Statutes 1989 Supplement, section 122.91, subdivision 5.

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

Tompkins, Milbert and Pugh introduced:

H. F. No. 1851, A bill for an act relating to chemical abuse prevention; requiring school counselors to receive training in chemical use awareness and abuse prevention; 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.

Tompkins, Milbert and Pugh introduced:

H. F. No. 1852, A bill for an act relating to chemical abuse prevention; appropriating money for a variety of chemical abuse prevention programs.

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

Tompkins, Pugh and Milbert introduced:

H. F. No. 1853, A bill for an act relating to education; approving a maximum effort school loan program capital loan.

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

Pugh, Orenstein and Dempsey introduced:

H. F. No. 1854, A bill for an act relating to real estate; validating certain cancellation of contracts; providing for the effect of dissolution on joint tenancy; permitting the filing of summaries of dissolution judgments in real estate filings; amending Minnesota Statutes 1988, section 500.19, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 518 and 559; repealing Minnesota Statutes 1988, section 580.031.

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

Kelly, Pappas, Dempsey and Vellenga introduced:

H. F. No. 1855, A bill for an act relating to children; regulating

child custody and visitation in dissolution and other proceedings; amending Minnesota Statutes 1988, sections 257.025; 257.541, subdivision 2; 518.003, subdivision 3, and by adding a subdivision; 518.156; 518.619; and 518.64, subdivision 2.

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

Simoneau and Fellow introduced:

H. F. No. 1856, A bill for an act relating to retirement; changing the effective date of a provision governing surviving spouse benefits from the public employees retirement association; amending Laws 1989, chapter 319, article 17, section 18.

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

Lieder, Carlson, D.; Seaberg, Welle and Steensma introduced:

H. F. No. 1857, A bill for an act relating to transportation; providing greater restrictions on eligibility of debarred persons for certain public contracts; allowing regional development commissions to receive state financial assistance for public transit programs; increasing scope of interstate motor carrier registration agreements; amending Minnesota Statutes 1988, sections 161.315, subdivisions 2 and 3; 174.24, subdivision 2; 174.32, subdivision 3; Minnesota Statutes 1989 Supplement, section 221.601, subdivision 1.

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

Bauerly and McEachern introduced:

H. F. No. 1858, A bill for an act relating to education; allowing area learning centers to provide programs on Saturdays; amending Minnesota Statutes 1988, section 129B.53, subdivision 3.

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

Steensma, Orenstein, Olson, K.; Brown and Kalis introduced:

H. F. No. 1859, A bill for an act relating to transportation; exempting volunteer drivers of private passenger vehicles from certain passenger service rules of the commissioner of transporta-

tion; amending Minnesota Statutes 1989 Supplement, section 221.031, subdivision 3a.

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

Sviggum introduced:

H. F. No. 1860, A bill for an act relating to traffic regulations; requiring motorists to activate vehicle lights during inclement weather conditions; amending Minnesota Statutes 1988, section 169.48.

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

Long, Munger, Battaglia, Pauly and Simoneau introduced:

H. F. No. 1861, A bill for an act relating to game and fish; requiring the commissioner of natural resources to adopt an order regulating the sale and use of blowguns; proposing coding for new law in Minnesota Statutes, chapter 97B.

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

Schafer and Sviggum introduced:

H. F. No. 1862, A bill for an act relating to education; increasing the appropriation for cooperation and combination aid; amending Laws 1989, chapter 329, article 6, section 53, subdivision 3.

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

Sviggum introduced:

H. F. No. 1863, A bill for an act relating to education; waiving certain deadlines and providing transportation under the enrollment options program; amending Minnesota Statutes 1988, section 120.062, subdivision 9, and by adding a subdivision.

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

Sviggum, Waltman and Schafer introduced:

H. F. No. 1864, A bill for an act relating to education; removing the requirement of a common academic calendar in education district agreements; repealing Minnesota Statutes 1989 Supplement, section 122.94, subdivision 6.

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

Schafer introduced:

H. F. No. 1865, A bill for an act relating to education; providing for alternative licensure for teachers; 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.

Kelly, Vellenga, Orenstein, Bishop and Schreiber introduced:

H. F. No. 1866, 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.

Frederick, Morrison and Swenson introduced:

H. F. No. 1867, A bill for an act relating to controlled substances; proposing a variety of measures to improve the enforcement and prosecution of controlled substance cases and the aftercare treatment of persons who are chemically dependent; requiring maternal and child health block grants to be used to serve children whose mothers abused drugs during pregnancy; requiring chemical dependency assessments and random drug testing of persons convicted of felony-level controlled substance crimes; requiring professional licensing boards to develop policies on licensing sanctions for persons convicted of controlled substance crimes; requiring the sentencing guidelines commission to collect data on sentencing departures in controlled substance cases; authorizing juvenile court jurisdiction over certain newborns who test positive for controlled substance exposure; making certain juvenile court orders applicable to adults; providing for driver's license revocation or denial for controlled substance offenders and juvenile alcohol offenders; clarifying certain data practices provisions; increasing penalties for a variety of controlled substance crimes and for certain repeat DWI offenders;

reducing the blood alcohol concentration threshold from 0.10 to 0.06 for repeat offenses relating to DWI, criminal vehicular operation and for certain implied consent purposes; expanding the "open bottle" law to include constructive possession; expanding and simplifying the criminal forfeiture law; providing for state and local funding of chemical abuse prevention programs; providing a special levy for these programs; appropriating money; amending Minnesota Statutes 1988, sections 13.82, by adding a subdivision; 145.88; 169.121, subdivision 2; 169.122, subdivision 2; 169.129; 254B.01, subdivision 3, and by adding a subdivision; 254B.03, subdivision 2; 254B.05, subdivision 1; and 340A.801, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 145.882, subdivision 7; 152.01, subdivision 15a; 152.021; 152.022; 152.023, subdivisions 1 and 2; 152.024, subdivisions 1 and 2; 152.025, subdivision 1; 152.027, subdivision 4; 152.028, subdivision 1; 169.121, subdivisions 1 and 3; 169.123, subdivisions 2, 4, 5a, and 6; 245A.02, subdivision 10; 254B.02, subdivision 1; 254B.03, subdivision 1; 260.015, subdivision 2a; 260.185, subdivision 1; 260.195, subdivisions 3 and 3a; 299A.40, subdivisions 1 and 3; 340A.702; 609.21; 609.531, subdivision 6a; 609.5314, subdivision 1; and 609.5315, subdivision 5; Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; and Laws 1989, chapter 290, article 12, section 2; proposing coding for new law in Minnesota Statutes, chapters 152; 214; 244; 260; 297D; 299C; 340A; and 481; repealing Minnesota Statutes 1989 Supplement, section 171.171.

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

Kelly, Swenson, Valento and Janezich introduced:

H. F. No. 1868, A bill for an act relating to taxation; exempting building materials used to build a county correctional facility; amending Minnesota Statutes 1988, section 297A.15, by adding a subdivision; Minnesota Statutes Second 1989 Supplement, section 297A.25, subdivision 11.

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

Rest introduced:

H. F. No. 1869, A bill for an act relating to real property; allowing county board to set certain fee charged to examine title under nonjudicial procedure for registration of certain possessory estates in land; amending Minnesota Statutes Second 1989 Supplement, section 508A.82.

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

McEachern, Scheid, Knickerbocker, Ostrom and Sviggum introduced:

H. F. No. 1870, A bill for an act relating to elections; making various changes in laws applicable to school district elections; amending Minnesota Statutes 1988, sections 201.071, subdivision 3; 203B.08, subdivision 3; 204B.08, subdivision 3; 204B.14, subdivision 5; 204B.17; 204B.44; 204C.22, subdivisions 9, 10, 15, and by adding a subdivision; 204D.04, subdivision 2; 205A.05, subdivision 1; 205A.07, by adding a subdivision; 205A.09, subdivision 2; 205A.11; 209.02, subdivision 1; 209.03; 209.09, subdivision 1; and 211A.01, subdivision 6; and Minnesota Statutes 1989 Supplement, sections 205A.10, subdivisions 2 and 3; and 209.021, subdivision 1.

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

Tompkins, Pugh and Milbert introduced:

H. F. No. 1871, A bill for an act relating to chemical abuse prevention; mandating health insurance coverage for drug and alcohol post-primary treatment; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Rodosovich and Macklin introduced:

H. F. No. 1872, A bill for an act relating to taxation; providing that certain federal retirement annuity payments are exempt from taxation; amending Minnesota Statutes 1989 Supplement, section 290.01, subdivision 19b; and Minnesota Statutes Second 1989 Supplement, section 290.0802, subdivision 1; 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. 1873, A bill for an act relating to identification cards; removing from Minnesota identification cards language reflecting senior citizen status of card holders and distinguishing cards from

driver's licenses; amending Minnesota Statutes 1988, section 171.07, subdivision 3a; and Minnesota Statutes 1989 Supplement, section 171.07, subdivision 3.

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

Orenstein introduced:

H. F. No. 1874, A bill for an act relating to retirement; public employees retirement association; restoring certain preconsolidation St. Paul bureau of health relief association service credit.

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

Gruenes introduced:

H. F. No. 1875, A bill for an act relating to taxation; property; removing certain towns from levy limits; amending Minnesota Statutes 1989 Supplement, section 275.50, subdivision 2.

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

McEachern, Bauerly, Omann, Kelso and Nelson, K., introduced:

H. F. No. 1876, A bill for an act relating to education; modifying the maximum effort school aid law capital loan program; authorizing the issuance of state bonds; appropriating money; proposing coding for new law in chapter 124; repealing Minnesota Statutes 1988, section 124.43, subdivisions 2, 3, 4, 5, and 6; and Minnesota Statutes 1989 Supplement, section 124.43, subdivision 1.

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

Schreiber, Rest, Long and Olsen, S., introduced:

H. F. No. 1877, A bill for an act relating to Hennepin county; permitting the issuance of obligations by the county board for a public safety building.

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

Jaros; McDonald; McEachern; Carlson, L., and Orenstein introduced:

H. F. No. 1878; A bill for an act relating to education; establishing Students' Day; proposing coding for new law in Minnesota Statutes, chapters 126 and 135A.

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

Tunheim and Neuenschwander introduced:

H. F. No. 1879, A bill for an act relating to natural resources; establishing Lake of the Woods state forest; amending Minnesota Statutes 1988, section 89.021, by adding a subdivision.

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

McEachern; Bauerly; Johnson, A.; Tunheim and Omann introduced:

H. F. No. 1880, A bill for an act relating to education; establishing programs for senior citizens to be mentors to pupils who are likely to not complete secondary school; appropriating money for grants for senior mentor programs.

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

Beard, Munger, Lasley and Price introduced:

H. F. No. 1881, A bill for an act relating to highways; designating certain highway within a state wild, scenic, and recreational river corridor as possessing natural, scenic, historical, and aesthetic characteristics; protecting and maintaining these characteristics; allowing commissioner of transportation to provide state-aid funding; amending Minnesota Statutes 1988, section 86A.05, by adding a subdivision.

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

Abrams and Kelly introduced:

H. F. No. 1882, A bill for an act relating to probate; providing right

to counsel in certain guardianship and conservatorship proceedings; 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.

Price, Simoneau and Morrison introduced:

H. F. No. 1883, A bill for an act relating to the environment; approving permits for the consumptive use of groundwater at the Seneca wastewater treatment plant.

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

Pappas, Vellenga, Seaberg and Rest introduced:

H. F. No. 1884, A bill for an act relating to domestic abuse; improving prosecutorial procedures in domestic abuse cases; requiring the commissioner of public safety to study the feasibility and costs of a statewide computerized data base on domestic abuse; appropriating money; amending Minnesota Statutes 1988, section 611A.0315, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 611A and 629.

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

Gruenes, Marsh and Omann introduced:

H. F. No. 1885, A bill for an act relating to taxation; property; modifying the computation of levy limits for certain regional library systems; amending Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5.

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

Omann and Wenzel introduced:

H. F. No. 1886, A bill for an act relating to education; approving a capital loan to the Pierz school district.

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

Dauner, Sviggum, Vellenga, Welle and Onnen introduced:

H. F. No. 1887, A bill for an act relating to health; providing limited prescription privileges for physician assistants; amending Minnesota Statutes 1988, section 151.37, by adding a subdivision.

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

Williams; Trimble; Nelson, K.; Morrison and Clark introduced:

H. F. No. 1888, A bill for an act relating to children; establishing a board to plan, coordinate, and oversee early childhood development programs and services; requiring local area planning councils to be established; establishing a technical advisory committee; proposing coding for new law as Minnesota Statutes, chapter 129D; repealing Minnesota Statutes 1989 Supplement, section 256H.25.

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

Weaver, Welle, Greenfield, Kelly and Himle introduced:

H. F. No. 1889, A bill for an act relating to health; providing programs and incentives for persons to volunteer as bone marrow donors; requiring the commissioner of health to educate residents about the need for volunteer bone marrow donors; requiring paid leave for employees to donate bone marrow; allowing a tax credit to employers who develop tissue typing programs for employees; providing that certain contributions qualify as a charitable contribution for purposes of the corporate franchise tax; requiring a bone marrow donor drive to encourage state employees to volunteer as bone marrow donors; appropriating money; amending Minnesota Statutes 1988, sections 290.06, by adding a subdivision; and 290.21, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 145 and 181.

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

Pugh and Kelly introduced:

H. F. No. 1890, A bill for an act relating to government data practices; establishing procedures for computerized comparisons of data; requiring matching agreements; providing for contesting of data; requiring reviews and reports; imposing penalties; proposing coding for new law as Minnesota Statutes, chapter 13B.

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

Quinn, Kostohryz, Gutknecht, Boo and Long introduced:

H. F. No. 1891, A bill for an act relating to lawful gambling; expanding definition of contraband; extending deadline for inventory of seized contraband; authorizing seizing authorities to use proceeds from forfeited contraband; prohibiting possession or sale of unregistered video pull-tab devices; prohibiting altered or counterfeit gambling equipment and possession thereof; prohibiting organizations from accepting checks for gambling equipment or chances; requiring posting of penalties for receiving cash on video games of chance; subjecting illegally used gambling equipment to forfeiture; providing penalties; amending Minnesota Statutes 1988, sections 349.2125, subdivision 4; 349.2127, by adding a subdivision; and 609.762, subdivision 1; Minnesota Statutes 1989 Supplement, sections 349.2125, subdivisions 1 and 3; 349.2127, subdivision 2; 349.22, subdivisions 1 and 3; 349.501, subdivision 1; 349.502, subdivision 1; and 609.76, subdivision 1.

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

Peterson; Carlson, D.; Dauner; Hasskamp and Williams introduced:

H. F. No. 1892, A bill for an act relating to courts; providing for a pilot project in Clay county using mediation services for child custody and visitation issues; appropriating money.

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

Peterson, Kinkel and Carlson, D., introduced:

H. F. No. 1893, A bill for an act relating to local government; authorizing certain towns to contribute to economic development organizations.

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

Johnson, R.; Simoneau; Knickerbocker; Vanasek and Long introduced:

H. F. No. 1894, A bill for an act relating to public employment;

limiting certain severance payments to public employees; restricting administrative leaves for University of Minnesota employees; amending Minnesota Statutes 1988, section 465.72, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 43A and 137.

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

Kelly, Pappas, Dawkins, Trimble and Vellenga introduced:

H. F. No. 1895, A bill for an act relating to courts; providing an alternative dispute resolution pilot project in the second judicial district; amending Minnesota Statutes 1989 Supplement, section 484.74, subdivision 4.

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

McLaughlin, Jefferson, Greenfield, Otis and Clark introduced:

H. F. No. 1896, A bill for an act relating to the city of Minneapolis; providing for the appointment of the director of the civilian review board; amending Laws 1969, chapter 937, section 1, subdivision 9a, as amended.

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

Winter; Skoglund; Johnson, R., and Nelson, K., introduced:

H. F. No. 1897, A bill for an act relating to insurance; regulating liability insurance claim denials; amending Minnesota Statutes 1988, section 72A.201, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 60A.

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

Lasley; Uphus; Olson, E.; Steensma and Johnson, A., introduced:

H. F. No. 1898, A bill for an act relating to public safety; providing for inspection of commercial motor vehicles; setting fees; prescribing a penalty; increasing complement of state patrol; amending Minnesota Statutes 1988, sections 221.031, subdivision 1, and by adding a subdivision; 221.221, subdivisions 2 and 3; and 221.605, subdivision 1; Minnesota Statutes 1989 Supplement, section 221.031, subdivi-

sion 2a; proposing coding for new law in Minnesota Statutes, chapter 169.

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

Kelly, Blatz, Wagenius and Marsh introduced:

H. F. No. 1899, A bill for an act relating to crimes; redefining the open bottle law to include possessing marijuana and controlled substances in a motor vehicle; prescribing penalties; amending Minnesota Statutes 1988, sections 169.122; and 609.035; repealing Minnesota Statutes 1989 Supplement, section 152.027, subdivision 3.

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

Ogren, Sarna, Quinn, Vanasek and Anderson, R., introduced:

H. F. No. 1900, A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, by adding a section; requiring that an affordable health insurance program be provided for Minnesota residents.

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

Waltman introduced:

H. F. No. 1901, A bill for an act relating to education; providing for the use of average fund balances by cooperating districts in certain instances; amending Minnesota Statutes 1989 Supplement, section 122.541, subdivision 2.

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

Peterson, Winter, Skoglund, Carruthers and Blatz introduced:

H. F. No. 1902, A bill for an act relating to insurance; property and casualty; requiring compensation to certain agents upon termination; proposing coding for new law in Minnesota Statutes, chapter 60A.

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

Segal and Sviggum introduced:

H. F. No. 1903, A bill for an act relating to human services; authorizing loans to mental health residential programs for physical accessibility improvements; creating an exception to the maximum negotiated rates for residential programs receiving accessibility loans; amending Minnesota Statutes 1988, section 462A.05, by adding a subdivision; Minnesota Statutes 1989 Supplement, section 256I.05, subdivision 2.

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

Segal and Sviggum introduced:

H. F. No. 1904, A bill for an act relating to human services; authorizing grants for research and development of new approaches to services for persons who are both mentally ill and chemically dependent; appropriating money.

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

Segal and Sviggum introduced:

H. F. No. 1905, A bill for an act relating to human rights; prohibiting housing discrimination against disabled persons because of their familial status; amending Minnesota Statutes 1988, section 363.12, by adding a subdivision.

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

Welle and Sviggum introduced:

H. F. No. 1906, A bill for an act relating to human services; requiring proposals for decreasing the size of intermediate care facilities for persons with mental retardation; amending Minnesota Statutes 1989 Supplement, section 256B.092, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 252.

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

Williams, Welle and Sviggum introduced:

H. F. No. 1907, A bill for an act relating to human services;

requiring increases in rates for wages of employees of intermediate care facilities for persons with mental retardation, semi-independent living services, home and community-based waived services, developmental achievement centers, and mental health residential programs; requiring a fair wage plan; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 252.

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

Cooper, Sviggum and Greenfield introduced:

H. F. No. 1908, A bill for an act relating to human services; requiring duplication, contradiction, and archaic language in laws, rules, and regulations governing human services to be reduced or eliminated; requiring one state agency to administer each service; requiring technical assistance, fiscal responsibility, and interpretative guidelines for all regulatory standards; and establishing a legislative commission on regulatory reduction; proposing coding for new law in Minnesota Statutes, chapter 245A.

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

Peterson, Hasskamp, Wenzel and Carlson, D., introduced:

H. F. No. 1909, A bill for an act relating to Mille Lacs Indian Reservation; providing for the retrocession to the United States of America of criminal jurisdiction over Indians on the Mille Lacs Indian Reservation in Minnesota.

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

Welle introduced:

H. F. No. 1910, A bill for an act relating to human services; establishing limits for nursing home plant and maintenance expenses; authorizing the adjustment of nursing home appraised values to reflect costs of new physical plant mandates; creating a deferred cost adjustment to nursing home operating costs; amending Minnesota Statutes 1988, section 256B.431, subdivision 3c, and by adding subdivisions.

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

Welle introduced:

H. F. No. 1911, A bill for an act relating to human services; amending the Medicare certification requirement for nursing homes; amending Minnesota Statutes 1989 Supplement, section 256B.48, subdivision 6.

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

Welle introduced:

H. F. No. 1912, A bill for an act relating to human services; allowing an increase to the property rates for a limited period; establishing a capital replacement fund for nursing homes; providing for a phase-up and extending grandfather status for property costs of certain nursing homes; amending Minnesota Statutes 1988, section 256B.431, by adding a subdivision; and Minnesota Statutes 1989 Supplement, section 256B.431, subdivision 3f.

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

Scheid, Osthoff, Boo, Neuenschwander and Abrams introduced:

H. F. No. 1913, A bill for an act relating to commerce; regulating dividends on claims in liquidation proceedings; industrial loan and thrift companies; regulating lending practices; regulating the lending practices of regulated lenders; specifying the loan fees and charges that may be imposed by regulated lenders; amending Minnesota Statutes 1988, sections 49.24, subdivision 9; 53.04, subdivision 3a; 56.12; 56.131, subdivisions 1, 2, and 6; and 56.14; and Minnesota Statutes 1989 Supplement, section 56.155, subdivision 2.

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

Kinkel; Nelson, K., and McEachern introduced:

H. F. No. 1914, A bill for an act relating to education; allowing independent school district No. 301 to transfer funds to the general fund upon consolidation.

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

Runbeck, Hugoson, Tompkins, Schreiber and Blatz introduced:

H. F. No. 1915, A bill for an act relating to controlled substances; proposing a variety of measures to improve the enforcement and prosecution of controlled substance cases and the aftercare treatment of persons who are chemically dependent; requiring maternal and child health block grants to be used to serve children whose mothers abused drugs during pregnancy; requiring chemical dependency assessments and random drug testing of persons convicted of felony-level controlled substance crimes; requiring professional licensing boards to develop policies on licensing sanctions for persons convicted of controlled substance crimes; requiring the sentencing guidelines commission to collect data on sentencing departures in controlled substance cases; authorizing juvenile court jurisdiction over certain newborns who test positive for controlled substance exposure; making certain juvenile court orders applicable to adults; providing for driver's license revocation or denial for controlled substance offenders and juvenile alcohol offenders; clarifying certain data practices provisions; increasing penalties for a variety of controlled substance crimes and for certain repeat DWI offenders; reducing the blood alcohol concentration threshold from 0.10 to 0.06 for repeat offenses relating to DWI, criminal vehicular operation and for certain implied consent purposes; expanding the "open bottle" law to include constructive possession; expanding and simplifying the criminal forfeiture law; providing for state and local funding of chemical abuse prevention programs; providing a special levy for these programs; appropriating money; amending Minnesota Statutes 1988, sections 13.82, by adding a subdivision; 145.88; 169.121, subdivision 2; 169.122, subdivision 2; 169.129; 254B.01, subdivision 3, and by adding a subdivision; 254B.03, subdivision 2; 254B.05, subdivision 1; and 340A.801, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 145.882, subdivision 7; 152.01, subdivision 15a; 152.021; 152.022; 152.023, subdivisions 1 and 2; 152.024, subdivisions 1 and 2; 152.025, subdivision 1; 152.027, subdivision 4; 152.028, subdivision 1; 169.121, subdivisions 1 and 3; 169.123, subdivisions 2, 4, 5a, and 6; 245A.02, subdivision 10; 254B.02, subdivision 1; 254B.03, subdivision 1; 260.015, subdivision 2a; 260.185, subdivision 1; 260.195, subdivisions 3 and 3a; 299A.40, subdivisions 1 and 3; 340A.702; 609.21; 609.531, subdivision 6a; 609.5314, subdivision 1; and 609.5315, subdivision 5; Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; and Laws 1989, chapter 290, article 12, section 2; proposing coding for new law in Minnesota Statutes, chapters 152; 214; 244; 260; 297D; 299C; 340A; and 481; repealing Minnesota Statutes 1989 Supplement, section 171.171.

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

Scheid, Osthoff, Boo, Kostohryz and Vanasek introduced:

H. F. No. 1916, A bill for an act relating to elections; requiring the

designation of a local government election for election of county, municipal, and school district officers, and officers of all other political subdivisions except certain towns; requiring that certain questions be voted on only at the local government election for the political subdivision; requiring uniform and coordinated election precincts and polling places for municipalities and school districts; superseding certain inconsistent general and special laws and home rule charter provisions; appropriating money; amending Minnesota Statutes 1988, sections 40.05, subdivisions 1, 3, and 4; 40.06, subdivision 1; 122.23, subdivisions 12 and 17; 122.25, subdivision 2; 123.12, subdivision 1; 123.33, subdivision 1; 123.34, subdivision 1; 123.351, subdivisions 1 and 3; 123.51; 124.43, subdivision 3b; 200.02, by adding a subdivision; 201.071, subdivisions 1, 3, and 8; 203B.06, subdivision 3; 204B.14, by adding a subdivision; 204B.16, subdivision 1; 204B.18, subdivision 2, and by adding a subdivision; 204C.10, subdivision 1; 204D.02, subdivisions 1 and 2; 204D.11, subdivision 5; 204D.16; 205.02, subdivision 2; 205.10, subdivision 1; 205.13, subdivisions 1 and 6; 205.185, subdivisions 2, 3, and by adding a subdivision; 205A.02; 205A.05, subdivision 1; 205A.06, subdivision 5; 365.51, subdivision 3; 367.03; 375.03; 375.101, by adding a subdivision; 375.20; 375A.12, subdivision 4; 382.01; 383A.06, subdivision 2; 397.06; 397.07; 398.04; 410.12, subdivision 4; 410.21; 412.02, subdivision 2; 412.571, subdivision 5; 426.19, subdivision 2; 447.32, subdivisions 1 and 2; 447.48; 469.0724; 469.190, subdivision 5; and 475.58, subdivision 1a; Minnesota Statutes 1989 Supplement, sections 122.23, subdivision 18; 124.82, subdivision 3; 128.01, subdivision 3; 129B.73, subdivision 4; 136D.741, subdivision 4; 375.18, subdivision 3; 412.021, subdivision 2; and 471.191, subdivision 2; Minnesota Statutes Second 1989 Supplement, sections 275.58, subdivision 1; and 373.40, subdivision 2; proposing coding for new law in chapter 205; repealing Minnesota Statutes 1988, sections 123.015; 123.11, subdivisions 2, 3, 4, 5, and 6; 123.32, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 11, 22, 24, 25, 26, and 27; 200.015; 201.095; 204D.28, subdivision 5; 205.02; 205.065, subdivisions 2, 3, 4, 5, 6, and 7; 205.07; 205.10; 205.121; 205.175; 205.18, subdivision 1; 205.20; 206.76; 375.101, subdivisions 1 and 2; and 447.32, subdivisions 3 and 4; Minnesota Statutes 1989 Supplement, sections 205.065, subdivision 1; and 205.18, subdivision 2.

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

Schafer introduced:

H. F. No. 1917, A bill for an act relating to the environment; changing the collection period of the fee; changing the terms for reimbursement of petroleum tank release costs by the petroleum tank release compensation board; amending Minnesota Statutes 1988, section 115C.08, subdivision 2; and Minnesota Statutes 1989

Supplement, sections 115C.08, subdivision 5; and 115C.09, subdivision 3.

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

Reding and Hausman introduced:

H. F. No. 1918, A bill for an act relating to the metropolitan waste control commission; providing for criminal and civil penalties for violations of pretreatment standards; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Pappas, Trimble, Rukavina, Segal and McDonald introduced:

H. F. No. 1919, A bill for an act relating to ethnic Minnesotans; designating Ethnic American Day; proposing coding for new law in Minnesota Statutes, chapter 10.

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

Pappas, Kelly and Seaberg introduced:

H. F. No. 1920, A bill for an act relating to crimes; sentencing; establishing standards for court-ordered home detention as a condition of probation; including certain violations of a home detention order within the crime of escape; amending Minnesota Statutes 1988, section 609.485, subdivisions 1 and 3; 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; Munger; Johnson, R.; Pelowski and Pauly introduced:

H. F. No. 1921, A bill for an act relating to waste; prohibiting the placement of certain dry cell batteries in mixed municipal solid waste; requiring labeling of certain batteries by electrode content; establishing maximum content levels of mercury in batteries; requiring that batteries in certain consumer products be easily removable; providing penalties; proposing coding for new law in Minnesota Statutes, chapters 115A and 325E.

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

Dorn introduced:

H. F. No. 1922, A bill for an act relating to retirement; teachers retirement funds; providing an automatic bounce-back feature for period certain and life optional annuity recipients where the designated beneficiary predeceases the annuitant; amending Minnesota Statutes 1989 Supplement, sections 354.45, subdivision 1a; and 354A.32, subdivision 1a.

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

Dawkins and Pappas introduced:

H. F. No. 1923, A bill for an act relating to highways; directing commissioner of transportation not to use stop and go signals on certain entrance ramps to I-94 until 1992.

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

Dawkins introduced:

H. F. No. 1924, A bill for an act relating to housing; changing the definition of designated home ownership area for the Minnesota rural and urban homesteading program; amending Minnesota Statutes 1989 Supplement, section 462A.057, subdivision 2.

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

Neuenschwander introduced:

H. F. No. 1925, A bill for an act relating to appropriations; providing a refund of a bond allocation deposit; appropriating money.

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

Knickerbocker, Jefferson, Boo, Rodosovich and Osthoff introduced:

H. F. No. 1926, A bill for an act relating to financial institutions;

permitting interstate banking with an additional reciprocating state; amending Minnesota Statutes 1988, section 48.92, subdivision 7.

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

Ogren, Peterson, Kahn and Rukavina introduced:

H. F. No. 1927, A bill for an act relating to traffic regulations; regulating approaches of vehicles to certain intersections; amending Minnesota Statutes 1988, section 169.20, subdivision 1.

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

Begich and Rukavina introduced:

H. F. No. 1928, A bill for an act relating to occupations and professions; prohibiting certain acts by protective agents and security guards during a labor dispute; amending Minnesota Statutes 1988, section 326.3384, by adding a subdivision; and amending Minnesota Statutes 1989 Supplement, section 326.3384, subdivision 2.

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

Pelowski, Williams and Dorn introduced:

H. F. No. 1929, A bill for an act relating to education; deleting the four-year or equivalent limitation on post-secondary child care grants; amending Minnesota Statutes 1989 Supplement, section 136A.125, subdivision 2.

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

Bertram introduced:

H. F. No. 1930, A bill for an act relating to health; authorizing the creation of a technical advisory task force for emergency dispatch services; requiring the submission of a multidisciplinary report on training needs of emergency dispatchers operating within 911 systems.

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

Tunheim, Lieder and Olson, K., introduced:

H. F. No. 1931, A bill for an act relating to education; authorizing certain cooperating districts to qualify for sparsity aid; amending Minnesota Statutes 1989 Supplement, section 124A.22, subdivision 5.

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

Tunheim introduced:

H. F. No. 1932, A bill for an act relating to human services; authorizing special property rates for certain nursing homes; extending the construction commencement deadline for certain facilities that have been granted exceptions to the nursing home moratorium; amending Minnesota Statutes 1989 Supplement, section 256B.431, subdivision 3g.

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

Winter; Krueger; Steensma; Johnson, R., and Ostrom introduced:

H. F. No. 1933, A bill for an act relating to the environment; changing the terms for reimbursement of petroleum tank release costs by the petroleum tank release compensation board; amending Minnesota Statutes 1989 Supplement, section 115C.09, subdivision 3.

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

Dawkins, Long, Jefferson, Pappas and Vellenga introduced:

H. F. No. 1934, A bill for an act relating to health; eliminating restrictions on disclosing birth record of a child born to an unmarried woman; amending Minnesota Statutes 1988, section 144.225, subdivision 1; repealing Minnesota Statutes 1988, section 144.225, subdivisions 2 and 4; and Minnesota Rules, part 4600.1300.

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

Greenfield; Jefferson; Nelson, C.; Williams and Stanius introduced:

H. F. No. 1935, A bill for an act relating to health; defining the term practitioner for the purpose of dispensing medicines and drugs; prohibiting the dispensing of legend drugs for profit by anyone other than a pharmacist; amending Minnesota Statutes 1988, section 151.37, subdivision 2.

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

Rest and Ogren introduced:

H. F. No. 1936, A bill for an act relating to taxation; property; making technical corrections and administrative changes; providing for the management and cleanup of tax-forfeited lands; amending Minnesota Statutes 1988, sections 115B.02, subdivision 11; 115B.03, by adding a subdivision; 115C.02, subdivision 8; 115C.021, by adding a subdivision; 116.49, by adding a subdivision; 273.42, subdivision 1; 274.01, subdivision 1; 282.08; and 287.21, subdivision 2; Minnesota Statutes 1989 Supplement, sections 50.14, subdivision 4; 118.12; 168.013, subdivision 5; 273.01; 273.11, subdivision 1; 273.124, subdivision 9; 282.01, subdivision 1; 469.177, subdivision 1a; and 505.173, subdivision 1; Minnesota Statutes Second 1989 Supplement, sections 273.1391, subdivision 2; 273.1398, subdivisions 1, 2, 5a, and 6; 274.14; 274.175; 275.07, subdivision 3; and 275.51, subdivision 3h; Laws 1989, First Special Session chapter 1, articles 3, section 35; and 9, section 86; proposing coding for new law in Minnesota Statutes, chapter 282; repealing Minnesota Statutes 1988, section 272.70.

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

Kalis, Reding, Rice and Simoneau introduced:

H. F. No. 1937, A bill for an act relating to the state capitol; providing for location of a bust of Walter Mondale in the state capitol; proposing coding for new law in Minnesota Statutes, chapter 138.

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

Kinkel; Janezich; Olson, E.; Redalen and Reding introduced:

H. F. No. 1938, A bill for an act relating to game and fish; allowing

taking of deer after crop depredation; 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.

Kinkel; Peterson; Johnson, R., and Neuenschwander introduced:

H. F. No. 1939, A bill for an act relating to natural resources; amending a certain requirement relating to the sale of state timber; amending Minnesota Statutes 1988, section 90.101, subdivision 1.

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

Kinkel and Johnson, R., introduced:

H. F. No. 1940, A bill for an act relating to Hubbard county; permitting the county board to assign certain duties to the county recorder and the county auditor.

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

Blatz, Kelly, Wagenius and Vellenga introduced:

H. F. No. 1941, A bill for an act relating to motor vehicles; regulating ownership and registration; amending Minnesota Statutes 1988, section 168.101, subdivision 2; 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.

Omamm and Marsh introduced:

H. F. No. 1942, A bill for an act relating to education; approving a capital loan for the Sartell school district.

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

Omamm, Bertram and Gruenes introduced:

H. F. No. 1943, A bill for an act relating to appropriations;

appropriating money for a grant to cover costs of the investigation of the Jacob Wetterling kidnapping.

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

Orenstein; Carlson, L.; Jaros; Greenfield and Heap introduced:

H. F. No. 1944, A bill for an act relating to health; establishing a nursing degree completion scholarship program; providing for funding through a licensing surcharge; proposing coding for new law in Minnesota Statutes, chapter 148.

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

Welle introduced:

H. F. No. 1945, A bill for an act relating to human services; renewing the authority for a nursing home to choose to have the commissioner apply the cost limits that apply to facilities in a different geographic group, for purposes of setting the nursing home's payment rates; amending Minnesota Statutes 1989 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 Welle introduced:

H. F. No. 1946, A bill for an act relating to human services; authorizing grant funds to establish pilot project sobering stations; increasing taxes on wine and dedicating certain revenues to a sobering station project account; appropriating money; amending Minnesota Statutes 1988, section 297C.02, subdivision 1; 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.

Munger, Vanasek, Redalen, Kahn and Ozment introduced:

H. F. No. 1947, A bill for an act relating to the environment; recognizing the hydrological cycle of water purification through the atmosphere; establishing a list of persistent toxic substances; requiring the pollution control agency to establish best available reduction technology, to monitor toxic emissions, and to adopt standards and a

plan to regulate toxic release/discharge, ambient concentration, and deposition; requiring reports to the legislature; 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.

Price, Munger, Kalis, Redalen and Bishop introduced:

H. F. No. 1948, A bill for an act relating to health; clarifying requirements for water well construction and ownership; amending Minnesota Statutes 1989 Supplement, sections 103I.005, subdivisions 8, 16, and by adding a subdivision; 103I.101, subdivisions 2 and 6; 103I.111, subdivision 5; 103I.205, subdivisions 1, 2, 4, and 8; 103I.208, subdivision 2, and by adding a subdivision; 103I.301, subdivision 3; 103I.325, subdivision 2; 103I.541, subdivision 1, and by adding subdivisions; 103I.681; 103I.685; 103I.691; 103I.705, subdivisions 2 and 3; Laws 1989, chapter 326, article 3, section 49; repealing Minnesota Statutes 1989 Supplement, sections 103I.005, subdivision 19; 103I.211; 103I.301, subdivision 5; 103I.321; 103I.325, subdivision 1; and 103I.533.

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

Winter, Ozment, McGuire, Munger and Price introduced:

H. F. No. 1949, A bill for an act relating to the environment; changing certain requirements for municipal wastewater treatment grants; amending Minnesota Statutes 1988, sections 116.18, subdivision 3c; 446A.07, subdivision 2; and Minnesota Statutes 1989 Supplement, section 116.16, subdivisions 2 and 5.

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

Orenstein, Pugh, Ogren, Weaver and Dempsey introduced:

H. F. No. 1950, A bill for an act relating to privacy; providing for a cause of action for invasion of privacy; proposing coding for new law as Minnesota Statutes, chapter 554.

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

Vellenga and Janezich introduced:

H. F. No. 1951, A bill for an act relating to crime victims; making the crime victim ombudsman accountable to the commissioner of public safety; clarifying that certain juvenile records are available to the ombudsman; amending Minnesota Statutes 1988, sections 611A.71, subdivision 6; 611A.74, subdivisions 1 and 3; and 611A.75.

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

Kelly, Hasskamp, Pappas, Seaberg and Bishop introduced:

H. F. No. 1952, A bill for an act relating to crimes; permitting individuals to request that the department of public safety not release the individual's residential address to the public; permitting individuals to designate a mailing address for purposes of the department's public records; increasing penalties for certain acts of harassment; authorizing courts to issue orders to restrain acts of harassment; amending Minnesota Statutes 1988, section 171.12, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 168 and 609.

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

Macklin, Poppenhagen, Limmer, Bennett and Girard introduced:

H. F. No. 1953, A bill for an act relating to controlled substances; proposing a variety of measures to improve the enforcement and prosecution of controlled substance cases and the aftercare treatment of persons who are chemically dependent; requiring maternal and child health block grants to be used to serve children whose mothers abused drugs during pregnancy; requiring chemical dependency assessments and random drug testing of persons convicted of felony-level controlled substance crimes; requiring professional licensing boards to develop policies on licensing sanctions for persons convicted of controlled substance crimes; requiring the sentencing guidelines commission to collect data on sentencing departures in controlled substance cases; authorizing juvenile court jurisdiction over certain newborns who test positive for controlled substance exposure; making certain juvenile court orders applicable to adults; providing for driver's license revocation or denial for controlled substance offenders and juvenile alcohol offenders; clarifying certain data practices provisions; increasing penalties for a variety of controlled substance crimes and for certain repeat DWI offenders; reducing the blood alcohol concentration threshold from 0.10 to 0.06 for repeat offenses relating to DWI, criminal vehicular operation and for certain implied consent purposes; expanding the "open bottle"

law to include constructive possession; expanding and simplifying the criminal forfeiture law; providing for state and local funding of chemical abuse prevention programs; providing a special levy for these programs; appropriating money; amending Minnesota Statutes 1988, sections 13.82, by adding a subdivision; 145.88; 169.121, subdivision 2; 169.122, subdivision 2; 169.129; 254B.01, subdivision 3, and by adding a subdivision; 254B.03, subdivision 2; 254B.05, subdivision 1; and 340A.801, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 145.882, subdivision 7; 152.01, subdivision 15a; 152.021; 152.022; 152.023, subdivisions 1 and 2; 152.024, subdivisions 1 and 2; 152.025, subdivision 1; 152.027, subdivision 4; 152.028, subdivision 1; 169.121, subdivisions 1 and 3; 169.123, subdivisions 2, 4, 5a, and 6; 245A.02, subdivision 10; 254B.02, subdivision 1; 254B.03, subdivision 1; 260.015, subdivision 2a; 260.185, subdivision 1; 260.195, subdivisions 3 and 3a; 299A.40, subdivisions 1 and 3; 340A.702; 609.21; 609.531, subdivision 6a; 609.5314, subdivision 1; and 609.5315, subdivision 5; Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; and Laws 1989, chapter 290, article 12, section 2; proposing coding for new law in Minnesota Statutes, chapters 152; 214; 244; 260; 297D; 299C; 340A; and 481; repealing Minnesota Statutes 1989 Supplement, section 171.171.

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

Tompkins, Battaglia, Milbert, Morrison and Seaberg introduced:

H. F. No. 1954, A bill for an act relating to the city of Apple Valley; permitting the establishment of special service districts.

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

Tompkins, Kelly, Milbert, Pugh and Vellenga introduced:

H. F. No. 1955, A bill for an act relating to Dakota county; authorizing the Dakota county board to establish a juvenile diversion program and a chemical abuse prevention program; proposing coding for new law in Minnesota Statutes, chapter 383D.

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

Anderson, G., and Brown introduced:

H. F. No. 1956, A bill for an act relating to education; providing for the notice of and place for meeting of certain joint powers organiza-

tions; 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.

Anderson, G., and Brown introduced:

H. F. No. 1957, A bill for an act relating to education; providing for certain notice and board membership requirements under certain joint powers arrangements; amending Minnesota Statutes 1988, section 124.494, by adding a subdivision.

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

Jefferson, Osthoff, Vellenga and Bishop introduced:

H. F. No. 1958, A bill for an act relating to the capitol area; providing for a Roy Wilkins memorial in the capitol area; appropriating money.

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

Johnson, A.; Pellow and McEachern introduced:

H. F. No. 1959, A bill for an act relating to motor vehicles; clarifying when inspection fee must be paid to receive certificate of inspection for salvage vehicle; amending Minnesota Statutes 1989 Supplement, section 168A.152, subdivision 2.

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

Battaglia and Olson, K., introduced:

H. F. No. 1960, A bill for an act relating to natural resources; amending certain provisions concerned with the management of wildlife; amending Minnesota Statutes 1988, sections 97A.135, by adding a subdivision; and 97A.445, by adding a subdivision; and Minnesota Statutes 1989 Supplement, section 97B.603.

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

Neuenschwander and Solberg introduced:

H. F. No. 1961, A bill for an act relating to taxation; providing that county levies to pay the cost of ambulance service within a subordinate service district are exempt from levy limits; amending Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5.

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

Runbeck, Pellow, McGuire and Bennett introduced:

H. F. No. 1962, A bill for an act relating to education; making area learning center programs available on Saturday; providing for payment of general education aid; amending Minnesota Statutes 1988, sections 124A.036, by adding a subdivision; 126.12, subdivision 2; and 129B.53, subdivision 3.

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

Johnson, R.; Simoneau; O'Connor and Rukavina introduced:

H. F. No. 1963, A bill for an act relating to retirement; reallocating powers and duties among actuaries retained by the legislative commission on pensions and retirement and various public pension plans; appropriating money; amending Minnesota Statutes 1988, sections 3.85, subdivisions 10 and 11; 3A.11, subdivision 1; 11A.18, subdivision 11; 352.01, subdivision 12; 352.03, subdivision 6; 352.119, subdivision 2; 352.85, subdivision 6; 352.86, subdivision 4; 352B.02, subdivision 1e; 352B.26, subdivision 3; 353.01, subdivision 14; 353.03, subdivision 3a; 353.271, subdivision 2; 353.29, subdivision 6; 354.05, subdivision 7; 354.06, subdivision 2a; 354.07, subdivision 1; 354.42, subdivision 5; 354A.011, subdivision 3a; 354A.021, subdivision 7; 354A.33; 354A.41, subdivision 2; 356.20, subdivisions 3 and 4; 356.215, subdivisions 2, 3, 5, 6, and 7; 422A.01, subdivision 6; 422A.04, subdivision 3; 422A.06, subdivisions 2, 5, and 8; 422A.101, as amended; 422A.15, subdivisions 2 and 3; 422A.16, subdivisions 2 and 3a; 422A.17; 422A.23, subdivisions 6 and 7; 490.121, subdivision 20; 490.124, subdivision 11; Minnesota Statutes 1989 Supplement, sections 11A.18, subdivision 9; 136.82, subdivision 2; 352B.08, subdivision 3; 353.30, subdivision 3; 354.35; 354A.32, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3A and 352C; repealing Minnesota Statutes 1989 Supplement, section 352.116, subdivision 4.

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

Begich and Rukavina introduced:

H. F. No. 1964, A bill for an act relating to mining; amending certain provisions relating to operators' bonds; amending Minnesota Statutes 1988, section 93.49.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Kelly introduced:

H. A. No. 35, A proposal to study a proposal for a playoff between state high school hockey champions.

The advisory was referred to the Committee on General Legislation, Veterans Affairs and Gaming.

MOTIONS AND RESOLUTIONS

Quinn moved that the name of Johnson, A., be added as an author on H. F. No. 45. The motion prevailed.

Johnson, R., moved that the name of Conway be stricken and the name of Bauerly be added as an author on H. F. No. 802. The motion prevailed.

Lieder moved that the names of Morrison and Johnson, R., be added as authors on H. F. No. 1802. The motion prevailed.

Lieder moved that the names of Sparby and Johnson, R., be added as authors on H. F. No. 1803. The motion prevailed.

Bauerly moved that the names of Rest, Gruenes and Bertram be added as authors on H. F. No. 1804. The motion prevailed.

Nelson, C., moved that the names of Sparby; Wenzel; Anderson, R., and Brown be added as authors on H. F. No. 1808. The motion prevailed.

Blatz moved that the names of Limmer and Tjornhom be added as authors on H. F. No. 1809. The motion prevailed.

Carlson, D., moved that the names of Neuenschwander and

Jennings be added as authors on H. F. No. 1811. The motion prevailed.

Sparby moved that the names of Kalis and Johnson, V., be added as authors on H. F. No. 1816. The motion prevailed.

Blatz moved that the name of Clark be added as an author on H. F. No. 1821. The motion prevailed.

Vellenga moved that the names of Rest and Limmer be added as authors on H. F. No. 1823. The motion prevailed.

Vellenga moved that the name of Rest be added as an author on H. F. No. 1824. The motion prevailed.

Milbert moved that the names of Pugh, Sparby, Bennett and Sarna be added as authors on H. F. No. 1826. The motion prevailed.

Morrison moved that the name of Blatz be added as an author on H. F. No. 1830. The motion prevailed.

Kelly moved that the names of Milbert and Limmer be added as authors on H. F. No. 1840. The motion prevailed.

Kelly moved that the name of Johnson, R., be added as an author on H. F. No. 1843. The motion prevailed.

Wagenius moved that the names of Marsh and Rest be added as authors on H. F. No. 1846. The motion prevailed.

Schreiber, Frerichs, Seaberg, Limmer and Stanius introduced:

House Resolution No. 13, A house resolution declaring a state of urgency on the state's budget; requesting that the Governor address the House on his budget proposal.

SUSPENSION OF RULES

Schreiber moved that the rules be so far suspended that House Resolution No. 13 be now considered and be placed upon its adoption.

A roll call was requested and properly seconded.

**NOTICE OF INTENTION TO DEBATE
A RESOLUTION**

Pursuant to House Rule 4.5, Long gave notice of her intention to debate House Resolution No. 13. The resolution was laid over one day.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 2:30 p.m., Monday, February 19, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Monday, February 19, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SIXTY-SECOND DAY

SAINT PAUL, MINNESOTA, MONDAY, FEBRUARY 19, 1990

The House of Representatives convened at 2:30 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Monsignor James D. Habiger, House Chaplain.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abrams	Ferichs	Lasley	Osthoff	Simoneau
Anderson, G.	Girard	Lieder	Ostrom	Skoglund
Anderson, R.	Greenfield	Limmer	Otis	Solberg
Battaglia	Gruenes	Long	Ozment	Sparby
Bauerly	Gutknecht	Lynch	Pappas	Stanius
Beard	Hartle	Macklin	Pauly	Steensma
Begich	Haskamp	Marsh	Pellow	Sviggum
Bennett	Haukoos	McDonald	Pelowski	Swenson
Bertram	Hausman	McEachern	Peterson	Tjornhom
Bishop	Heap	McGuire	Poppenhagen	Tompkins
Blatz	Henry	McLaughlin	Price	Trimble
Boo	Himle	McPherson	Pugh	Tunheim
Brown	Hugoson	Milbert	Quinn	Uphus
Burger	Jacobs	Miller	Redalen	Valento
Carlson, D.	Janezich	Morrison	Reding	Vellenga
Carlson, L.	Jaros	Munger	Rest	Wagenius
Carruthers	Jefferson	Murphy	Rice	Waltman
Clark	Johnson, A.	Nelson, C.	Richter	Weaver
Conway	Johnson, R.	Nelson, K.	Rodosovich	Welle
Cooper	Johnson, V.	Neuenschwander	Rukavina	Wenzel
Dauner	Kalis	O'Connor	Runbeck	Williams
Dawkins	Kelly	Ogren	Sarna	Winter
Dempsey	Kelso	Olsen, S.	Schafer	Spk. Vanasek
Dille	Kinkel	Olson, K.	Scheid	
Dorn	Knickerbocker	Omann	Schreiber	
Forsythe	Kostohryz	Onnen	Seaberg	
Frederick	Krueger	Orenstein	Segal	

A quorum was present.

Jennings, Kahn and Olson, E., were excused.

The Chief Clerk proceeded to read the Journal of the preceding

day. Bennett 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. 1848 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1569, A bill for an act relating to highways; abolishing authority of a city to disapprove the abandonment, change, or revocation of a county state-aid highway; providing that 30 percent of the county state-aid highway fund be apportioned on the basis of lane-miles; changing the composition of the county state-aid screening board; amending Minnesota Statutes 1988, sections 162.02, subdivision 10; and 162.07, subdivisions 1 and 5.

Reported the same back with the following amendments:

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1988, section 162.02, subdivision 8, is amended to read:

Subd. 8. [APPROVAL BY CITY.] No portion of the county state-aid highway system lying within the corporate limits of any city shall be constructed, reconstructed, or improved nor the grade thereof changed without the prior approval of the plans by the governing body of such city and the approval shall be in the manner and form required by the commissioner. unless (1) the action has been approved by the city council of the city in which the portion lies, in the manner and form prescribed by the commissioner, or (2) the action has been authorized by the commissioner as provided in subdivision 8a.

Sec. 2. Minnesota Statutes 1988, section 162.02, is amended by adding a subdivision to read:

Subd. 8a. [REVIEW COMMITTEE.] If a county proposes to abandon, change, revoke, construct, reconstruct, improve, or change the grade of a portion of a county state-aid highway lying within a city, and the city has refused to approve the action as provided in

subdivision 8 or 10, the county may refer the dispute to the commissioner for resolution. On receiving such a request, the commissioner shall establish a review committee consisting of the following five members:

(1) one county commissioner and one county engineer, both appointed by the commissioner from the membership of the county state-aid advisory committee established in subdivision 2;

(2) one city council member and one city engineer, both appointed by the commissioner from the membership of the municipal state-aid rules advisory committee established in section 162.09, subdivision 2; and

(3) the department of transportation state-aid engineer or the state-aid engineer's designate.

The review committee must within 30 days of its establishment, after notice to the affected city and county and to the commissioner, hold at least one public hearing on the disputed action. At the completion of its hearings, the review committee shall make a recommendation to the commissioner. Within ten days of receiving the review committee's recommendation, the commissioner shall issue an order (1) authorizing the action, (2) authorizing the action as modified by the commissioner, or (3) refusing to authorize the action. A county may not proceed with an action referred to the commissioner under this subdivision except in accordance with the commissioner's order."

Page 1, line 11, delete "1" and insert "3"

Page 1, lines 15 to 18, restore the stricken language

Page 1, line 24, after the period insert "a county may refer a city's disapproval of an abandonment, change, or revocation to the commissioner as provided in subdivision 8a."

Page 1, line 25, delete "2" and insert "4"

Pages 2 and 3, delete section 3 and insert:

"Sec. 5. Minnesota Statutes 1988, section 162.07, subdivision 5, is amended to read:

Subd. 5. [SCREENING BOARD.] On or before September 1 of each year the county engineer of each county shall forward to the commissioner, on forms prepared by the commissioner, all information relating to the mileage of the county state-aid highway system in the county, and the money needs of the county that the commissioner deems necessary in order to apportion the county state-aid

highway fund in accordance with the formula heretofore set forth. Upon receipt of the information the commissioner shall appoint a board consisting of nine county engineers. The board shall be so selected that each one county engineer appointed shall be from a different from each state highway construction district, plus three additional engineers from the highway construction district which includes Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, and Washington counties. Of the four county engineers appointed from this district, two shall be appointed from Anoka, Hennepin, Carver, and Scott counties, and two shall be appointed from Chisago, Dakota, Ramsey, and Washington counties. No county engineer shall be appointed so as to serve consecutively for more than two years. The board shall investigate and review the information submitted by each county and shall on or before the first day of November of each year submit its findings and recommendations in writing as to each county's mileage and money needs to the commissioner on a form prepared by the commissioner. Final determination of the mileage of each system and the money needs of each county shall be made by the commissioner.

Sec. 6. Minnesota Statutes 1988, section 162.13, subdivision 3, is amended to read:

Subd. 3. [SCREENING COMMITTEE.] On or before September 1 of each year, the engineer of each city having a population of 5,000 or more shall forward to the commissioner on forms prepared by the commissioner, all information relating to the money needs of the city that the commissioner deems necessary in order to apportion the municipal state-aid street fund in accordance with the apportionment formula heretofore set forth. Upon receipt of the information the commissioner shall appoint a board of city engineers. The board shall be composed consists of (1) one engineer from each state highway construction district, (2) one additional engineer from the district which includes Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, and Washington counties, and in addition thereto, (3) one additional engineer from each city of the first class. Of the two engineers appointed from the district which includes Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, and Washington counties, one must be appointed from Anoka, Hennepin, Carver, or Scott county and one must be appointed from Chisago, Dakota, Ramsey, or Washington county. The board shall investigate and review the information submitted by each city. On or before November 1 of each year, the board shall submit its findings and recommendations in writing as to each city's money needs to the commissioner on a form prepared by the commissioner. Final determination of the money needs of each city shall be made by the commissioner. In the event that any city shall fail to submit the information provided for herein, the commissioner shall estimate the money needs of the city. The estimate shall be used in solving the apportionment formula. The commissioner may withhold pay-

ment of the amount apportioned to the city until the information is submitted.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to highways; providing for resolution of local disapproval of certain county state-aid highway actions; providing that 30 percent of the county state-aid highway fund be apportioned on the basis of lane-miles; changing the composition of the county and municipal state-aid screening boards; amending Minnesota Statutes 1988, section 162.02, subdivisions 8 and 10, and by adding a subdivision; 162.07, subdivisions 1 and 5; and 162.13, subdivision 3."

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:

S. F. No. 60, A bill for an act relating to water; recodifying, clarifying, and relocating provisions relating to water law; amending Minnesota Statutes 1988, sections 9.071; 16B.62, subdivision 1; 18.191; 18B.07, subdivision 6; 40A.13, subdivision 1; 41B.039, subdivision 3; 84.083, by adding subdivisions; 84.91, subdivision 4; 84.911, subdivisions 5 and 6; 84.95, subdivision 2; 85.33, subdivision 3; 86A.05, subdivision 10; 88.43, subdivision 2; 93.335, subdivision 1; 94.343, subdivision 4; 97A.015, subdivision 41; 97A.071, subdivision 4; 97A.101, subdivision 2; 115.097, subdivision 2; 144.95, subdivision 4; 156A.10, subdivision 2; 161.28, subdivision 1; 163.17; 272.02, subdivisions 1 and 6; 273.19, subdivision 5; 295.44, subdivision 1; 357.021, subdivision 2; 375.471; 383A.602, subdivision 5; 383A.604, subdivision 1; 394.25, subdivision 2; 459.20; 462.357, subdivision 1; 465.20; 469.141, subdivision 4; 469.174, subdivision 19; 471.345, subdivision 3; 471.591, subdivision 1; 471.98, subdivision 2; 473.191, subdivision 2; 609.68; and 645.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 83A; 97C; 156A; and 383B; proposing coding for new law as Minnesota Statutes, chapters 86B; 103A; 103B; 103C; 103D; 103E; 103F; and 103G; repealing Minnesota Statutes 1988, sections 40.01 to 40.45; 84.031; 84.032; and 84.158; 104.01 to 104.50; 105.37 to 105.81; 106A.005 to 106A.811; 110.13 to 110.72; 110B.01 to 110B.35; 112.34 to 112.89; 114.12 and 114.13; 114B.01 to 114B.07;

116C.41; 361.01 to 361.29; 378.01 to 378.57; 465.18; and 473.875 to 473.883.

Reported the same back with the following amendments:

Page 2, line 30, delete "is" and insert "are"

Page 3, line 11, delete "111.72" and insert "110.72"

Page 4, line 2, after "enforce" insert a comma

Page 4, after line 34, insert:

"Subd. 2. [AGENCY.] "Agency" means a state officer, board, commission, bureau, division, or agency, other than a court, exercising duty or authority under laws listed in section 12. [105.73 s. 4]"

Page 4, line 35, delete "2" and insert "3"

Page 5, delete lines 1 to 7

Page 5, line 8, delete "5" and insert "4"

Page 5, after line 10, insert:

"Subd. 5. [PROCEEDING.] "Proceeding" means a procedure under any of the laws listed in section 12 that involves administrative discretion or duty. [105.73 s. 3]"

Page 5, line 26, after "under" insert "section 22,"

Page 5, line 27, delete "26," and insert "22; 25; 27; 28; 29; 32, subdivisions 1 and 2; 33 to 36; 37, subdivisions 1, 10, 11, and 12; 38; 39,"

Page 5, delete line 28

Page 5, line 29, delete everything before "sections"

Page 6, line 30, delete "will" and insert "shall"

Page 11, line 3, delete "agencies"

Page 11, line 6, delete "and"

Page 11, line 7, after "agency" insert "; and

(5) University of Minnesota"

Page 12, line 28, delete "section 26" and insert "sections 11" and after "9" insert ", and 26"

Page 13, line 16, before the semicolon insert "including a new plan and strategy by November 15, 1990, and each five-year interval afterwards"

Page 13, line 19, delete "and"

Page 13, line 20, after "(4)" insert "coordinate development of state water policy recommendations and priorities, and a recommended program for funding identified needs, including priorities for implementing the state water resources monitoring plan;

(5) in cooperation with state agencies participating in the monitoring of water resources, develop a plan for monitoring the state's water resources;

(6)"

Page 13, line 21, after "interests" insert ";

(7) ensure that groundwater quality monitoring and related data is provided and integrated into the Minnesota land management information system according to published data compatibility guidelines. Costs of integrating the data in accordance with data compatibility standards must be borne by the agency generating the data;

(8) identify water resources information and education needs, priorities, and goals and prepare an implementation plan to guide state activities relating to water resources information and education;

(9) coordinate the development and evaluation of water information and education materials and resources; and

(10) coordinate the dissemination of water information and education through existing delivery systems"

Page 13, after line 24, insert:

"Subd. 3. [CONSISTENCY OF STATE INFORMATION ACTIVITIES.] State agency information and education activities must be consistent with the implementation plan required under subdivision 1, clause (8)."

Page 17, line 23, delete "45" and insert "49"

Page 18, after line 30, insert:

“Subd. 4. [APPROPRIATIONS FROM SMALL WATER-COURSES.] (a) This subdivision applies in Hennepin and Ramsey counties to the following public waters:

(1) a public water basin or wetland wholly within the county that is less than 500 acres; or

(2) a protected watercourse that has a drainage area of less than 50 square miles.

(b) An appropriation of water that is below the minimum established in article 7, section 27, subdivision 4, for a nonessential use, as defined under article 7, section 31, is prohibited unless a permit is obtained from the watershed district or watershed management organization having jurisdiction over the public water basin, wetland, or watercourse. The watershed district or watershed management organization may impose a fee to cover the cost of issuing the permit. This subdivision must be enforced by the home rule charter or statutory city where the appropriation occurs. Violation of this subdivision is a petty misdemeanor, except that a second violation within a year is a misdemeanor. Affected cities shall mail notice of this law to affected riparian landowners.

Subd. 5. [APPROPRIATIONS FROM SMALL WATER-COURSES.] This subdivision applies in Hennepin and Ramsey counties to the following public waters:

(1) a public water basin or wetland wholly within the county that is less than 500 acres; or

(2) a protected watercourse that has a drainage area of less than 50 square miles.

An appropriation of water that is below the minimum established in article 7, section 27, subdivision 4, for a nonessential use, as defined in article 7, section 31, is prohibited unless a permit is obtained from the watershed district or watershed management organization having jurisdiction over the public water basin, wetland, or watercourse. The watershed district or watershed management organization may impose a fee to cover the cost of issuing the permit. This subdivision must be enforced by the home rule charter or statutory city where the appropriation occurs. Violation of this subdivision is a petty misdemeanor, except that a second violation within a year is a misdemeanor. Affected cities shall mail notice of this law to adjoining landowners.”

Page 18, line 35, delete “subdivision” and insert “section”

Page 20, line 27, delete “subdivision” and insert “section”

Page 21, line 35, delete "subdivision" and insert "section"

Page 30, line 31, delete "levied"

Page 30, line 32, delete everything after "exceed"

Page 30, delete line 33

Page 30, line 34, delete everything before "on" and insert "0.02418 percent of market value" and after "on" insert "taxable"

Page 31, line 6, delete everything after the period

Page 31, delete lines 7 and 8

Page 31, line 9, delete the new language

Page 32, line 27, delete "Within" and insert "At least"

Page 34, line 2, delete "an ad valorem" and insert "a"

Page 34, line 14, delete everything after "exceed"

Page 34, delete line 15

Page 34, line 16, delete everything before the comma and insert "0.02418 percent of taxable market value"

Page 38, lines 13 and 35, delete "section 30" and insert "sections 30 and 31"

Page 39, line 10, delete "soil and" and after "water" insert "and soil"

Page 40, line 20, delete "12" and insert "13"

Page 42, line 35, after "quantity" insert ", and sensitive areas, wellhead protection areas,"

Page 46, line 4, delete "the comprehensive" and insert "sections 17 to 28"

Page 46, line 5, delete "local water management act"

Page 46, line 10, delete "Minnesota future resources" and insert "legislative" and after "commission" insert "on Minnesota resources"

Page 46, line 13, delete "the comprehensive local water management act" and insert "sections 17 to 28"

Page 48, line 15, delete "the comprehensive" and insert "sections 17 to 28"

Page 48, line 16, delete "local water management act"

Page 48, line 23, delete "the comprehensive local water management act" and insert "sections 17 to 28"

Page 49, line 9, delete everything after the period

Page 49, delete lines 10 to 12

Page 50, lines 3 and 4, delete "the comprehensive local water management act" and insert "sections 17 to 28" and delete everything after the period

Page 50, delete lines 5 to 7

Page 50, line 8, delete everything before "The" and delete everything after "of" and insert "the levy up to 0.01813 percent of taxable market value"

Page 50, delete lines 9 and 10

Page 50, line 11, delete everything before "is"

Page 50, line 17, delete "the comprehensive local water management act" and insert "sections 17 to 28"

Page 51, line 29, delete "Minnesota future resources" and insert "legislative" and after "commission" insert "on Minnesota resources"

Page 51, lines 30 and 31, delete "the comprehensive local water management act" and insert "sections 17 to 28"

Page 51, line 34, delete "the comprehensive local water management act" and insert "sections 17 to 28"

Page 52, line 5, delete "The comprehensive local water management act does" and insert "Sections 17 to 28 do"

Page 58, line 17, delete "boards" and insert "board"

Page 58, line 24, after "held" insert a comma

Page 61, lines 21 and 24, delete "21" and insert "22"

Page 62, line 19, delete "59 and 62" and insert "60 and 63"

Page 65, line 13, after "terminated" insert "under subdivision 2"

Page 65, line 30, delete "The term"

Page 65, line 31, delete "and" and insert "or" and delete "cities" and insert "city"

Page 65, line 34, delete "and" and insert "or" and after the period insert "[MN L 1967, c 907, sec 1, 12]"

Page 66, line 29, delete everything after "115,"

Page 66, line 30, delete everything before the second "and"

Page 67, line 5, delete "initiation of"

Page 68, line 3, delete "for which" and insert ", section 54,"

Page 71, line 4, delete everything after "exceed" and insert ".00242 percent of taxable market value"

Page 71, delete line 5

Page 71, line 6, delete everything before "on"

Page 71, line 15, delete "lake"

Page 71, line 16, delete "conservation"

Page 71, line 24, after the period insert "[MN L 1969, c 272, sec 6]"

Page 72, line 4, after the period insert "[MN L 1969, c 272, sec 6]"

Page 72, lines 8 and 15, delete "lake conservation"

Page 73, line 5, after the second comma insert "as amended by Laws 1974, chapter 111, and Laws 1977, chapter 322,"

Page 73, line 27, delete "one member" and insert "two members"

Page 73, line 29, after the second "2" insert "; MN L 1977, c 322, sec 2"

Page 73, line 36, after "(2)" insert "limit the use of motors, including their types and horsepower, on the lake;

(3)”

Renumber the clauses in article 2, section 59, subdivision 2, accordingly

Page 74, line 33, delete “and”

Page 75, line 1, delete “lake conservation” and before the period insert “; and

(14) to require the submission of all plans pertaining to or affecting construction or other lakeshore use on any lot or parcel of land abutting the shoreline including: length of setback from the shoreline, adjoining property, or any street or highway; problems of population density; possible water, air or visual pollution; or height of construction. The board shall have 60 days after submission of plans or any part thereof for review. If, within 60 days of submission the board finds the plan or any part is inconsistent with its plans or ordinances, it may recommend that the plan or any part be revised and resubmitted”

Page 75, line 2, after “3” insert “; MN L 1974, c 111, sec 1”

Page 75, line 9, delete everything after “membership” and insert “the following officers to serve for a period of one year: chair, vice-chair, secretary, and treasurer. The offices of secretary and treasurer shall be combined unless a resolution is adopted to the contrary by the board prior to the election.”

Page 75, delete line 10

Page 75, line 12, after “1” insert “; MN L 1977, c 322, sec 3”

Page 76, line 31, delete “governing” and delete “of the district”

Page 78, lines 1 and 8, delete “lake conservation”

Page 78, line 27, delete everything after “except”

Page 78, line 28, delete everything before “a”

Page 78, line 29, after “4” insert “; MN L 1974, c 111, sec 2”

Page 79, line 12, delete everything after “exceed” and insert “.02418 percent of taxable market value”

Page 79, delete line 13

Page 79, line 14, delete everything before “on”

Page 80, line 15, delete "each" and delete "agency" and insert "agencies" and delete "possesses" and insert "possess"

Page 80, line 17, delete "a"

Page 80, line 18, delete "district" and insert "districts"

Page 81, line 2, after "state" insert "or the United States" and after the comma insert "or"

Page 81, line 3, after "agency" insert "or instrumentality" and delete ", and" and insert "or"

Page 88, line 14, delete "has" and insert "is considered to have"

Page 90, line 34, delete "The" and insert "Only"

Page 92, line 26, after the period insert "[40.14]"

Page 93, line 14, delete "will" and insert "shall"

Page 93, line 17, delete "will" in both places and insert "shall"

Page 94, line 36, delete "the successors of the"

Page 95, line 8, delete everything after "(a)"

Page 95, line 9, delete "before the general election," and after "shall" insert "immediately"

Page 100, line 31, after "land" insert "specified in section 2"

Page 102, line 21, after "succession" insert "unless terminated as provided in section 10"

Page 104, line 15, delete everything after "offices"

Page 104, line 16, delete everything before the first comma

Page 112, line 2, delete "and 2" and insert "to 3"

Page 114, line 36, delete "subdivision" and insert "section"

Page 118, line 16, delete "sections 24 to 30" and insert "section 26 or 27"

Page 119, line 24, delete the first comma and insert "or" and delete everything after "subdivision"

Page 119, line 25, delete “state” and after the first period insert “Interested party includes the director or any agency of government.”

Page 119, line 30, delete “determined by inquiry” and insert “obtained”

Page 120, line 20, delete “includes” and insert “means”

Page 120, line 25, delete “includes” and insert “mean”

Page 120, line 35, after “authority” insert “after the filing of an establishment petition”

Page 123, line 5, delete “or all”

Page 123, line 31, delete “groundwater” and insert “it”

Page 124, line 20, delete “may” and insert “must”

Page 129, line 12, delete “and a”

Page 129, line 13, delete “public corporation”

Page 129, line 27, after “mailed” insert “immediately”

Page 129, line 33, delete “a”

Page 129, line 34, delete “area” and insert “areas”

Page 136, line 18, after “not” insert “make determinations or”

Page 136, line 19, delete everything before “more” and insert “accept termination petitions for watershed districts”

Page 136, line 34, delete “112.41” and insert “112.411”

Page 136, line 36, delete “that” and insert “who”

Page 137, line 9, delete “be conditioned” and insert “state”

Page 137, line 11, delete everything after “dismissed” and insert “or denied.”

Page 137, line 12, delete “not terminated.”

Page 137, line 28, delete the second “statement” and insert “petition”

Page 138, line 20, delete "of the state"

Page 143, line 31, delete "; 112.43 s. 1c"

Page 145, line 24, delete "122.44" and insert "112.44"

Page 146, line 25, after "agency" insert a comma and delete the second "or" and delete "or public" and after "corporation" insert "political subdivision,"

Page 148, line 34, delete "public corporations" and insert "political subdivisions"

Page 151, line 19, delete "revolving" and insert "general" and delete everything after "fund" and insert "must"

Page 160, line 6, delete "public corporation" and insert "political subdivision"

Page 160, line 9, delete "public corporation's" and insert "political subdivision's"

Page 164, line 36, delete "59" and insert "68"

Page 167, line 19, delete "freeholders" and insert "resident owners"

Page 168, line 23, delete "public corporations" and insert "political subdivisions"

Page 169, line 20, delete "1" and insert "4"

Page 169, line 26, delete "2" and insert "5"

Page 171, line 6, delete "11" and insert "12"

Page 173, line 12, delete "shall" and insert "must"

Page 175, line 33, after "a" insert "new"

Page 175, line 34, delete "11" and insert "12"

Page 176, line 1, before "drainage" insert "new"

Page 176, line 2, delete "11" and insert "12" and delete "resident"

Page 176, line 8, delete "resident"

Page 176, line 22, delete "resident" and delete "or owners"

Page 180, line 12, delete "freeholders" and insert "owners"

Page 184, line 34, delete "shall" and insert "must"

Page 185, line 1, delete "in lieu" and insert "instead"

Page 185, line 10, delete "relative to" and insert "about"

Page 185, line 36, delete everything after "with"

Page 186, line 15, delete the second "section 63" and insert "it"

Page 186, line 27, delete "shall" and insert "must immediately"

Page 186, line 28, delete "shall" and insert "must"

Page 187, line 14, delete everything after "(b)" and insert "Bids must not be considered which in the aggregate exceed by more than 30 percent the total estimated cost of construction."

Page 187, delete lines 15 and 16

Page 191, line 32, delete everything after "exceed"

Page 191, delete lines 33 and 34

Page 191, line 35, delete everything before "or" and insert "0.01596 percent of taxable market value."

Page 192, line 19, delete "a gross tax"

Page 192, delete lines 20 to 22

Page 192, line 23, delete "district" and insert "0.02418 percent of taxable market value"

Page 192, line 29, delete everything after "exceed"

Page 192, delete line 30

Page 192, line 31, delete everything before the second "for" and insert "0.00798 percent of taxable market value"

Page 193, line 33, delete "an ad"

Page 193, line 34, delete "valorem levy" and insert "the proceeds of a property tax"

Page 193, line 35, delete everything after "exceed" and insert "0.02418 percent of taxable market value."

Page 193, delete line 36

Page 194, delete lines 1 and 2

Page 194, line 9, delete "7" and insert "8"

Page 199, line 27, delete "21" and insert "22"

Page 239, line 16, delete "16" and insert "22"

Page 240, line 32, delete "16" and insert "22"

Page 268, lines 23 and 24, delete "wildlife acquisition" and insert "game and fish"

Page 271, line 34, delete "name and address" and insert "names and addresses"

Page 277, line 22, delete "revolving" and insert "general" and delete "of the state"

Page 277, line 23, delete "auditor"

Page 298, lines 17 and 18, delete "the floodplain management law" and insert "sections 2 to 13"

Page 299, lines 2 and 25, delete "the floodplain management law" and insert "sections 2 to 13"

Page 300, lines 29 and 30, delete "the floodplain management law" and insert "sections 2 to 13"

Page 301, line 22, delete "the floodplain management law" and insert "sections 2 to 13"

Page 302, line 14, after "conduct" insert ", whenever possible,"

Page 302, line 21, delete "the floodplain management law" and insert "sections 2 to 13"

Page 303, lines 6 and 7, delete "or not in compliance with"

Page 303, line 10, delete "subdivision" and insert "section"

Page 303, line 11, delete "subdivision" and insert "section"

Page 310, after line 16, insert:

“Subd. 2. [COMMISSIONER.] “Commissioner” means the commissioner of natural resources.”

Page 310, line 17, delete “2” and insert “3”

Page 310, line 19, delete “3” and insert “4”

Page 311, line 14, delete “105.482” and insert “105.485”

Page 311, line 27, delete “this” and after “section” insert “27”

Page 315, lines 4 and 5, delete “the Minnesota wild and scenic rivers act” and insert “sections 30 to 39”

Page 319, line 35, delete “the Minnesota wild and scenic rivers act” and insert “sections 30 to 39”

Page 322, line 11, delete “are”

Page 329, lines 13 and 20, delete “project riverbend” and insert “Project Riverbend”

Page 333, line 6, delete “to which” and insert “that”

Page 335, line 14, before the period insert “as provided by sections 57 to 68”

Page 340, line 24, delete “5” and insert “4”

Page 341, line 20, delete “57” and insert “60”

Page 341, after line 25, insert:

“Sec. 69. [103F.460] [ENVIRONMENTAL AGRICULTURAL EDUCATION PROGRAM.]

Subdivision 1. [PROGRAM.] An environmental agricultural program is established:

(1) to work with agricultural producers;

(2) to advise and inform agricultural producers on the impact of certain farming practices on water quality;

(3) to promote sustainable agriculture through use of best management practices and integrated pest management;

(4) to demonstrate and evaluate alternative pesticide practices; and

(5) to develop and promote farm profitability through a reduction in farm inputs.

Subd. 2. [CONTRACTS.] Contracts to carry out the program must be awarded by the board of water and soil resources following review by the legislative water commission. [40.31]

Page 342, line 4, delete "75" and insert "78"

Page 342, line 5, delete "COMMISSIONER" and insert "BOARD" and delete "Commissioner" and insert "Board"

Page 342, line 6, delete "commissioner of agriculture" and insert "board of water and soil resources"

Page 342, line 13, after "Subd. 5." insert "[DRAINED WETLAND.] 'Drained wetland' means a former natural wetland that has been altered by draining, dredging, filling, leveling, or other manipulation sufficient to render the land suitable for agricultural crop production. The alteration must have occurred before December 23, 1985, and must be a legal alteration as determined by the commissioner of natural resources.

Subd. 6."

Page 342, line 14, after the comma insert "family farm partnerships, authorized farm partnerships," and delete "as defined under section"

Page 342, line 15, delete everything before "and"

Page 342, line 17, delete "paragraph (d)," and insert "and estates and testamentary trusts,"

Page 342, line 19, delete "6" and insert "7"

Page 342, line 26, delete "commissioner" and insert "board"

Page 342, after line 26, insert:

"Subd. 8. [PUBLIC WATERS.] 'Public waters' means waters and wetlands as defined in article 7, section 2, and inventoried under article 7, section 13.

Subd. 9. [SENSITIVE GROUNDWATER AREA.] 'Sensitive groundwater area' means a geographic area defined by natural

features where there is a significant risk of groundwater degradation from activities conducted at or near the land surface. These areas may be identified by mapping or other appropriate methods determined by the commissioner of natural resources and the board of water and soil resources. Wellhead protection areas may be designated as a sensitive groundwater area.

Page 342, line 27, delete "7" and insert "10"

Page 342, line 33, delete "8" and insert "11"

Page 343, line 1, after "The" insert "board, in consultation with the"

Page 343, line 2, delete ", in consultation with" and insert "and"

Page 343, line 4, delete "commissioner of"

Page 343, line 5, delete "agriculture shall contract with the" and delete "of water and soil"

Page 343, line 6, delete "resources to" and insert "shall" and delete "75" and insert "77"

Page 343, line 11, delete the colon and insert "meets the requirements of paragraphs (b) and (c)."

Page 343, after line 11, insert:

"(b) Land is eligible if the land:"

Page 343, line 12, delete ", or" and insert ";

(2)"

Page 343, line 15, delete everything after "description" and insert ";

(3) consists of a drained wetland;

(4) is land that"

Page 343, line 16, delete the period and insert ";

(5) is land in a sensitive groundwater area;

(6) is cropland adjacent to public waters;

(7) is"

Page 343, line 17, delete "the" and delete "wetland may also be enrolled" and insert "wetlands"

Page 343, after line 19, insert:

"(8) is a woodlot on agricultural land;

(9) is abandoned building site on agricultural land, provided that funds are not used for compensation of the value of the buildings; or

(10) is land on a hillside used for pasture.

(c) Eligible land under paragraph (a) must:"

Page 343, line 20, delete "(2) was" and insert "(1) have been" and after "or" delete "was" and insert "be"

Page 343, line 22, delete "three years" and insert "one year"

Page 343, line 24, delete "(3) is" and insert "(2) be" and after the second comma insert "woodlot, or abandoned building site,"

Page 343, line 25, delete "is" and insert "be"

Page 343, line 27, delete "(4) is" and insert "(3)" and after "not" insert "be"

Page 343, line 29, delete "(5) was" and insert "(4) have been"

Page 343, line 30, before the period insert "except drained wetlands, woodlots, abandoned building sites, or land on a hillside used for pasture"

Page 343, delete lines 31 to 36

Page 344, delete lines 1 to 5 and insert:

"(d) The enrolled land of a landowner may not exceed 20 percent of the average farm size in the county where the land is being enrolled according to the average farm size determined by the United States Department of Agriculture, Census of Agriculture.

(e) In selecting drained wetlands for enrollment in the program, the highest priority must be given to wetlands with a cropping history during the period 1976 to 1985."

Page 344, line 6, delete "(d)" and insert "(f)"

Page 344, line 9, delete "commissioner" and insert "board"

Page 344, line 11, after the period insert "An easement acquired on land for windbreak purposes, under subdivision 2, may be only of permanent duration."

Page 344, lines 19 and 21, delete "commissioner" and insert "board"

Page 344, line 22, delete "unless" and insert "except, for agreements entered before the effective date of this act, grazing of livestock may be allowed only if"

Page 344, line 23, delete the first "commissioner" and insert "board"

Page 344, line 36, delete "commissioner" and insert "board"

Page 345, lines 10 and 12, delete "commissioner" and insert "board"

Page 345, line 14, delete "to restore any drained wetland and"

Page 345, line 15, after "wetland" insert "restoration"

Page 345, line 20, after the semicolon insert "and"

Page 345, line 21, delete everything after "(5)"

Page 345, delete lines 22 to 26

Page 345, line 27, delete "(6)"

Page 345, line 28, after "the" insert "board in consultation with the"

Page 345, line 30, delete "to facilitate" and insert "facilitate"

Page 345, line 33, delete "commissioner" and insert "board"

Page 346, line 3, delete "and"

Page 346, line 4, before the semicolon insert ", and 100 percent of the total eligible cost of wetland restoration not to exceed \$300 per acre"

Page 346, line 21, delete "commissioner" and insert "board"

Page 346, line 22, delete everything after "(b)"

Page 346, delete line 23

Page 346, line 24, delete everything before "[40.43 s. 6]" and insert "For hillside pasture conservation easements, the payments to the landowner in paragraph (a) for the conservation easement and agreement must be reduced to reflect the value of similar property."

Page 346, line 28, delete "commissioner" and insert "board"

Page 346, line 29, delete "commissioner" and insert "board"

Page 347, line 1, delete "commissioner" and insert "board"

Page 347, after line 6, insert:

"Subd. 9. [ENFORCEMENT AND DAMAGES.] (a) A landowner who violates the term of a conservation easement or agreement under this section, or induces, assists, or allows another to do so, is liable to the state for treble damages if the trespass is willful, but liable for double damages only if the trespass is not willful. The amount of damages is the amount needed to make the state whole or the amount the landowner has gained due to the violation, whichever is greater.

(b) Upon the request of the board, the attorney general may commence an action for specific performances, injunctive relief, damages, including attorney's fees, and any other appropriate relief to enforce sections 71 to 77 in district court in the county where all or part of the violation is alleged to been committed, or where the landowner resides or has a principal place of business. [40.43 s. 9]"

Page 347, line 10, delete "75" and insert "77" and delete "commissioner" and insert "board"

Page 347, line 11, after the first "the" insert "department of agriculture, the"

Page 347, line 18, after "The" insert "board and the"

Page 347, lines 22 and 23, delete "commissioner of agriculture" and insert "board"

Page 347, line 31, delete "commissioners" and insert "board and the commissioner"

Page 347, line 32, delete "agriculture and"

Page 347, line 34, after "The" insert "board and the"

Page 348, line 6, delete "commissioner" and insert "board"

Page 348, line 11, delete "commissioner" and insert "board"

Page 348, after line 13, insert:

"Sec. 76. [103F.526] [FOOD PLOTS IN WINDBREAKS.]

The board, in cooperation with the commissioner of natural resources, may authorize wildlife food plots on land with windbreaks. [40.44 s. 4]"

Page 348, line 15, delete "commissioner" and insert "board" and delete "emergency"

Page 348, delete lines 16 and 17

Page 348, line 18, delete everything before the period and insert "sections 71 to 77"

Page 348, after line 21, insert:

"Sec. 78. [103F.535] [RESERVATION OF MARGINAL LAND AND WETLANDS.]

Subdivision 1. [RESERVATION OF MARGINAL LAND AND WETLANDS.] Notwithstanding any other law, marginal land and wetlands are withdrawn from sale by the state unless use of the marginal land or wetland is restricted by a conservation easement as provided in this section. This section does not apply to transfers of land by the board of water and soil resources to correct errors in legal descriptions under section 73, subdivision 8, or to transfers by the commissioner of natural resources for:

(1) land that is currently in nonagricultural commercial use if a conservation easement would interfere with the commercial use;

(2) land in platted subdivisions;

(3) conveyances of land to correct errors in legal descriptions under section 84.0273;

(4) exchanges of nonagricultural land with the federal government, or exchanges of Class A, Class B, and Class C nonagricultural land with local units of government under sections 94.342, 94.343, 94.344, and 94.349;

(5) land transferred to political subdivisions for public purposes under sections 84.027, subdivision 10, and 94.10; and

(6) land not needed for trail purposes that is sold to adjacent property owners and lease holders under section 85.015, subdivision 1, paragraph (b).

Subd. 2. [DELINEATION OF WETLAND OR MARGINAL LAND.] (a) Before state land is sold, the land must be submitted to the board of water and soil resources to determine and delineate the marginal land and wetlands to be reserved or restricted by a conservation easement. The delineation of the reservation or conservation easement need not be by legal description and may be a description, in general terms that identifies the marginal land or wetlands.

(b) Marginal land and wetlands may not be sold unless restricted by a conservation easement with the restrictions provided in section 73, subdivision 4, paragraphs (a) and (c), and other restrictions determined necessary by the board of water and soil resources.

Subd. 3. [SCHOOL TRUST LAND.] If the sale of school trust land as defined in section 92.025 is restricted by a conservation easement and the restriction results in a reduction of the amount received from the sale, the commissioner of natural resources must determine the amount of the reduction. The amount of the reduction in sale price must be paid from appropriations to acquire conservation easements and shall be credited to the account to which the proceeds from the sale are credited.

Subd. 4. [RELEASE AND ALTERATION OF CONSERVATION EASEMENT.] The board may alter, release, or terminate a conservation easement created under this section after consultation with the commissioners of agriculture and natural resources. The board may alter, release, or terminate a conservation easement only if the board determines the public interests and general welfare are better served by the alteration, release, or termination. [40.46]

Page 348, line 24, after "commissioner" insert "of natural resources"

Page 351, line 15, delete "115A.091" and insert "115.091"

Page 351, lines 17 and 18, delete "the clean water partnership law" and insert "sections 82 to 94"

Page 354, lines 27 and 28, delete "the comprehensive local water management act" and insert "article 2, sections 17 to 28"

Page 354, line 30, delete "12" and insert "11"

Page 355, line 17, delete "s. 1"

Page 355, line 33, delete "s. 2"

Page 359, line 24, delete "21 and 38" and insert "22 and 39"

Page 360, line 21, delete "21 and 38" and insert "22 and 39"

Page 362, line 6, delete "and" and insert "or"

Page 364, line 4, after "commissioner" insert "as trout streams"

Page 365, line 8, delete "the water law" and insert "this chapter"

Page 366, lines 14 and 22, delete "the water law" and insert "this chapter"

Page 367, line 7, delete "the water law" and insert "this chapter"

Page 367, line 18, delete "for an" and insert ". This section applies"

Page 367, line 19, delete "action" and insert "to actions"

Page 367, line 36, delete "those sections" and insert "this chapter"

Page 368, after line 21, insert:

"Sec. 12. [103G.145] [APPLICATION.]

Nothing in this chapter supersedes or amends section 92.45."

Page 372, line 14, delete the first "subdivision" and insert "subdivisions" and after the first comma insert "11, and 12,"

Page 374, line 28, delete "conservation" and insert "zoning"

Page 375, line 5, delete "this" and after "subdivision" insert "1"

Page 376, line 28, after "for" insert "the consumptive"

Page 376, line 31, after "supply" insert ", and use for power production that meets the contingency planning provisions of section 30, subdivision 6"

Page 376, line 32, delete "any" and insert "a"

Page 376, line 33, delete everything after "day" and insert a semicolon

Page 376, delete lines 34 and 35

Page 376, line 36, after "irrigation," insert "and processing of agricultural products"

Page 377, line 1, delete "a" and insert "per" and delete everything after "day" and insert a semicolon

Page 377, delete line 2

Page 377, line 3, delete ", involving"

Page 377, line 4, delete everything before the semicolon and insert "in excess of the use provided for in the contingency plan developed under section 30, subdivision 6"

Page 377, after line 6, insert:

"(b) For the purposes of this section, "consumption" means water withdrawn from a supply that is lost for immediate further use in the area."

Page 377, line 7, delete "(b)" and insert "(c)"

Page 377, line 12, delete "(c)" and insert "(d)"

Page 377, after line 13, insert:

"(e) The treatment and reuse of water for nonconsumptive uses shall be discouraged."

Page 377, line 14, delete "(d)" and insert "(f)"

Page 379, line 27, delete everything after "plans"

Page 379, line 28, delete everything before the period and delete "1a" and insert "1"

Page 379, line 32, after "land" insert "under section 32, subdivision 2,"

Page 379, line 35, delete "1a" and insert "1"

Page 380, line 1, after "(a)" insert "Except for local permits under article 2, section 7, subdivision 4,"

Page 380, line 1, delete "A" and insert "a"

Page 380, after line 10, insert:

"Subd. 5. [CERTAIN COOLING SYSTEM PERMITS PROHIBITED.] (a) The commissioner may not issue a water use permit from a groundwater source for a once-through cooling system using in excess of 5,000,000 gallons annually.

(b) For purposes of this subdivision, a once-through cooling system means a cooling or heating system for human comfort that draws a continuous stream of water from a groundwater source to remove or add heat for cooling, heating, or refrigeration."

Page 380, line 11, delete "5" and insert "6" and after "(a)" insert "Except as described in paragraph (b),"

Page 380, line 11, delete "A" and insert "a"

Page 380, line 12, after "fee" insert "not to exceed \$2,000"

Page 380, line 15, delete everything after "(1)" and insert "0.05 cents per 1,000 gallons for the first 50,000,000 gallons per year; and"

Page 380, delete lines 16 and 17

Page 380, line 18, delete everything after "(2)" and insert "0.1 cents per 1,000 gallons for amounts greater than 50,000,000 gallons per year."

Page 380, delete line 19

Page 380, line 20, delete everything after "(b)" and insert "For once-through cooling systems as defined in subdivision 5, a water use processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:

(1) 5.0 cents per 1,000 gallons until December 31, 1991;

(2) 10.0 cents for 1,000 gallons from January 1, 1992, until December 31, 1996; and

(3) 15.0 cents per 1,000 gallons after January 1, 1997."

Page 380, line 21, delete "regardless of" and insert "based on"

Page 380, line 22, delete "appropriated" and insert "permitted" and after "and" insert "in no case may the fee be less than \$25."

(d)"

Page 380, line 23, after the period insert "[105.41 s. 5a]"

Page 380, delete lines 24 to 26

Page 380, line 27, delete "6" and insert "7"

Page 381, line 23, delete "this" and after "section" insert "27 or 28"

Page 382, line 2, after "fee" insert "in section 27"

Page 383, line 33, after "is" insert "adequate"

Page 383, line 34, delete "appropriation" and insert "water use"

Page 385, line 31, delete "156A.07" and insert "103I.205, subdivision 9"

Page 385, line 36, after "of" insert "paragraph (a)," and after "(6)" insert "or paragraph (c)"

Page 395, delete lines 5 to 11

Page 395, line 16, delete everything after the headnote and insert "The commissioner shall make findings of fact on issues necessary for determination of the applications considered. Orders made by the commissioner must be based upon findings of fact made on substantial evidence. The commissioner may have investigations made. The facts disclosed by investigation must be put in evidence at the hearing. [105.45]"

Page 395, delete lines 17 to 22

Page 395, delete lines 23 to 36, and insert:

"Subd. 3. [ISSUANCE OF PERMIT.] If the commissioner concludes that the plans of the applicant are reasonable, practical, and will adequately protect public safety and promote the public welfare, the commissioner shall grant the permit. [105.45]

Subd. 4. [CONTROL LEVELS.] If they are in issue, the commissioner shall also fix the control levels of public waters accordingly. [105.45]

Subd. 5. [DENIAL; MODIFICATIONS.] Otherwise the commissioner shall reject the application or may require modification of the plan as the commissioner finds proper to protect the public interest. [105.45]

Subd. 6. [BURDEN OF PROOF; CONDITIONS.] (a) In permit applications the applicant has the burden of proving that the

proposed project is reasonable, practical, and will adequately protect public safety and promote the public welfare.

(b) In granting a permit, the commissioner may include in it terms and reservations about the amount and manner of the use or appropriation or method of construction or operation of controls as appear reasonably necessary for the safety and welfare of the people of the state. [105.45]"

Page 396, delete lines 1 to 10

Page 396, delete lines 23 to 31 and insert:

"Subd. 8. [NOTICE OF PERMIT ORDER.] Notice of orders made after hearing must be given by publication of the order once a week for two successive weeks in a legal newspaper in the county where the hearing was held and by mailing copies of the order to parties who entered an appearance at the hearing. [105.45]"

Subd. 9. [TIME FOR ISSUANCE OF ORDER.] The commissioner shall make an order within 60 days after the completion of the hearing. [105.45]"

Page 399, line 18, after "If" insert "the stipulation is"

Page 400, line 21, delete "department" and insert "Department" and delete "army" and insert "Army"

Page 400, lines 29 and 30, delete "corps of army engineers" and insert "United States Department of the Army Corps of Engineers"

Page 402, line 5, delete "corps of army engineers" and insert "United States Department of the Army Corps of Engineers"

Page 402, line 22, delete "The attorney general" and insert "who"

Page 403, line 7, after "3," insert "paragraph (a),"

Page 404, line 3, delete "1" and insert "3"

Page 405, line 13, delete "4" and insert "3"

Page 408, line 6, delete "commissioner" and insert "commissioners" and after "and" insert "the"

Page 412, line 7, after "agreement" insert "for the development or redevelopment of a hydropower sight"

Page 412, line 10, delete everything after "agreement"

Page 412, line 11, delete "hydropower site"

Page 413, line 13, delete "46" and delete "Statutes" and insert "Code, title 46, section"

Page 414, line 23, delete "Sections 52" and insert "This section" and after "and" insert "section"

Page 415, line 11, after "dam" insert "are considered to"

Page 416, line 19, delete "sections 52" and insert "this section" and after "and" insert "section"

Page 417, line 27, delete "of natural resources may"

Page 417, line 28, after "(1)" insert "shall"

Page 418, line 36, delete "sections" and insert "section" and delete "53" and insert "this section"

Page 419, line 9, after the comma insert "subdivision 2,"

Page 419, line 16, after "52" insert ", subdivision 5"

Page 420, line 35, delete "of natural resources"

Page 421, lines 5, 17, 20, 29, and 33, delete "of natural resources"

Page 421, lines 35 and 36, delete "of natural resources"

Page 422, line 30, delete "\$100" and insert "\$200"

Page 423, after line 8, insert:

"Sec. 62. [103G.617] [EURASIAN WATER MILFOIL EDUCATION AND MANAGEMENT.]

Subdivision 1. [DEFINITION.] For the purpose of this section, "Eurasian water milfoil" means myriophyllum spicatum.

Subd. 2. [INVENTORY.] The commissioner shall inventory and monitor the growth of Eurasian water milfoil on lakes in the state. The commissioner may use volunteers to aid in the inventory effort.

Subd. 3. [EDUCATION.] The commissioner shall publish and distribute informational materials to lakeshore owners and boaters on the control problems of Eurasian water milfoil.

Subd. 4. [MANAGEMENT.] The commissioner shall coordinate a control program to manage the growth of Eurasian water milfoil with appropriate local units of government, special purpose districts, and lakeshore associations. Technical assistance may be provided by the commissioner upon request.

Subd. 5. [RESEARCH.] The commissioner shall initiate cooperative research with the Freshwater Foundation and the University of Minnesota freshwater biological institute to study the use of nonchemical methods, including biological control agents, for control of Eurasian water milfoil. [84.0921]"

Page 423, line 15, delete "of natural resources"

Page 423, lines 24, 29, and 36, delete "111.81" and insert "110.71"

Page 423, line 27, delete "of natural"

Page 423, line 28, delete "resources" and delete "84.092" and insert "61"

Page 423, line 33, delete everything after "exceed"

Page 423, delete line 34

Page 423, line 35, delete everything before "50" and insert "the lesser of (1) 0.01596 percent of taxable market value, or (2)"

Page 424, lines 11, 17, and 23, delete "111.81" and insert "110.71"

Page 424, line 28, delete "105.471" and insert "105.475"

Page 425, delete section 65

Page 426, line 27, before "RELOCATION" insert "RECODIFICATION AND"

Page 427, line 17, delete "51" and insert "52"

Page 429, lines 14, 19, and 23, delete "12" and insert "13"

Page 430, after line 25, insert:

"Sec. 6. Minnesota Statutes 1988, section 41.65, subdivision 3, is amended to read:

Subd. 3. [RESTRICTED AGRICULTURAL USE.] (a) Acquired property that has marginal land as defined in article 6, section 40-42

72, subdivision 6, or wetlands must be restricted from agricultural use on the marginal land or wetlands.

(b) If the commissioner determines that all or a portion of acquired property should be taken out of agricultural use or particular agricultural uses should be restricted, the commissioner shall have the attorney general prepare an easement restricting the agricultural use and file the easement with the county recorder where the property is located."

Page 430, delete section 6

Page 433, line 25, after the first "of" insert "the division of"

Page 433, line 35, delete "8" and insert "9"

Page 438, line 3, delete "51" and insert "52"

Page 438, line 34, delete "43, subdivisions 1, 2, and 3," and insert "44"

Page 438, after line 35, insert:

"Sec. 24. Minnesota Statutes 1988, section 97A.211, subdivision 1, is amended to read:

Subdivision 1. [NOTICE TO APPEAR IN COURT.] (a) A person must be given notice to appear in court for a misdemeanor violation of the game and fish laws, chapter 84, ~~105, or 106A,~~ or section 609.68 or article 5, article 6, sections 25 to 29 or section 79, or article 7, if:

(1) the person is arrested and is released from custody prior to appearing before a court; or

(2) the person is subject to a lawful arrest and is not arrested because it reasonably appears to the enforcement officer that arrest is unnecessary to prevent further criminal conduct and that there is a substantial likelihood that the person will respond to a notice.

(b) The enforcement officer shall prepare, in quadruplicate, a written notice to appear in court. The notice must be in the form and has the effect of a summons and complaint. The notice must contain the name and address of the person charged, the offense, and the time and the place to appear in court. The court must have jurisdiction within the county where the offense is alleged to have been committed.

Sec. 25. Minnesota Statutes 1988, section 97A.211, subdivision 2, is amended to read:

Subd. 2. [RELEASE AFTER ARREST.] A person arrested for a misdemeanor violation of the game and fish laws, chapter 84, ~~105, or 106A~~ or section 609.68 or article 5, article 6, sections 25 to 29 or section 79, or article 7, may obtain release by signing the written notice prepared by the arresting officer promising to appear in court. The officer shall deliver a copy marked "SUMMONS" to the person arrested. The officer must then release the person from custody."

Page 439, delete section 25

Page 440, after line 10, insert:

"Sec. 27. Minnesota Statutes 1988, section 116D.04, subdivision 1a, is amended to read:

Subd. 1a. For the purposes of sections 116D.01 to 116D.07, the following terms have the meanings given to them in this subdivision.

(a) "Natural resources" has the meaning given it in section 116B.02, subdivision 4.

(b) "Pollution, impairment or destruction" has the meaning given it in section 116B.02, subdivision 5.

(c) "Environmental assessment worksheet" means a brief document which is designed to set out the basic facts necessary to determine whether an environmental impact statement is required for a proposed action.

(d) "Governmental action" means activities, including projects wholly or partially conducted, permitted, assisted, financed, regulated or approved by units of government including the federal government.

(e) "Governmental unit" means any state agency and any general or special purpose unit of government in the state including, but not limited to, watershed districts organized under ~~chapter 112~~ article 4, counties, towns, cities, port authorities, housing authorities, and economic development authorities established under sections 458C.01 to 458C.23, but not including courts, school districts and regional development commissions other than the metropolitan council.

Sec. 28. Minnesota Statutes 1988, section 116J.70, subdivision 2a, is amended to read:

Subd. 2a. [LICENSE; EXCEPTIONS.] "Business license" or "license" does not include the following:

(1) Any occupational license or registration issued by a licensing board listed in section 214.01 or any occupational registration issued by the commissioner of health pursuant to section 214.13;

(2) Any license issued by a county, home rule charter city, statutory city, township or other political subdivision;

(3) Any license required to practice the following occupation regulated by the following sections:

- (a) Abstracters regulated pursuant to chapter 386;
- (b) Accountants regulated pursuant to chapter 326;
- (c) Adjusters regulated pursuant to chapter 72B;
- (d) Architects regulated pursuant to chapter 326;
- (e) Assessors regulated pursuant to chapter 270;
- (f) Attorneys regulated pursuant to chapter 481;
- (g) Auctioneers regulated pursuant to chapter 330;
- (h) Barbers regulated pursuant to chapter 154;
- (i) Beauticians regulated pursuant to chapter 155A;
- (j) Boiler operators regulated pursuant to chapter 183;
- (k) Chiropractors regulated pursuant to chapter 148;
- (l) Collection agencies regulated pursuant to chapter 332;
- (m) Cosmetologists regulated pursuant to chapter 155A;
- (n) Dentists, registered dental assistants, and dental hygienists regulated pursuant to chapter 150A;
- (o) Detectives regulated pursuant to chapter 326;
- (p) Electricians regulated pursuant to chapter 326;
- (q) Embalmers regulated pursuant to chapter 149;
- (r) Engineers regulated pursuant to chapter 326;
- (s) Insurance brokers and salespersons regulated pursuant to chapter 60A;

- (t) Midwives regulated pursuant to chapter 148;
- (u) Morticians regulated pursuant to chapter 149;
- (v) Nursing home administrators regulated pursuant to chapter 144A;
- (w) Optometrists regulated pursuant to chapter 148;
- (x) Osteopathic physicians regulated pursuant to chapter 147;
- (y) Pharmacists regulated pursuant to chapter 151;
- (z) Physical therapists regulated pursuant to chapter 148;
- (aa) Physicians and surgeons regulated pursuant to chapter 147;
- (bb) Plumbers regulated pursuant to chapter 326;
- (cc) Podiatrists regulated pursuant to chapter 153;
- (dd) Practical nurses regulated pursuant to chapter 148;
- (ee) Professional fundraisers regulated pursuant to chapter 309;
- (ff) Psychologists regulated pursuant to chapter 148;
- (gg) Real estate brokers, salespersons and others regulated pursuant to chapters 82 and 83;
- (hh) Registered nurses regulated pursuant to chapter 148;
- (ii) Securities brokers, dealers, agents and investment advisers regulated pursuant to chapter 80A;
- (jj) Steamfitters regulated pursuant to chapter 326;
- (kk) Teachers and supervisory and support personnel regulated pursuant to chapter 125;
- (ll) Veterinarians regulated pursuant to chapter 156;
- (mm) Watchmakers regulated pursuant to chapter 326;
- (nn) Water conditioning contractors and installers regulated pursuant to chapter 326;
- (oo) Water well contractors regulated pursuant to chapter 156A;

(pp) Water and waste treatment operators regulated pursuant to chapter 115;

(qq) Motor carriers regulated pursuant to chapter 221;

(rr) Professional corporations regulated pursuant to chapter 319A;

(4) Any driver's license required pursuant to chapter 171;

(5) Any aircraft license required pursuant to chapter 360;

(6) Any watercraft license required pursuant to ~~chapter 361~~ article 9;

(7) Any license, permit, registration, certification, or other approval pertaining to a regulatory or management program related to the protection, conservation, or use of or interference with the resources of land, air or water, which is required to be obtained from a state agency or instrumentality; and

(8) Any pollution control rule or standard established by the pollution control agency or any health rule or standard established by the commissioner of health or any licensing rule or standard established by the commissioner of human services."

Page 440, line 17, strike the first comma and before "article" insert a semicolon and delete the third comma and insert a semicolon

Page 440, line 18, after "sections" insert "23 and sections 27 to 29" and delete "26 to 28, and article 7, section 22".

Page 440, delete sections 27 to 30

Page 447, line 4, delete "49" and insert "50"

Page 449, lines 12 and 24, delete "49" and insert "50"

Page 450, lines 2 and 6, delete "49" and insert "50"

Page 450, after line 6, insert:

"Sec. 36. Minnesota Statutes 1988, section 355.11, subdivision 4, is amended to read:

Subd. 4. "Employee" means any employee, other than elected officials, of municipal housing and redevelopment authorities or of any soil and water conservation district organized pursuant to ~~chapter 49~~ article 3, or any port authority organized pursuant to

chapter 458, or any hospital district organized or reorganized pursuant to sections 447.31 to 447.37.

Sec. 37. Minnesota Statutes 1988, section 355.11, subdivision 5, is amended to read:

Subd. 5. "Employing unit" means any municipal housing and redevelopment authorities organized pursuant to sections 469.001 to 469.047 and any soil and water conservation district organized pursuant to ~~chapter 40~~ article 3 or any port authority organized pursuant to sections 469.048 to 469.068, or any economic development authority organized pursuant to sections 469.090 to 469.108, or any hospital district organized or reorganized pursuant to sections 447.31 to 447.37."

Page 452, line 7, delete "27" and insert "28"

Page 452, line 8, strike "3" and insert "2"

Page 452, after line 9, insert:

"Sec. 40. Minnesota Statutes 1988, section 383A.602, subdivision 3, is amended to read:

Subd. 3. [DISTRICT.] "District" means the soil and water conservation district operating under ~~chapter 40~~ article 3."

Page 454, after line 16, insert:

"Sec. 45. Minnesota Statutes 1988, section 444.075, subdivision 1a, is amended to read:

Subd. 1a. [AUTHORIZATION.] Any municipality may build, construct, reconstruct, repair, enlarge, improve, or in any other manner obtain

(i) waterworks systems, including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks, treatment plants, and other appurtenances of a waterworks system;

(ii) sewer systems, sewage treatment works, disposal systems, and other facilities for disposing of sewage, industrial waste, or other wastes, and

(iii) storm sewer systems, including mains, holding areas and ponds, and other appurtenances and related facilities for the collection and disposal of storm water, all hereinafter called facilities, and maintain and operate the facilities inside or outside its corporate limits, and acquire by gift, purchase, lease, condemnation or otherwise any and all land and easements required for that purpose. The

authority hereby granted is in addition to all other powers with reference to the facilities otherwise granted by the laws of this state or by the charter of any municipality. The authority granted in clause (iii) to municipalities which have territory within a watershed which has adopted a watershed plan pursuant to article 2, section 473.878 11, shall be exercised, with respect to facilities acquired following the adoption of the watershed plan, only for facilities which are not inconsistent with the watershed plan. The authority granted in clause (iii) to municipalities which have adopted local water management plans pursuant to article 2, section 473.879 12, shall be exercised, with respect to facilities acquired following the adoption of a local plan, only for facilities which are not inconsistent with the local plan. Counties, except counties in the seven county metropolitan area, shall have the same authority granted to municipalities by this subdivision except for areas of the county organized into cities and areas of the county incorporated within a sanitary district established by special act of the legislature."

Page 458, line 12, strike "4," and strike "and" and after "6" insert "and 7"

Page 459, after line 7, insert:

"Sec. 55. Minnesota Statutes 1988, section 500.24, subdivision 3b, is amended to read:

Subd. 3b. [PROTECTION OF CONSERVATION PRACTICES.] If a corporation, pension or investment fund, or limited partnership, other than a family farm corporation, an authorized farm corporation, a family farm partnership, or authorized farm partnership, during the period of time it holds agricultural land under subdivision 3, clause (i), intentionally destroys a conservation practice as defined in article 6, section 40.19 57, subdivision 5 3, to which the state has made a financial contribution, the corporation, pension or investment fund, or limited partnership must pay the commissioner of agriculture, for deposit in the general fund, an amount equal to the state's total contributions to that conservation practice plus interest from the time of investment in the conservation practice. Interest must be calculated at an annual percentage rate of 12 percent."

Page 459, after line 23, insert:

"Sec. 58. Laws 1987, chapter 404, section 22, subdivision 7, is amended to read:

Subd. 7. Fish and Wildlife Management

\$25,734,700 \$25,985,500

Summary by Fund

General	\$ 788,600	\$ 795,900
Nongame Wildlife	\$ 1,179,800	\$ 1,183,600
Water Recreation	\$ 150,000	\$ 150,000
Wildlife Acquis.	\$ 961,500	\$ 836,500
Game and Fish	\$22,624,800	\$22,989,500
Wild Rice Management	\$ 30,000	\$ 30,000

\$685,700 in the first year and \$685,700 the second year are appropriated from the game and fish fund for payments to counties in lieu of taxes on acquired wildlife lands and is not subject to transfer.

\$1,179,800 the first year and \$1,183,600 the second year are from the nongame wildlife management account in the special revenue fund for the purpose of nongame wildlife management. Any unencumbered balance remaining in the first year does not cancel but is available the second year.

\$54,400 in the first year and \$54,200 the second year are for acid rain research.

\$40,000 the first year and \$40,000 the second year is from the general fund for one complement position to serve as a native prairie biologist.

\$127,900 the first year and \$127,900 the second year are for emergency deer feeding. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$30,000 is appropriated each year from the wild rice management account project to improve natural wild rice production on public waters pursuant to Minnesota Statutes, section 97A.065, subdivision 4.

\$40,000 for the first year and \$40,000 for the second year is from the general fund to be transferred to the commissioner of agriculture to compensate

landowners for agricultural crops damaged by elk.

\$10,000 each year is appropriated from the general fund to be used as an additional payment to the Leech Lake Indian Reservation for enforcement activities. The reservation may also use \$40,000 of the increased annual payment that it receives as a result of the fee increases in this act for enforcement. The department of natural resources shall also make surplus equipment available to the reservation.

Effective July 1, 1987, aquatic plant control permit fees established under Minnesota Statutes, section 84.092, subdivision 1, are doubled. Notice of the revised fees must be published in the State Register as soon as practical."

Delete page 459, line 24 to page 499, line 7

Page 499, line 8, delete "10" and insert "9"

Page 499, line 11, delete "water law" and insert "laws affecting water"

Page 499, line 12, after "alter" insert "the laws affecting water" and delete "the water law"

Page 499, line 13, after "authority" insert a comma

Page 499, line 14, after the period insert "It is intended that decisions construing laws that are recodified by articles 1 to 9 are not affected by the recodification. The revisor of statutes shall publish the statutory derivation of the laws recodified by articles 1 to 9 in Laws of Minnesota but may omit them from Minnesota Statutes."

Sec. 2. [EFFECT ON ADMINISTRATIVE RULES.]

Notwithstanding the provisions of Minnesota Statutes, section 14.05, subdivision 1, or other law to the contrary, the repeal in this article of a law authorizing an agency to adopt administrative rules, does not repeal the rules authorized. The revisor need not recodify administrative rules solely because of the enactment of articles 1 to 9."

Page 499, line 17, after "and" insert "if amendments are passed by the 1990 legislature using coding that is made obsolete by articles 1 to 9, shall" and after "codify" insert "the" and delete "to"

Page 499, delete line 18

Page 499, line 19, delete "legislature"

Page 499, line 28, after "40.28;" insert "40.31;" and after "40.45;" insert "40.46;" and after "84.032;" insert "84.092; 84.0921;"

Page 500, line 33, after "114B.07;" insert "115.091; 115.092; 115.093; 115.094; 115.095; 115.096; 115.097; 115.098; 115.099; 115.10; 115.101; 115.102; 115.103; 116C.40;" and delete "361.01;"

Page 500, delete lines 34 to 36

Page 501, delete line 1

Page 501, line 2, delete "361.29;"

Page 501, line 3, after "378.32" insert ", subdivision 5"

Page 501, line 8, delete "and" and after the second semicolon insert "Laws 1967, chapter 907; Laws 1969, chapter 272; Laws 1971, chapter 355; Laws 1974, chapter 111; Laws 1977, chapter 322; and Laws 1982, chapter 627"

ReNUMBER the sections in sequence

Correct internal references

Insert derivations from chapter 106A into article 5, as appropriate

Update from the appropriate 1989 Supplement, sections of 1988 Minnesota Statutes that were amended by the 1989 regular or special session

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 1569 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 60 was read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Cooper, Welle, Kalis, Ostrom and Anderson, R., introduced:

H. F. No. 1965, A bill for an act relating to health; providing exemptions from the infectious waste control act; requiring hospitals to accept certain infectious waste; modifying standards for ambulance drivers; requiring adoption of rules setting new standards for recertification of and upgrading to emergency care course certificates; increasing reimbursement for volunteers; exempting ambulances from vehicle license fees, registration, and excise taxes; regulating the provision of special transportation services; providing a tax credit; requiring studies; increasing medical assistance rates for ambulance services; providing funding for prehospital education, continuing education, and equipment; establishing task forces for medical directors and advisers; establishing an incentive plan for ambulance service personnel; setting plan requirements; creating a loan forgiveness program for medical students; providing nursing scholarships; creating a loan forgiveness program for advanced practice nurses; providing funding for summer medical interns; encouraging rural medical school applicants; increasing medical assistance reimbursement for certain physician services; increasing participation in the rural physicians associates program; creating a rural hospital planning and transition grant program; creating a rural hospital subsidy fund; changing requirements for swing beds; providing exemptions to the hospice licensure requirement; requiring a study of rural health professionals; allowing counties authority to exceed levy limits; appropriating money; amending Minnesota Statutes 1988, sections 136C.04, by adding a subdivision; 144A.48, subdivision 2, and by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 9; 116.78, by adding subdivisions; 144.562, subdivision 2; 144.804, subdivision 1; 144.809; 144.8091; 168.012, subdivision 1; 168.013, subdivision 1a; 168.33, subdivision 7; and 297B.03; Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; proposing coding for new law

in Minnesota Statutes, chapters 136A; 144; 147; 148; 174; and 290; proposing coding for new law as Minnesota Statutes, chapter 353E.

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

Cooper introduced:

H. F. No. 1966, A bill for an act relating to health; clarifying variance authority regarding training standards for ambulance attendants; establishing a state emergency medical services advisory council; amending Minnesota Statutes 1989 Supplement, section 144.804, subdivision 1; and 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.

Wenzel introduced:

H. F. No. 1967, A bill for an act relating to agriculture; changing certain features of the grasshopper control program; authorizing rulemaking; imposing a penalty; amending Minnesota Statutes 1989 Supplement, sections 18.0225; and 18.0226, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 1989 Supplement, section 18.0226, subdivisions 1 to 3.

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

Winter and Skoglund introduced:

H. F. No. 1968, A bill for an act relating to commerce; increasing the amount of the department's general civil penalty; amending Minnesota Statutes 1988, section 45.027, subdivision 6.

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

Price, by request, introduced:

H. F. No. 1969, A bill for an act relating to real estate; regulating cancellation of contract for deed; amending Minnesota Statutes 1988, section 559.21, by adding a subdivision.

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

Clark and Greenfield introduced:

H. F. No. 1970, A bill for an act relating to health; establishing standards for safe levels of lead; requiring education about lead exposure; requiring lead assessments of certain residences; establishing standards for lead abatement; requiring rules; amending Minnesota Statutes 1988, section 116.52, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1989 Supplement, sections 144.851 to 144.862.

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

Clark, Otis and Ogren introduced:

H. F. No. 1971, A bill for an act relating to economic development; providing a preference for specific economic development projects; requiring certain businesses to have alternative use committees; amending Minnesota Statutes 1988, sections 116J.873, by adding a subdivision; and 116N.08, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 116O.06, subdivision 5; and 268.977, 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 Economic Development.

Milbert introduced:

H. F. No. 1972, A bill for an act relating to the environment; authorizing the imposition of landfill fees on facilities for the disposal of demolition debris; amending Minnesota Statutes 1989 Supplement, section 115A.921.

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

McGuire introduced:

H. F. No. 1973, A bill for an act relating to retirement; St. Paul fire department relief association; authorizing the payment of benefits to surviving former spouses of certain members.

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

Simoneau introduced:

H. F. No. 1974, A bill for an act relating to state employees; providing for direct deposit of employees pay; amending Minnesota Statutes 1989 Supplement, section 16A.133, subdivision 1.

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

Vellenga, Greenfield and Dille introduced:

H. F. No. 1975, A bill for an act relating to marriage dissolution; regulating child support orders; amending Minnesota Statutes 1988, section 518.551, subdivision 5.

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

Milbert, Kostohryz and Steensma introduced:

H. F. No. 1976, A bill for an act relating to the military; authorizing appointment of an executive director of the department of military affairs; amending Minnesota Statutes 1988, section 190.08, by adding a subdivision.

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

Kinkel, Kostohryz and Beard introduced:

H. F. No. 1977, A bill for an act relating to veterans; providing for an executive director appointed by the veterans homes board; amending Minnesota Statutes 1988, section 198.004.

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

Kinkel; Solberg; Nelson, K.; Bauerly and Morrison introduced:

H. F. No. 1978, A bill for an act relating to education; permitting an education district to conduct meetings via interactive television; amending Minnesota Statutes 1989 Supplement, section 122.92, subdivision 1.

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

Rest, Jefferson, Dawkins, McGuire and Wenzel introduced:

H. F. No. 1979, A bill for an act relating to controlled substances; increasing the excise tax on cigarettes, beer, wine, and alcoholic beverages; creating the local government drug council; providing for grants to local governments for drug treatment and criminal justice; amending Minnesota Statutes 1988, sections 297.02, subdivision 1; and 297C.02, subdivisions 1, 2, and 3; Minnesota Statutes 1989 Supplement, sections 299A.29, subdivision 3, and by adding a subdivision; 299A.30; 299A.32, subdivisions 1 and 2; 299A.34; 299A.35, subdivision 1; 299A.36; and 299A.40, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapter 299A; repealing Minnesota Statutes 1989 Supplement, section 299A.35, subdivision 2.

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

Segal introduced:

H. F. No. 1980, A bill for an act relating to human services; appropriating money to plan and construct certain community service facilities; authorizing the sale of state bonds.

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

Johnson, A., introduced:

H. F. No. 1981, A bill for an act relating to motor vehicles; providing for temporary permit while awaiting delivery of special vehicle license plates; requiring registered owner of motor vehicle to list address of primary residence on application for registration; clarifying when inspection fee must be paid to receive certificate of inspection for salvage vehicle; clarifying disclosure requirements for motor vehicle pollution control system; amending Minnesota Statutes 1988, sections 168.09, by adding a subdivision; 168.10, subdivision 1; and 325E.0951, subdivision 3a; Minnesota Statutes 1989 Supplement, section 168A.152, subdivision 2.

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

Hasskamp, Kelly, Kelso, Pappas and Carlson, D., introduced:

H. F. No. 1982, A bill for an act relating to family law; providing for suspension of visitation rights when a noncustodial parent has been convicted of certain crimes; requiring expedited hearings of visitation motions alleging that a child is in danger of harm and providing for supervised or restricted visitation; providing for the issuance of no contact orders; amending Minnesota Statutes 1988, sections 518.175, by adding a subdivision; and 518B.01, subdivisions 6 and 7; Minnesota Statutes 1989 Supplement, section 518.175, subdivision 5.

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

Skoglund introduced:

H. F. No. 1983, A bill for an act relating to insurance; regulating coverages under Medicare supplement plans; requiring insurers to submit claims experience and earned premiums data; amending Minnesota Statutes 1988, 62A.36, by adding a subdivision; Minnesota Statutes 1989 Supplement, 62A.31, subdivision 2; 62A.315; and 62A.316.

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

Skoglund introduced:

H. F. No. 1984, A bill for an act relating to insurance; accident and health; providing for coordination of benefits between group and individual contracts; amending Minnesota Statutes 1989 Supplement, section 62A.046.

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

Skoglund and Winter introduced:

H. F. No. 1985, A bill for an act relating to insurance; regulating cease and desist orders and communications with the department of commerce; amending Minnesota Statutes 1988, sections 45.027, subdivision 5; and 60A.17, by adding a subdivision.

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

Rest, Blatz, Wagenius and Kelly introduced:

H. F. No. 1986, A bill for an act relating to public safety; prohibiting constructive possession of alcohol in a private motor vehicle; expanding the definition of possession; amending Minnesota Statutes 1988, section 169.122, subdivision 2.

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

Jefferson introduced:

H. F. No. 1987, A bill for an act relating to housing; establishing a procedure for the allocation of low-income housing tax credits; amending Minnesota Statutes 1988, sections 462A.221, by adding subdivisions; 462A.222, subdivisions 2, 3, and by adding a subdivision; and 462A.223, subdivision 2.

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

Jefferson introduced:

H. F. No. 1988, A bill for an act relating to elections; providing for persons who are permanently ill or disabled to automatically receive absentee ballot applications before each election; amending Minnesota Statutes 1988, section 203B.04, by adding a subdivision.

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

McEachern, Kalis, Bauerly, Vellenga and Valento introduced:

H. F. No. 1989, A bill for an act relating to motor vehicles; allowing tax-exempt license plates for vehicles used for driver education programs at nonpublic high schools; amending Minnesota Statutes 1989 Supplement, section 168.012, subdivision 1.

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

Skoglund and Winter introduced:

H. F. No. 1990, A bill for an act relating to insurance; regulating claims practices; requiring prompt payment to claimants and insureds; amending Minnesota Statutes 1988, section 72A.201, subdivision 4.

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

Johnson, A., and Pellow introduced:

H. F. No. 1991, A bill for an act relating to natural resources; repealing certain pipeline review authority of the commissioner of natural resources; repealing Minnesota Statutes 1988, section 117.49.

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

Tompkins, Vellenga, Rice and McEachern introduced:

H. F. No. 1992, A bill for an act relating to education; creating a task force to assist in developing and reviewing materials that help young people make decisions about responsible sexual behavior; appropriating money.

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

Murphy introduced:

H. F. No. 1993, A bill for an act relating to traffic regulations; requiring vehicles to obey a school bus stop sign and signal; amending Minnesota Statutes 1988, section 169.44, subdivision 1.

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

Murphy, by request, introduced:

H. F. No. 1994, A bill for an act relating to taxes; defining the taconite and iron ore tax relief areas; amending Minnesota Statutes 1988, section 273.134.

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

Bauerly, McEachern and Bertram introduced:

H. F. No. 1995, A bill for an act relating to public safety; regulating amusement rides; requiring safety inspections of amusement

rides; providing penalties; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 184B.

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

Welle introduced:

H. F. No. 1996, A bill for an act relating to education; approving a maximum effort school loan program capital loan.

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

Jaros; Greenfield; Skoglund; Anderson, R., and Rukavina introduced:

H. F. No. 1997, A bill for an act relating to health; establishing a legislative task force to study the regulation of health insurance premium rates and health care costs.

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

Reding; Kostohryz; Johnson, R., and Beard introduced:

H. F. No. 1998, A bill for an act relating to retirement; providing for retirement of peace officers in gambling enforcement division of department of public safety; amending Minnesota Statutes 1988, sections 43A.34, subdivision 4; 352B.01, subdivision 2; and 352B.14, subdivision 4; Minnesota Statutes 1989 Supplement, section 352.01, subdivision 2b.

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

Stanius introduced:

H. F. No. 1999, A bill for an act relating to education; restoring hockey tournament authority to the Minnesota state high school league; amending Minnesota Statutes 1989 Supplement, section 129.121, subdivision 7; and Laws 1989, chapter 335, article 1, section 26.

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

Stanius introduced:

H. F. No. 2000, A bill for an act relating to game and fish; restrictions on issuance of moose licenses; amending Minnesota Statutes 1988, section 97B.501.

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

O'Connor, Kostohryz, Tjornhom, Wenzel and Dawkins introduced:

H. F. No. 2001, A bill for an act relating to veterans; redefining "veteran"; amending Minnesota Statutes 1988, section 197.447.

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

Beard, Kostohryz, Boo, Price and Frederick introduced:

H. F. No. 2002, A bill for an act relating to veterans; changing a provision prohibiting cemeteries near veterans homes; amending Minnesota Statutes 1988, section 137.20.

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

Beard, Kostohryz, Boo, Price and Frederick introduced:

H. F. No. 2003, A bill for an act relating to the national guard; providing a cash bonus to each member of the Minnesota national guard; appropriating money.

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

McEachern; Ostrom; Johnson, A.; Bauerly and McGuire introduced:

H. F. No. 2004, A bill for an act relating to education; providing for department of education initiatives for the governor's drug plan; appropriating money; amending Minnesota Statutes 1988, section 126.70, subdivision 2a; Minnesota Statutes 1989 Supplement, sections 126.22, subdivisions 2 and 3; and 126.23; 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.

Quinn introduced:

H. F. No. 2005, A bill for an act relating to lawful gambling; defining lawful purposes for expenditures of gambling profits; establishing licensing qualifications for organizations and manufacturers; requiring organizations to report monthly on expenditures and contributions of gambling profits; authorizing the gambling control board to require recipients of contributions of gambling profits to register with the board; authorizing summary suspension of gambling licenses for failure to file tax returns; authorizing a limited number of video pull-tab devices and establishing standards and requirements for them; requiring inspection and testing of gambling equipment; requiring permits for gambling premises; requiring gambling managers to be licensed; requiring that employees of organizations conducting lawful gambling be registered with the board; expanding allowable uses for revenue from local gambling taxes and requiring board approval of these taxes; abolishing lawful gambling on July 1, 1993; amending Minnesota Statutes 1988, sections 349.12, subdivision 10, and by adding subdivisions; 349.16, as amended; 349.17, as amended; 349.18, as amended; 349.19, as amended; 349.212, subdivision 5; 349.2121, subdivisions 1 and 4a; 349.2123; 349.30, subdivision 2; 349.31; 349.32; 349.34; 349.35, subdivision 1; 349.36; 349.38; 349.39; 349.50, subdivision 8; 349.55; 609.75, subdivision 4; Minnesota Statutes 1989 Supplement, sections 299L.03, by adding a subdivision; 340A.410, subdivision 5; 349.12, subdivisions 12 and 15; 349.151, subdivision 4; 349.152, subdivision 2, and by adding subdivisions; 349.161, as amended; 349.162; 349.163, as amended; 349.164; 349.2121, subdivision 2; 349.2122; 349.213, subdivision 2; 609.75, subdivision 3; 609.761, subdivision 1; Minnesota Statutes Second 1989 Supplement, sections 349.12, subdivisions 11 and 19; and 349.212, subdivisions 1 and 4; Laws 1989, First Special Session chapter 1, article 13, section 27; proposing coding for new law in Minnesota Statutes, chapter 349; repealing Minnesota Statutes 1988, sections 349.11, as amended; 349.12, as amended; 349.13; 349.14; 349.15, as amended; 349.16, as amended; 349.161, as amended; 349.162, as amended; 349.163, as amended; 349.164, as amended; 349.17, as amended; 349.18, as amended; 349.19, as amended; 349.211; 349.212, as amended; 349.2121, as amended; 349.2122, as amended; 349.2123; 349.2124; 349.2125, as amended; 349.2127, as amended; 349.213, as amended; 349.214, subdivisions 1, 1a, 3, and 4; 349.22, as amended; 349.23; Minnesota Statutes 1989 Supplement, sections 349.151, subdivisions 1, 2, 4, 4a, and 5; 349.152; 349.153; 349.20; 349.21; 349.215; 349.2151; 349.2152; 349.216; 349.217; 349.2171; 349.218; 349.219; Minnesota Statutes Second 1989 Supplement, section 349.214, subdivision 2.

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

Dorn, Ostrom, Pelowski, Sparby and Bauerly introduced:

H. F. No. 2006, A bill for an act relating to local government aid; modifying and extending equalization aid; amending Minnesota Statutes Second 1989 Supplement, sections 477A.011, subdivisions 1a and 25; and 477A.013, subdivision 5.

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

Price; Johnson, A.; Munger; Lynch and Simoneau introduced:

H. F. No. 2007, A bill for an act relating to environment and natural resources; amending provisions relating to water management organizations; providing legislative commission oversight of the metropolitan water management act; providing for appointment of metropolitan watershed district managers from residents within the district; authorizing management and financing of drainage systems under certain laws; exempting certain water planning and implementation costs in the metropolitan area from levy limits; clarifying water management purposes; authorizing counties to remove watershed district managers for just cause; authorizing a technical advisory committee; requiring watershed management organizations to prepare newsletters, annual reports, and audits; providing for preparation of watershed plans and implementation of plans; providing penalties for not implementing plans; authorizing and directing the board of water and soil resources to adopt rules; providing for appeal of plan failures; providing for requests for proposals for certain services; authorizing accumulation of levy proceeds; authorizing establishment of a special tax district in certain areas; requiring a draining system report; amending Minnesota Statutes 1988, sections 110B.28; 110B.30; 112.42, subdivision 3, and by adding a subdivision; 473.875; 473.876, by adding a subdivision; 473.877, subdivision 1; 473.878, subdivisions 1, 1a, 2, 3, 4, 8, and by adding subdivisions; 473.879, subdivision 2; 473.881; 473.882, subdivision 1; and 473.883, subdivisions 3 and 7; Minnesota Statutes 1989 Supplement, section 473.883, subdivision 6; Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 112 and 473.

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

Pelowski, Vanasek, Vellenga, Heap and McEachern introduced:

H. F. No. 2008, A bill for an act relating to education; establishing a program for the state to match gifts to endowments for certain undergraduate academic programs; directing the higher education

coordinating board to administer the program; permitting rulemaking; proposing coding for new law in Minnesota Statutes, chapter 136A.

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

Kelly, Milbert, Carruthers, Hasskamp and Williams introduced:

H. F. No. 2009, A bill for an act relating to controlled substances; calling for the incarceration of all convicted drug dealers; prohibiting the importing of controlled substances into the state; requiring the reporting of transactions involving substances that are precursors to controlled substances; creating pilot programs to require drug and alcohol testing as a condition of pretrial release and probation; creating pilot programs to provide chemical dependency treatment services in juvenile and adult jails and correctional facilities; creating pilot programs to require chemical dependency assessments for drug offenders; appropriating money; amending Minnesota Statutes 1988, sections 609.135, by adding a subdivision; 631.40; and 626.5562, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 152.

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

Hartle; Johnson, V.; Schafer; Kalis and Lieder introduced:

H. F. No. 2010, A bill for an act proposing an amendment to the Minnesota Constitution, article XIV; dedicating proceeds of a tax on the purchase price of a motor vehicle to highway and transit purposes.

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

Price, Jaros, Pelowski, Dorn and Poppenhagen introduced:

H. F. No. 2011, A bill for an act relating to education; changing state board of vocational technical education powers; amending Minnesota Statutes 1988, section 136C.04, subdivision 12.

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

Price introduced:

H. F. No. 2012, A bill for an act relating to agriculture; providing for uniformity of certain food rules with federal law; amending Minnesota Statutes 1989 Supplement, section 31.101, by adding a subdivision.

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

Segal, Greenfield, Vellenga, Kelly and Bishop introduced:

H. F. No. 2013, A bill for an act relating to crime; creating a legislative study commission to study whether the current criminal defense of mental illness should be changed.

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

Cooper and Dille introduced:

H. F. No. 2014, A bill for an act relating to human services; authorizing allocation of central, affiliated, or corporate costs for nursing homes; 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.

Sarna, Vanasek, Simoneau, Bennett and Long introduced:

H. F. No. 2015, A bill for an act relating to occupations and professions; requiring residential building contractors, remodelers, and specialty contractors to be licensed by the state; authorizing rulemaking; establishing a builders state advisory board; requiring penalties; appropriating money; 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.

Swenson; Bauerly; Seaberg; Johnson, A., and Kelly introduced:

H. F. No. 2016, A bill for an act relating to education; establishing an automobile safety awareness week; proposing coding for new law in Minnesota Statutes 1988, chapter 126.

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

Olsen, S.; Kalis; Bauerly; Lieder and Seaberg introduced:

H. F. No. 2017, A bill for an act relating to motor vehicles; authorizing special license plates for members of the United States armed forces ready reserve; amending Minnesota Statutes 1988, section 168.12, by adding a subdivision.

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

Bertram introduced:

H. F. No. 2018, A bill for an act relating to newspapers; changing filing requirements for qualification as a legal newspaper.

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

Murphy introduced:

H. F. No. 2019, A bill for an act relating to commerce; requiring local units of government to license the retail sale of cigarettes; providing for mandatory suspension of licenses for sales to minors; amending Minnesota Statutes 1988, section 461.12.

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

Murphy introduced:

H. F. No. 2020, A bill for an act relating to taxation; property; extending homestead classification to certain homesteads in estates for transitional period; amending Minnesota Statutes 1988, section 273.124, by adding a subdivision.

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

Rodosovich and Greenfield introduced:

H. F. No. 2021, A bill for an act relating to health; requiring a surcharge fee for hearing instrument sellers; requiring permit systems and ethical codes for occupations regulated by a health-

related board; allowing cease and desist orders against a person violating occupation regulations; requiring positive results from a toxicology test of a pregnant woman or infant to be recorded on the birth certificate or fetal death report; amending Minnesota Statutes 1988, sections 214.001, subdivision 3; and 214.11; Minnesota Statutes 1989 Supplement, sections 144.698, subdivision 1; 214.06, subdivision 1; and 626.5562, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 153A.

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

Quinn; Simoneau; Lasley; Johnson, A., and Lynch introduced:

H. F. No. 2022, A bill for an act relating to local government; authorizing the county board of certain counties to delegate liquor licensing authority to town boards within the county.

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

Steensma, Kostohryz and Milbert introduced:

H. F. No. 2023, A bill for an act relating to veterans; authorizing the veterans homes board to rent certain facilities; appropriating money; amending Minnesota Statutes 1989 Supplement, section 198.003.

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

Olson, K.; Morrison; Carlson, L.; Heap and Jaros introduced:

H. F. No. 2024, A bill for an act relating to education; entering the Midwestern Higher Education Compact; providing the appointment of members; proposing coding for new law in Minnesota Statutes, chapter 135A.

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

Tunheim introduced:

H. F. No. 2025, A bill for an act relating to agriculture; creating a restricted seed potato growing area; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 21.

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

Tunheim introduced:

H. F. No. 2026, A bill for an act relating to education; approving a maximum effort school loan program capital loan.

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

Orenstein, Kelly, Dempsey, Hasskamp and Milbert introduced:

H. F. No. 2027, A bill for an act relating to civil actions; addressing reduction of damages in an action under no-fault automobile insurance; clarifying the execution of a state agency lien for medical assistance in a civil case; preserving common law tort law claims against adults who knowingly provide alcoholic beverages to minors; changing the standard for awarding punitive damages; addressing when a principal may be held liable for punitive damages for an act of the principal's agent; requiring a separate trial to address punitive damages; requiring the court to review a punitive damages award; making the contributory negligence rule apply to damages resulting from economic loss; redefining fault; abolishing the doctrine of last clear chance; repealing the limit on intangible loss damages and the requirement that a jury specify amounts for past, future, and intangible loss damages; amending Minnesota Statutes 1988, sections 65B.51, subdivision 1; 256B.042, subdivision 5; 340A.801, by adding a subdivision; 541.051, subdivision 1; 548.36, subdivision 3; 549.20, subdivisions 1, 2, and by adding subdivisions; 604.01, subdivisions 1, 1a, and 3; repealing Minnesota Statutes 1988, sections 549.23 and 549.24.

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

Carlson, L., introduced:

H. F. No. 2028, A bill for an act relating to commerce; exempting credit unions from certain requirements for closing agents; amending Minnesota Statutes 1989 Supplement, section 82.20, subdivision 15.

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

Skoglund introduced:

H. F. No. 2029, A bill for an act relating to insurance; homeowners; regulating nonrenewal plans; amending Minnesota Statutes 1989 Supplement, section 65A.29, subdivision 11.

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

Simoneau introduced:

H. F. No. 2030, A bill for an act relating to civil actions; regulating punitive damage awards and the application of the comparative fault statute; amending Minnesota Statutes 1988, sections 549.20; and 604.01, subdivisions 1 and 3; Minnesota Statutes 1989 Supplement, section 604.02, subdivision 1.

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

Simoneau introduced:

H. F. No. 2031, A bill for an act relating to health; requiring insurers to provide medical malpractice insurance premium discounts to qualifying physicians; requiring the commissioner of health to purchase vaccine for resale to medical providers at discounted prices; declaring the goal of the legislature to achieve full funding for the WIC program by 1993; establishing additional responsibilities of the commissioner of health relating to the WIC program; requiring the commissioner of human services to seek federal approval to eliminate eligibility redeterminations for certain pregnant women and infants; expanding eligibility for the children's health plan to include certain pregnant women and children up to age six; increasing medical assistance income limits for pregnant women and children up to age seven; increasing payment rates for prenatal care and delivery services; requiring a plan to improve utilization rates for prenatal care and preventive care for children; expanding the prenatal care media outreach campaign; requiring the boards of medical examiners and nursing to report on complaints relating to obstetrics, gynecology, prenatal care, and delivery; appropriating money; amending Minnesota Statutes 1988, sections 214.07, subdivision 1, and by adding a subdivision; and 256.936, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 145.894; 256.936, subdivision 1; 256B.04, subdivision 17; and 256B.057, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 60A and 144.

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

Peterson, Vellenga, Kelly, Bishop and Seaberg introduced:

H. F. No. 2032, A bill for an act relating to crimes; making preparation of a written presentence investigation report discretionary with the court when a defendant is convicted of a felony for which the court must impose an executed sentence under the sentencing guidelines; amending Minnesota Statutes 1989 Supplement, section 609.115, subdivision 1.

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

Greenfield, Pappas, Segal, Jaros and Dawkins introduced:

H. F. No. 2033, A bill for an act relating to health; modifying medical assistance coverage of abortion services; appropriating money; amending Minnesota Statutes 1988, section 256B.0625, subdivision 16.

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

Greenfield, Clark and Skoglund introduced:

H. F. No. 2034, A bill for an act relating to human services; establishing a program to pay health insurance premiums on behalf of persons with AIDS to enable them to continue coverage under a private health plan; 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.

Wenzel, Steensma, Winter and Dille introduced:

H. F. No. 2035, A bill for an act relating to agriculture; appropriating money for farm and small business management programs at technical colleges.

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

Hasskamp introduced:

H. F. No. 2036, A bill for an act relating to transportation; extending exemption from motor vehicle fuel tax to transit systems

contracted for by cities and towns; amending Minnesota Statutes 1988, sections 296.02, subdivision 1a; and 296.025, subdivision 1a.

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

Orenstein introduced:

H. F. No. 2037, A bill for an act relating to taxation; providing homestead classification to property in which certain disabled individuals reside; amending Minnesota Statutes 1988, section 273.124, by adding a subdivision.

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

Orenstein and Kelly introduced:

H. F. No. 2038, A bill for an act relating to human rights; amending definitions of public accommodation, age, and familial status; clarifying medical information obtainable from prospective employees; clarifying protection for pregnant employees; prohibiting threats against home owners and renters; adding familial status as a protected class in employment; prohibiting discriminatory business practices; clarifying the meaning of business necessity and continuing violations; renumbering definitions; amending Minnesota Statutes 1988, sections 363.01, subdivisions 18 and 28; 363.03, subdivisions 2, 8a, and by adding a subdivision; 363.06, subdivision 1, and by adding a subdivision; 363.11; and 363.116; Minnesota Statutes 1989 Supplement, sections 363.01, subdivision 31; 363.02, subdivision 1; and 363.03, subdivision 1.

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

Stanius, Bennett, Ozment, Schafer and Swenson introduced:

H. F. No. 2039, A bill for an act relating to education; including science lab safety as a permitted health and safety expenditure; amending Minnesota Statutes 1988, section 124.83, subdivision 2; Minnesota Statutes 1989 Supplement, section 124.83, subdivision 6; and Minnesota Statutes Second 1989 Supplement, section 124.83, subdivision 1.

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

Stanius, Bennett, Swenson, Runbeck and Pellow introduced:

H. F. No. 2040, A bill for an act relating to education; increasing the formula allowance; modifying the training and experience index; appropriating money; amending Minnesota Statutes 1988, section 124A.22, subdivision 4; and Minnesota Statutes 1989 Supplement, section 124A.22, subdivision 2.

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

Scheid introduced:

H. F. No. 2041, A bill for an act relating to elections; clarifying language and changing procedures for voter registration, absentee voters, and polling place rosters; defining certain terms; changing certain time limits; amending Minnesota Statutes 1988, sections 200.02, by adding a subdivision; 201.022; 201.023; 201.054, subdivision 1; 201.061, subdivision 1; 201.071, subdivisions 3 and 4; 201.081; 201.091; 201.12, subdivision 2; 201.121, subdivisions 1 and 2; 201.171; 201.211; 201.221; 201.27, subdivision 1; 203B.09; 203B.12, subdivisions 2 and 3; 204B.28, subdivision 2; 204B.45, subdivision 2; 204C.10; 204C.12, subdivision 4; and 204C.27; Minnesota Statutes 1989 Supplement, section 203B.13, subdivision 3a; proposing coding for new law in Minnesota Statutes, chapter 201; and repealing Minnesota Statutes 1988, sections 201.061, subdivision 2; 201.071, subdivisions 5 and 6; and 201.091, subdivision 3.

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

McEachern, Bishop, Scheid, Bennett and Kinkel introduced:

H. F. No. 2042, A bill for an act relating to consumer protection; limiting the locations in which sales of tobacco by vending machine may be made; 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.

Kostohryz, Kelly, Vellenga, Orenstein and Pappas introduced:

H. F. No. 2043, A bill for an act relating to Ramsey county; setting the terms of charter commission members; amending Minnesota Statutes 1988, section 383A.553, subdivision 1.

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

Vellenga, Kelly, Blatz, Wagenius and Dempsey introduced:

H. F. No. 2044, A bill for an act relating to crime; increasing penalties for assault against a child when there is a past pattern of child abuse; increasing the penalty for malicious child punishment resulting in great bodily harm; increasing the penalty for false claims of child abuse made to influence a child custody proceeding; amending Minnesota Statutes 1988, section 609.507; and Minnesota Statutes 1989 Supplement, sections 609.223; and 609.377.

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

Williams and Greenfield introduced:

H. F. No. 2045, A bill for an act relating to human services; clarifying the definition of mentally retarded person in the Minnesota Commitment Act; amending Minnesota Statutes 1988, section 253B.02, subdivision 14.

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

Valento, Bennett and Stanius introduced:

H. F. No. 2046, A bill for an act relating to taxation; property; providing for the valuation of certain residential homestead property; amending Minnesota Statutes 1988, section 273.11, by adding a subdivision; Minnesota Statutes 1989 Supplement, section 273.11, subdivision 1.

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

Stanius introduced:

H. F. No. 2047, A bill for an act relating to retirement; public employees retirement association; authorizing the purchase of credit for prior service for a medical leave period.

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

Bauerly and Bertram introduced:

H. F. No. 2048, A bill for an act relating to the environment; amending provisions for environmental assessment worksheets and environmental impact statements for municipal wastewater treatment facilities; 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.

Bauerly and Bertram introduced:

H. F. No. 2049, A bill for an act relating to taxation; providing that certain vehicles purchased by governmental subdivisions are exempt from taxation; amending Minnesota Statutes 1989 Supplement, section 297B.03; and Minnesota Statutes Second 1989 Supplement, section 297A.25, subdivision 11.

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

Rodosovich introduced:

H. F. No. 2050, A bill for an act relating to human services; authorizing the lease of property to provide state-operated, community-based programs; 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.

Greenfield, Pugh, Jefferson, Clark and Kelso introduced:

H. F. No. 2051, A bill for an act relating to human services; providing for drug abuse prevention, research, and treatment programs; appropriating money; proposing new law in Minnesota Statutes 1988, chapter 254A.

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

Richter introduced:

H. F. No. 2052, A bill for an act relating to education; approving a maximum effort school loan program capital loan.

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

Bertram and Bauerly introduced:

H. F. No. 2053, A bill for an act relating to the national guard; allowing certain transfers of the right to tuition reimbursement; amending Minnesota Statutes 1989 Supplement, section 192.501, subdivision 2.

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

Bertram and Bauerly introduced:

H. F. No. 2054, A bill for an act relating to the environment; changing the collection period of the fee; changing the terms for reimbursement of petroleum tank release costs by the petroleum tank release compensation board; amending Minnesota Statutes 1988, section 115C.08, subdivision 2; and Minnesota Statutes 1989 Supplement, sections 115C.08, subdivision 5; and 115C.09, subdivision 3.

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

Nelson, K.; Rest; Frederick; McEachern and Sarna introduced:

H. F. No. 2055, A bill for an act relating to education; increasing the membership of the board of the Minnesota academic excellence foundation; clarifying the status of in-kind goods and services; increasing the staff of the foundation; appropriating money; amending Minnesota Statutes 1989 Supplement, section 121.612, subdivisions 3 and 5; and Laws 1989, chapter 329, article 11, section 15, subdivision 12.

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

Dauner, Williams, Lieder and Boo introduced:

H. F. No. 2056, A bill for an act relating to public safety; making it a crime for a driver to flee a peace officer from another state into Minnesota; authorizing a peace officer of another state to enter Minnesota in fresh pursuit for misdemeanor offenses; authorizing the results of blood tests administered in another state into evidence at Minnesota civil and criminal trials; amending Minnesota Stat-

utes 1988, section 609.487, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 626 and 634.

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

Dauner and Osthoff introduced:

H. F. No. 2057, A bill for an act relating to the city of Detroit Lakes; authorizing the establishment of a detached banking facility under certain conditions.

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

Carlson, L.; Jaros; Pelowski; Dorn and Heap introduced:

H. F. No. 2058, A bill for an act relating to education; changing names of state board and state director of vocational technical education and local directors of technical colleges; amending Minnesota Statutes 1988, section 136C.02, subdivisions 4 and 5.

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

Carlson, L.; Heap; Greenfield; Kahn and Otis introduced:

H. F. No. 2059, A bill for an act relating to education; permitting special school district No. 1 to remodel the Aviation Training Center with federal funds.

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

Bauerly, Wenzel, Winter and Dille introduced:

H. F. No. 2060, A bill for an act relating to agriculture; providing for mediation and arbitration of certain contract disputes; providing for recapture of capital investments required by certain agricultural contracts; clarifying responsibility of parent companies for affiliates; requiring good faith; prohibiting unfair practices; creating an ombudsman and a task force; 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.

Bauerly, Wenzel, Winter and Dille introduced:

H. F. No. 2061, A bill for an act relating to agriculture; changing the definition of farm products; changing provisions related to wholesale produce dealers; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 17.14, subdivision 3; 27.01, subdivisions 2, 3, 5, 8, and by adding a subdivision; 27.03, subdivision 1, and by adding a subdivision; 27.04; 27.041; 27.05; 27.06; and 27.19; proposing coding for new law in Minnesota Statutes, chapter 27.

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

Reding, Simoneau, Rukavina, Knickerbocker and Johnson, A., introduced:

H. F. No. 2062, A bill for an act relating to public employment; limiting the exclusion of graduate assistants from coverage under the public employment labor relations act; amending Minnesota Statutes 1988, section 179A.03, subdivision 14.

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

Seaberg, Kelly, Pappas and Swenson introduced:

H. F. No. 2063, A bill for an act relating to crime victims; providing victims of delinquent acts the right to request notice of release of juvenile offenders from juvenile correctional facilities; providing notice to sexual assault victims when a juvenile offender is released from pretrial detention; requiring that victims be informed of their right to request the withholding of public law enforcement data that identifies them; clarifying the duty of court administrators to disburse restitution payments; making certain changes to the crime victims reparations act; amending Minnesota Statutes 1988, section 611A.53, subdivision 2; Minnesota Statutes 1989 Supplement, sections 13.84, subdivision 5a; 611A.04, subdivision 2; 611A.06; 611A.52, subdivision 8; and 629.73; proposing coding for new law in Minnesota Statutes, chapter 611A.

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

Brown, Welle, Krueger and Carlson, D., introduced:

H. F. No. 2064, A bill for an act relating to railroads; establishing standard for abandonment of tracks; clarifying standard for aban-

donment of shops, terminals, and stations; amending Minnesota Statutes 1988, sections 219.681; 219.71; and 219.85.

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

Kelso introduced:

H. F. No. 2065, A bill for an act relating to the city of Savage; permitting the transfer of tax increments between project areas.

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

Kelso introduced:

H. F. No. 2066, A bill for an act relating to capital improvements; providing funds for wetlands acquisition in the city of Savage; authorizing sale of state bonds; appropriating money.

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

Clark and Orenstein introduced:

H. F. No. 2067, A bill for an act relating to health; requiring health plans to provide a certain level of benefits to chronically ill/technology dependent persons; 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.

Kelly, Peterson and Pugh introduced:

H. F. No. 2068, A bill for an act relating to traffic regulations; regulating alcohol and chemical use assessments, programs, and funding relating to persons convicted of offenses associated with driving under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1988, sections 169.121, subdivision 5; 169.124, subdivisions 1 and 2; and 169.126, subdivisions 1, 4b, and 6; Minnesota Statutes 1989 Supplement, sections 169.121, subdivision 3b; 169.126, subdivision 4; and 260.193, subdivision 8; repealing Minnesota Statutes 1988, sections 169.124, subdivision 3; and 169.126, subdivisions 2 and 3; and Minnesota Statutes 1989 Supplement, section 169.126, subdivision 4a.

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

Rukavina and Begich introduced:

H. F. No. 2069, A bill for an act relating to education; allowing independent school district No. 712 to establish a special account; amending Laws 1984, chapter 463, article 6, section 15, subdivision 2.

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

Tunheim introduced:

H. F. No. 2070, A bill for an act relating to workers' compensation; regulating the location for certain physical examinations; amending Minnesota Statutes 1988, section 176.155, subdivision 1.

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

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 recommendation of the Committee was reported to the House:

H. F. No. 1848 was recommended for re-referral to the Committee on Appropriations.

On the motion of Long the report of the Committee of the Whole was adopted.

MOTIONS AND RESOLUTIONS

Johnson, A., moved that the name of Lieder be added as an author on H. F. No. 1569. The motion prevailed.

Battaglia moved that the name of Carruthers be added as chief author on H. F. No. 1788. The motion prevailed.

Kelly moved that the name of Sparby be added as an author on H. F. No. 1840. The motion prevailed.

Tompkins moved that the name of Olsen, S., be added as an author on H. F. No. 1852. The motion prevailed.

Bauerly moved that the names of Olson, K.; Wagenius and Pelowski be added as authors on H. F. No. 1858. The motion prevailed.

Frederick moved that the names of Olsen, S., and Johnson, V., be added as authors on H. F. No. 1867. The motion prevailed.

Quinn moved that the name of Boo be stricken and the name of Kelly be added as chief author on H. F. No. 1891. The motion prevailed.

Tompkins moved that her name be stricken as an author on H. F. No. 1915. The motion prevailed.

Bertram moved that the names of Welle, Gruenes, Cooper and Greenfield be added as authors on H. F. No. 1930. The motion prevailed.

Omann moved that the names of Wenzel and Bauerly be added as authors on H. F. No. 1943. The motion prevailed.

Quinn moved that the names of Kostohryz, Gutknecht, Boo and Long be added as authors on H. F. No. 2005. The motion prevailed.

Omann moved that H. F. No. 1943 be recalled from the Committee on Judiciary and be re-referred to the Committee on Appropriations. The motion prevailed.

Bertram moved that H. F. No. 1930 be recalled from the Committee on General Legislation, Veterans Affairs and Gaming and be re-referred to the Committee on Health and Human Services. The motion prevailed.

Kelly moved that H. F. No. 1891 be recalled from the Committee on General Legislation, Veterans Affairs and Gaming and be re-referred to the Committee on Judiciary. The motion prevailed.

Johnson, A., moved that H. F. No. 1959 be returned to its author. The motion prevailed.

Johnson, V., moved that H. F. No. 1703 be returned to its author. The motion prevailed.

Long introduced:

House Resolution No. 14, A house resolution urging Senator Duane Benson to refrain from soliciting or accepting any political contributions during the 1990 legislative session.

SUSPENSION OF RULES

Long moved that the rules be so far suspended that House Resolution No. 14 be now considered and be placed upon its adoption.

House Resolution No. 14 was temporarily laid over.

House Resolution No. 13 which was laid over one day pursuant to House Rule 4.5 was reported to the House.

SUSPENSION OF RULES

Schreiber moved that the rules be so far suspended that House Resolution No. 13 be now considered and be placed upon its adoption.

A roll call was requested and properly seconded.

The question was taken on the Schreiber motion and the roll was called. There were 55 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Johnson, V.	Omann	Schreiber
Anderson, R.	Frerichs	Knickerbocker	Onnen	Seaberg
Bennett	Girard	Limmer	Osthoff	Stanisus
Bishop	Gruenes	Lynch	Ozment	Sviggum
Blatz	Gutknecht	Macklin	Pauly	Swenson
Boo	Hartle	Marsh	Pellow	Tjornhom
Burger	Haukoos	McDonald	Poppenhagen	Tompkins
Carlson, D.	Heap	McPherson	Redalen	Uphus
Dempsey	Henry	Miller	Richter	Valento
Dille	Himle	Morrison	Runbeck	Waltman
Forsythe	Hugoson	Olsen, S.	Schafer	Weaver

Those who voted in the negative were:

Anderson, G.	Greenfield	Lasley	Orenstein	Segal
Battaglia	Hasskamp	Lieder	Ostrom	Simoneau
Bauerly	Hausman	Long	Otis	Skoglund
Beard	Jacobs	McEachern	Pelowski	Solberg
Begich	Janezich	McGuire	Peterson	Sparby
Bertram	Jaros	McLaughlin	Price	Steensma
Brown	Jefferson	Milbert	Pugh	Trimble
Carlson, L.	Johnson, A.	Munger	Quinn	Tunheim
Carruthers	Johnson, R.	Murphy	Reding	Vellenga
Clark	Kalis	Nelson, C.	Rest	Wagenius
Conway	Kelly	Nelson, K.	Rice	Welle
Cooper	Kelso	Neuenschwander	Rodosovich	Wenzel
Dauner	Kinkel	O'Connor	Rukavina	Williams
Dawkins	Kostohryz	Ogren	Sarna	Winter
Dorn	Krueger	Olson, K.	Scheid	Spk. Vanasek

The motion did not prevail.

House Resolution No. 13 was referred to the Committee on Ways and Means.

Long requested that House Resolution No. 14 be returned to its author. There being no objection, House Resolution No. 14 was returned to its author.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 2:30 p.m., Thursday, February 22, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Thursday, February 22, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SIXTY-THIRD DAY

SAINT PAUL, MINNESOTA, THURSDAY, FEBRUARY 22, 1990

The House of Representatives convened at 2:30 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Ronald A. Smith, Pastor, Open Door Baptist Church, St. Paul, Minnesota.

The roll was called and the following members were present:

Abrams	Ferichs	Kostohryz	Omann	Seaberg
Anderson, G.	Girard	Krueger	Onnen	Segal
Anderson, R.	Greenfield	Lasley	Orenstein	Simoneau
Battaglia	Gruenes	Lieder	Osthoff	Skoglund
Bauerly	Gutknecht	Limmer	Ostrom	Solberg
Beard	Hartle	Long	Otis	Sparby
Begich	Hasskamp	Lynch	Ozment	Stanius
Bennett	Haukoos	Macklin	Pappas	Steensma
Bertram	Hausman	Marsh	Pauly	Sviggum
Bishop	Heap	McDonald	Pellow	Swenson
Blatz	Henry	McEachern	Pelowski	Tjornhom
Boo	Himle	McGuire	Peterson	Tompkins
Brown	Hugoson	McLaughlin	Poppenhagen	Trimble
Burger	Jacobs	McPherson	Price	Tunheim
Carlson, D.	Janezich	Milbert	Pugh	Uphus
Carlson, L.	Jaros	Miller	Quinn	Valento
Carruthers	Jefferson	Morrison	Redalen	Vellenga
Clark	Jennings	Munger	Reding	Wagenius
Conway	Johnson, A.	Murphy	Rest	Waltman
Cooper	Johnson, R.	Nelson, C.	Rice	Weaver
Dauner	Johnson, V.	Nelson, K.	Richter	Welle
Dawkins	Kahn	Neuenschwander	Rodosovich	Wenzel
Dempsey	Kalis	O'Connor	Rukavina	Williams
Dille	Kelly	Ogren	Runbeck	Winter
Dorn	Kelso	Olsen, S.	Sarna	Spk. Vanasek
Forsythe	Kinkel	Olson, E.	Schafer	
Frederick	Knickerbocker	Olson, K.	Scheid	

A quorum was present.

Schreiber was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Rodosovich 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. 1569 and S. F. No. 60 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 479, A bill for an act proposing an amendment to the Minnesota Constitution, article XI, section 14; dedicating certain lottery revenue to the environment and natural resources trust fund; repealing Minnesota Statutes 1988, section 116P.04, subdivisions 2 and 3.

Reported the same back with the following amendments:

Page 2, line 4, delete everything after "lottery"

Page 2, delete line 5

Page 2, line 6, delete "and general sales,"

Page 2, line 13, delete "one-half of one percent"

Page 2, line 14, delete "of certain tax revenue, including"

Page 2, line 15, delete the comma

Page 2, delete lines 18 to 23

Amend the title as follows:

Page 1, line 3, delete "lottery"

Page 1, line 5, delete everything after "fund"

Page 1, line 6, delete everything before the period

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. 1754, A resolution memorializing the Congress of the United States to enact the American Heritage Trust Act authorizing the creation of a federal trust fund to provide funding for local, state, and federal land and water conservation and historic preservation purposes.

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

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1772, A bill for an act relating to towns; providing for state participation in sewer and water development; providing for the issuance of state bonds; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 1, line 9, delete "commissioner of trade and economic development" and insert "public facilities authority"

Page 1, after line 19 insert:

"(6) relative public health hazards;"

Page 1, line 20, delete "(6)" and insert "(7)"

Page 1, line 21, delete "(7)" and insert "(8)" and delete "commissioner" and insert "authority"

Page 1, line 23, delete "commissioner" and insert "authority"

Page 2, line 1, delete "\$40,000,000" and insert "\$"

Page 2, line 2, delete "commissioner of trade and economic development" and insert "public facilities authority"

Page 2, line 8, delete "\$40,000,000" and insert "\$"

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 Governmental Operations to which was referred:

H. F. No. 1785, A bill for an act relating to real property; providing for plat monuments; imposing a penalty; amending Minnesota Statutes 1988, sections 505.02, subdivision 1; and 505.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 505.

Reported the same back with the following amendments:

Page 3, line 25, delete "1989" and insert "1990"

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 transportation; authorizing the issuance of \$32,000,000 in Minnesota state transportation bonds for the construction and reconstruction of county and city bridges; appropriating money.

Reported the same back with the following amendments:

Page 2, line 13, delete "\$25,600,000" and insert "\$21,900,000"

Page 2, line 15, delete "\$6,400,000" and insert "\$5,500,000"

Page 2, after line 15, insert:

"(3) to towns \$4,600,000"

Amend the title as follows:

Page 1, line 4, delete the second "and" and insert a comma

Page 1, line 5, after "city" insert ", and town"

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. 1815, A bill for an act relating to agriculture; extending the farmer-lender mediation act; appropriating money; amending Laws 1986, chapter 398, article 1, section 18, as amended.

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. 1830, A bill for an act relating to crime; increasing the penalty for malicious child punishment resulting in great bodily harm; amending Minnesota Statutes 1989 Supplement, section 609.377.

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. 1839, A bill for an act relating to employment; raising the minimum wage; amending Minnesota Statutes 1988, section 177.24, subdivision 1.

Reported the same back with the following amendments:

Page 1, lines 17 and 22, delete "\$362,500" and insert "\$500,000"

Page 2, delete lines 1 to 4

Page 2, line 5, delete "(4)" and insert "(3)"

Page 2, line 6, delete "(5)" and insert "(4)"

Page 2, line 30, delete everything after the period

Page 2, delete lines 31 and 32

Page 2, line 33, delete everything before "Every"

Page 2, line 36, after "1992," insert "and"

Page 3, line 1, delete everything after "1993" and insert a period

Page 3, line 2, delete everything before "Every"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1845, A bill for an act relating to nursing; allowing nurse practitioners to prescribe and administer drugs and therapeutic devices; amending Minnesota Statutes 1989 Supplement, section 148.171.

Reported the same back with the following amendments:

Page 3, after line 15, insert:

"Sec. 2. [RULES.]

Registered nurses may prescribe and administer prescription drugs and therapeutic devices in accordance with rules adopted by the board of nursing under this section. The board of nursing shall promulgate rules to provide for the following:

(1) a system of identifying registered nurses eligible to prescribe drugs and therapeutic devices;

(2) a method of determining the categories of prescription drugs and therapeutic devices that each registered nurse is allowed to prescribe; and

(3) a system of transmitting to pharmacists a listing of registered nurses eligible to prescribe prescription drugs and therapeutic devices and the types of drugs and therapeutic devices they are allowed to prescribe.

For purposes of adopting rules under this section, the board of nursing shall establish and appoint a rules advisory task force composed of the following six members:

(1) three registered nurses;

(2) two pharmacists; and

(3) one physician.

The rules advisory task force shall review and make recommendations to the board of nursing on the merit of all suggested rules relating to the prescription of therapeutic devices and prescription drugs by registered nurses. No rule relating to the prescribing of prescription drugs and therapeutic devices by registered nurses shall be proposed by the board of nursing without first being submitted to the task force for review and comment.

The board of the Minnesota medical association shall appoint two physicians, and the board of the Minnesota nurses association shall appoint two nurses, to a protocol development task force that shall propose a standardized format for the written protocols to the board of nursing for incorporation into the rules required by this section. At least one of the physicians and one of the nurses on the protocol development task force shall also be appointed by the board of nursing to the rules advisory task force."

Amend the title as follows:

Page 1, line 4, after "devices;" insert "requiring rules; requiring task forces;"

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. 1846, A bill for an act relating to prostitution; increasing penalties for certain patrons of prostitutes; providing for driver's license revocation for repeat violators who use a motor vehicle during the commission of the offense; amending Minnesota Statutes

1988, sections 609.324, subdivisions 2, 3, and by adding a subdivision; and 609.3241.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 609.324, subdivision 2, is amended to read:

Subd. 2. Whoever solicits or accepts a solicitation to engage for hire in sexual penetration or sexual contact while in a public place 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. Except as otherwise provided in subdivision 4, a person who is convicted of violating this subdivision while acting as a patron must, at a minimum, be sentenced to pay a fine of at least \$1,500.

Sec. 2. Minnesota Statutes 1988, section 609.324, subdivision 3, is amended to read:

Subd. 3. Whoever intentionally does any of the following may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both:

(1) Engages in prostitution with an individual 18 years of age or above; or

(2) Hires or offers or agrees to hire an individual 18 years of age or above to engage in sexual penetration or sexual contact. Except as otherwise provided in subdivision 4, a person who is convicted of violating clause (1) or (2) while acting as a patron must, at a minimum, be sentenced to pay a fine of at least \$500.

Whoever violates the provisions of this subdivision within ~~two~~ five years of a previous conviction 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. Except as otherwise provided in subdivision 4, a person who is convicted of a gross misdemeanor violation of this subdivision while acting as a patron, must, at a minimum, be sentenced to pay a fine of at least \$1,500 and, in those counties where section 609.3241 applies, ordered to pay an assessment of \$500.

Sec. 3. Minnesota Statutes 1988, section 609.324, is amended by adding a subdivision to read:

Subd. 4. [COMMUNITY SERVICE IN LIEU OF MINIMUM FINE.] The court may order a person convicted of violating subdi-

vision 2 or 3 to perform community work service in lieu of all or a portion of the minimum fine required under those subdivisions if the court makes specific, written findings that the convicted person is indigent or that payment of the fine would create undue hardship for the convicted person or that person's immediate family.

Sec. 4. Minnesota Statutes 1988, section 609.324, is amended by adding a subdivision to read:

Subd. 5. [USE OF MOTOR VEHICLE TO PATRONIZE PROSTITUTES; DRIVING RECORD NOTATION.] When a court sentences a person convicted of violating this section while acting as a patron, the court shall determine whether the person used a motor vehicle during the commission of the offense. If the court finds that the person used a motor vehicle during the commission of the offense, it shall forward its finding to the commissioner of public safety who shall record the finding on the person's driving record. The finding is classified as private data on individuals, as defined in section 13.02, subdivision 12.

Sec. 5. Minnesota Statutes 1988, section 609.3241, is amended to read:

609.3241 [PENALTY ASSESSMENT AUTHORIZED.]

In any county that has established a multidisciplinary child protection team pursuant to section 626.558, when a court sentences an adult convicted of violating section 609.322, 609.323, or 609.324, while acting other than as a prostitute, the court shall impose an assessment of \$250 to be used for the purposes described in section 626.558, subdivision 2a; provided that the court shall impose an assessment of \$500 on an adult patron convicted of a gross misdemeanor violation of section 609.324, subdivision 3. This assessment is in addition to the assessment or surcharge required by section 609.101.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective August 1, 1990, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to prostitution; increasing penalties for certain patrons of prostitutes; providing that when a patron uses a motor vehicle during commission of an offense, that fact will be noted on the person's driving record; amending Minnesota Statutes 1988, sections 609.324, subdivisions 2, 3, and by adding subdivisions; and 609.3241."

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. 1859, A bill for an act relating to transportation; exempting volunteer drivers of private passenger vehicles from certain passenger service rules of the commissioner of transportation; amending Minnesota Statutes 1989 Supplement, section 221.031, subdivision 3a.

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

The report was adopted.

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

H. F. No. 1887, A bill for an act relating to health; providing limited prescription privileges for physician assistants; amending Minnesota Statutes 1988, section 151.37, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 151.37, is amended by adding a subdivision to read:

Subd. 2a. A supervising physician, as defined in Minnesota Rules, part 5600.2600, may delegate to a physician assistant, who is registered with the board of medical examiners, certified by the National Commission on Certification of Physician Assistants, and who is under the supervising physician's supervision, the authority to prescribe and administer legend drugs and medical devices, subject to a process of retrospective review by the supervising physician, as established in rule.

Sec. 2. [RULES.]

By June 1, 1991, the commissioner of health shall amend Minnesota Rules, part 5600.2635, to require the agreement between the physician assistant and supervising physician and any alternate supervising physicians to include a statement by the supervising

physician regarding delegation or nondelegation of the functions of prescribing and administering of legend drugs and medical devices to the physician assistant. This statement shall include a protocol indicating categories of drugs for which the supervising physician delegates prescriptive authority. This delegation shall be appropriate to the physician assistant's practice and within the scope of the physician assistant's training.

By June 1, 1991, the commissioner of health shall amend Minnesota Rules, part 5600.2615, subpart 2, to include, as an allowed service, the prescription and administration of legend drugs and medical devices as delegated by the supervising physician, subject to retrospective review and the limitations in the supervisory agreement. The commissioner of health shall review whether there are certain categories of drugs for which delegated prescribing is inappropriate.

By June 1, 1991, the commissioner of health shall amend Minnesota Rules, parts 5600.2630 and 5600.2645, to require physician assistants who have been delegated the authority to prescribe and administer legend drugs and medical devices to provide evidence of current certification by the National Commission on Certification of Physician Assistants, when registering or reregistering as physician assistants.

By June 1, 1991, the commissioner of health shall adopt rules to require supervising physicians to retrospectively review, on a daily basis, the prescribing and administering of legend drugs and medical devices by physician assistants, when this authority has been delegated to the physician assistant as part of the agreement required by Minnesota Rules, part 5600.2635. During each on-site visit, the supervising physician shall document by signature and date that the prescriptive practice of the physician assistant has been reviewed.

By June 1, 1991, the commissioner of health shall adopt rules to develop:

(1) a system of identifying physician assistants eligible to prescribe drugs and therapeutic devices;

(2) a method of determining the categories of prescription drugs and therapeutic devices that each physician assistant is allowed to prescribe; and

(3) a system of transmitting to pharmacists a listing of physician assistants eligible to prescribe prescription drugs and therapeutic devices and the types of drugs and therapeutic devices they are allowed to prescribe."

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

The report was adopted.

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

H. F. No. 1945, A bill for an act relating to human services; renewing the authority for a nursing home to choose to have the commissioner apply the cost limits that apply to facilities in a different geographic group, for purposes of setting the nursing home's payment rates; amending Minnesota Statutes 1989 Supplement, section 256B.431, subdivision 2b.

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. 1952, A bill for an act relating to crimes; permitting individuals to request that the department of public safety not release the individual's residential address to the public; permitting individuals to designate a mailing address for purposes of the department's public records; increasing penalties for certain acts of harassment; authorizing courts to issue orders to restrain acts of harassment; amending Minnesota Statutes 1988, section 171.12, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 168 and 609.

Reported the same back with the following amendments:

Pages 1 and 2, delete sections 1 and 2 and insert:

"Section 1: [168.346] [REQUEST TO USE MAILING ADDRESS IN CERTAIN CASES.]

The owner of a motor vehicle may request in writing that the owner's residence address be classified as private data on individuals, as defined in section 13.02, subdivision 12. The commissioner shall grant the classification upon receipt of reasonable evidence that the classification is required for the safety of the applicant or the applicant's family. When the classification is granted, the applicant must provide a mailing address that is a valid, existing address where the applicant consents to receive service of process and that is in the same county as the residence address. The

commissioner shall use the mailing address in place of the residence address in all documents and notices pertaining to the motor vehicle. The residence address and any information provided in the classification request shall be held as private data on individuals and may be provided only to requesting law enforcement agencies.

Sec. 2. Minnesota Statutes 1988, section 171.12, is amended by adding a subdivision to read:

Subd. 7. [REQUEST TO USE MAILING ADDRESS IN CERTAIN CASES.] An applicant for a driver's license or a Minnesota identification card may request in writing that the applicant's residence address be classified as private data on individuals, as defined in section 13.02, subdivision 12. The commissioner shall grant the classification upon receipt of reasonable evidence that the classification is required for the safety of the applicant or the applicant's family. When the classification is granted, the applicant must provide a mailing address that is a valid, existing address where the applicant consents to receive service of process and that is in the same county as the residence address. The commissioner shall use the mailing address in place of the residence address in all documents and notices pertaining to the driver's license or identification card. The residence address and any information provided in the classification request shall be held as private data on individuals and may be provided only to requesting law enforcement agencies."

Page 2, line 36, delete "victim" and insert "individual"

Page 3, line 1, after the period insert "As used in this subdivision, "individual" means a natural person."

Page 3, line 21, delete "comfort" and insert "well-being"

Page 3, delete lines 24 to 28

Amend the title as follows:

Page 1, delete lines 3 to 6, and insert "that the commissioner of public safety hold certain information on the individual as private,"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1965, A bill for an act relating to health; providing

exemptions from the infectious waste control act; requiring hospitals to accept certain infectious waste; modifying standards for ambulance drivers; requiring adoption of rules setting new standards for recertification of and upgrading to emergency care course certificates; increasing reimbursement for volunteers; exempting ambulances from vehicle license fees, registration, and excise taxes; regulating the provision of special transportation services; providing a tax credit; requiring studies; increasing medical assistance rates for ambulance services; providing funding for prehospital education, continuing education, and equipment; establishing task forces for medical directors and advisers; establishing an incentive plan for ambulance service personnel; setting plan requirements; creating a loan forgiveness program for medical students; providing nursing scholarships; creating a loan forgiveness program for advanced practice nurses; providing funding for summer medical interns; encouraging rural medical school applicants; increasing medical assistance reimbursement for certain physician services; increasing participation in the rural physicians associates program; creating a rural hospital planning and transition grant program; creating a rural hospital subsidy fund; changing requirements for swing beds; providing exemptions to the hospice licensure requirement; requiring a study of rural health professionals; allowing counties authority to exceed levy limits; appropriating money; amending Minnesota Statutes 1988, sections 136C.04, by adding a subdivision; 144A.48, subdivision 2, and by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 9; 116.78, by adding subdivisions; 144.562, subdivision 2; 144.804, subdivision 1; 144.809; 144.8091; 168.012, subdivision 1; 168.013, subdivision 1a; 168.33, subdivision 7; and 297B.03; Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 136A; 144; 147; 148; 174; and 290; proposing coding for new law as Minnesota Statutes, chapter 353E.

Reported the same back with the following amendments:

Page 6, after line 7, insert:

"Sec. 7. [144.8097] [EMERGENCY MEDICAL SERVICES ADVISORY COUNCIL.]

Subdivision 1. [ADVISORY COUNCIL ESTABLISHED.] There is established an emergency medical services advisory council to advise, to consult with, and to make recommendations to the commissioner of health regarding the formulation of policy and plans for the organization, delivery, and evaluation of emergency medical services within the state. The commissioner shall establish procedures for the advisory council's proper functioning. The procedures must include, but not be limited to, methods for selecting alternate or temporary members and methods of communicating recommendations and advice to the commissioner for consideration.

Subd. 2. [MEMBERSHIP; TERMS; COMPENSATION.] (a) The council shall consist of 17 members. The members shall be appointed by the commissioner of health and shall consist of the following:

(1) a representative of the governing bodies of the eight regional emergency medical systems designated under section 144.8093;

(2) an emergency medical services physician;

(3) an emergency department nurse;

(4) an emergency medical technician (ambulance, intermediate, or paramedic);

(5) a representative of an emergency medical care training institution;

(6) a representative of a licensed ambulance service;

(7) a hospital administrator;

(8) a first responder;

(9) a member of a community health services agency; and

(10) a representative of the public at large.

(b) As nearly as possible, one-third of the initial members' terms must expire each year during the first three years of the council. Successors of the initial members shall be appointed for three-year terms. A person chosen to fill a vacancy shall be appointed only for the unexpired term of the board member whom the newly appointed member succeeds.

(c) The compensation and removal of all members and the expiration of the council shall be as provided in section 15.059."

Page 6, line 24, delete "vehicles" and insert "ambulances"

Page 13, line 31, delete "human services" and insert "health"

Page 25, line 23, after the second comma insert "public health nurse,"

Page 27, line 5, delete "education" and insert "health"

Page 27, delete lines 25 to 31 and insert:

“Sec. 7. [STUDY OF MEDICAL ASSISTANCE REIMBURSEMENT FOR RURAL PHYSICIANS.]

The commissioner of human services shall examine methods to increase medical assistance reimbursement to medical doctors and doctors of osteopathy practicing in rural areas of the state. The commissioner may consider selective reimbursement increases for services most commonly performed by rural medical doctors and doctors of osteopathy, or may consider other changes in medical assistance reimbursement designed to target reimbursement increases to medical doctors and osteopaths practicing in rural areas. The commissioner shall present recommendations to the legislature by January 15, 1991.”

Page 28, delete lines 26 to 29

Page 28, line 30, delete “6” and insert “5”

Page 29, line 2, delete “AND HOSPICES”

Page 30, line 36, delete “\$75,000” and insert “\$50,000”

Page 32, delete lines 1 to 36

Page 33, delete lines 1 to 20

Page 34, after line 7, insert:

“Sec. 5. Minnesota Statutes 1989 Supplement, section 256B.0625, subdivision 2, is amended to read:

Subd. 2. [SKILLED AND INTERMEDIATE NURSING CARE.] Medical assistance covers 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 (1) the facility in which the swing bed is located is eligible as a sole community provider, as defined in Code of Federal Regulations, title 42, section 412.92, or the facility is a public hospital owned by a governmental entity with 15 or fewer licensed acute care beds; (2) the health care financing administration approves the necessary state plan amendments; (3) the patient was screened as provided in section 256B.091; (4) the patient no longer requires acute care services; and (5) no nursing home beds are available within 25 miles of the facility. The daily medical assistance payment for nursing care for the patient in the swing bed is the statewide average medical assistance skilled

nursing care per diem as computed annually by the commissioner on July 1 of each year."

Page 39, line 18, after "APPROPRIATION" insert "; COMPLEMENT INCREASE"

Page 39, line 21, delete everything after the period

Page 39, delete line 22 and insert "The complement of the department of health is increased by . . . positions to carry out the requirements of sections 2, 3, and 4."

Page 39, after line 22, insert:

"Sec. 8. [EFFECTIVE DATE.]

Section 5 is effective the day following final enactment."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 8, after the semicolon insert "establishing an emergency medical services advisory council;"

Page 1, delete line 23

Page 1, line 24, delete everything before the semicolon and insert "requiring a study of medical assistance reimbursement for rural physicians"

Page 1, line 27, delete "changing"

Page 1, delete line 28

Page 1, line 29, delete everything before "requiring" and insert "clarifying requirements for medical assistance coverage of swing beds."

Page 1, line 31, after "money" insert "and increasing the complement"

Page 1, line 33, delete everything after the semicolon

Page 1, line 34, delete everything before "Minnesota"

Page 1, line 36, delete "144.562, subdivision 2;"

Page 1, line 38, before "and" insert "256B.0625, 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.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 1985, A bill for an act relating to insurance; regulating cease and desist orders and communications with the department of commerce; amending Minnesota Statutes 1988, sections 45.027, subdivision 5; and 60A.17, 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.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1754, 1785, 1830, 1839, 1846, 1859, 1952 and 1985 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Murphy; Cooper; Olson, K.; Dille and Girard introduced:

H. F. No. 2071, A bill for an act relating to agriculture; establishing a legislative commission on research in agriculture; providing for an advisory board on agricultural research; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 3 and 17.

The bill was read for the first time and referred to the Committee on Economic Development/Rural Resource Development Division.

Greenfield, Segal and Gruenes introduced:

H. F. No. 2072, A bill for an act relating to human services; modifying requirements for the administration of neuroleptic medication to committed persons; amending Minnesota Statutes 1988, section 253B.17, subdivision 1; Minnesota Statutes 1989 Supplement, section 253B.03, subdivision 6a.

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

Osthoff, Abrams, Ogren and Jacobs introduced:

H. F. No. 2073, A bill for an act relating to utilities; repealing sunset provision relating to flexible gas utility rates; amending Laws 1987, chapter 371, section 4.

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

Jacobs introduced:

H. F. No. 2074, A bill for an act relating to the legislature; reducing the number of members of the senate and house of representatives; amending Minnesota Statutes 1988, sections 2.021; and 2.031, subdivision 1; repealing Minnesota Statutes 1988, 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.

Jacobs introduced:

H. F. No. 2075, A bill for an act relating to utilities; providing for the assessment of expenses for adjudicating service area disputes to municipal electric utilities; amending Minnesota Statutes 1988, section 216B.62, subdivision 5.

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

Jacobs, Dawkins, Bennett and Solberg introduced:

H. F. No. 2076, A bill for an act relating to liquor; authorizing liquor stores to sell candy liqueurs; exempting certain signs from cost limits; authorizing removal of partially consumed wine bottles from licensed premises; eliminating the requirement for a vote on

municipal liquor store continuance upon population change; amending Minnesota Statutes 1988, sections 340A.101, subdivision 10; 340A.308; and 340A.404, by adding a subdivision; repealing Minnesota Statutes 1988, section 340A.601, subdivision 2.

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

Ozment, Wagenius, Blatz, Pappas and Kelly introduced:

H. F. No. 2077, A bill for an act relating to criminal sexual contact; expanding the definition of "sexual contact" in fifth degree criminal sexual conduct; amending Minnesota Statutes 1988, section 609.3451, subdivision 1.

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

Dorn and Welle introduced:

H. F. No. 2078, A bill for an act relating to Blue Earth county; permitting the appointment of the auditor, recorder, and treasurer; authorizing the reorganization of county offices.

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

Kelso, Segal, Sviggum, Greenfield and Vellenga introduced:

H. F. No. 2079, A bill for an act relating to human services; amending licensing data requirements under the data practices act; clarifying appropriate mental health outpatient services; amending the human services licensing act; defining drop-in child care; creating an exclusion from licensure; requiring a need determination for licensing; clarifying sanctions allowed against license holders; establishing requirements for receivership; amending Minnesota Statutes 1988, sections 13.46, subdivision 4; 245A.07, subdivision 3; 245A.08, subdivision 3; and 245A.16, subdivision 4; Minnesota Statutes 1989 Supplement, sections 245.470, subdivision 1; 245.488, subdivision 1; 245A.02, subdivision 6a; 245A.03, subdivision 2, and by adding a subdivision; 245A.04, subdivisions 3a and 3b; 245A.12; 245A.13; and 245A.16, subdivision 1.

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

Brown, Kostohryz, Lasley, Cooper and Ozment introduced:

H. F. No. 2080; A bill for an act relating to public safety; conforming definition of "family or group family day care home" for purposes of fire code enforcement; abolishing nominal reimbursements for local fire chiefs; abolishing certain regulation of fire extinguishers now regulated under state fire code; abolishing regulation regarding "no smoking" signs which are regulated by state fire code; abolishing regulation regarding liquified petroleum and industrial gas containers which are regulated by state fire code and other rules; abolishing regulations relating to fire alarm deactivation requests and notices; abolishing state licensing of, and certain regulation regarding, dry cleaning and dyeing establishments, which are also regulated by state fire code; amending Minnesota Statutes 1988, section 299F.011, subdivision 4a; repealing Minnesota Statutes 1988, sections 299F.34; 299F.36; 299F.38; 299F.40; 299F.453; 299F.454; and 299I.01 to 299I.24:

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

Reding introduced:

H. F. No. 2081, A bill for an act relating to state government; regulating certain employment practices; permitting the transfer of vacation and sick leave for certain gubernatorial appointees; permitting employees on permanent layoff to test into new state positions; authorizing the donation of the value accrued vacation leave to other state employees under certain circumstances; making technical changes in the public employees insurance program; eliminating the authority of the board of medical examiners and the board of dentistry to set the salaries of their executive directors; eliminating obsolete language; appropriating money; amending Minnesota Statutes 1988, sections 15A.081, by adding a subdivision; 43A.13, subdivisions 2 and 3; and 43A.316, subdivisions 2, 3, 5, 7, and 8; amending Minnesota Statutes 1989 Supplement, sections 43A.316, subdivisions 9 and 10; and 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 43A.

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

Quinn, Rodosovich, Blatz, Olsen, S., and Johnson, A., introduced:

H. F. No. 2082, A bill for an act relating to housing; providing a first option to purchase to residents of a manufactured home park; authorizing homestead treatment of a manufactured home park owned by its residents; authorizing the Minnesota housing finance agency to provide manufactured home park financing; amending

Minnesota Statutes 1988, sections 273.124, by adding subdivisions; and 462A.05, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 327C.

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

Skoglund; Nelson, K.; Wagenius; Seaberg and Orenstein introduced:

H. F. No. 2083, A bill for an act relating to metropolitan government; clarifying provisions for compensation; amending Minnesota Statutes 1988, sections 473.123, subdivision 5; and 473.141, subdivision 7; Minnesota Statutes 1989 Supplement, sections 473.605, subdivision 2; and 473.704, subdivision 6.

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

Milbert introduced:

H. F. No. 2084, 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 1988, chapters 367, as amended; and 368, as amended.

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

Kelly, Munger, Trimble and Kahn introduced:

H. F. No. 2085, A bill for an act relating to the environment; placing restrictions on use of water for once-through cooling systems; changing water use processing fees for once-through cooling systems; appropriating money; amending Minnesota Statutes 1988, section 105.41, by adding a subdivision; and Minnesota Statutes 1989 Supplement, section 105.41, subdivisions 1c and 5a.

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

Kelly, Carruthers, Pugh and Limmer introduced:

H. F. No. 2086, A bill for an act relating to crime; imposing penalties on persons who commit a crime while wearing or possess-

ing soft body armor; permitting summary forfeiture of weapons used to commit a controlled substance offense; permitting summary forfeiture of soft body armor worn or possessed during the commission of a crime; amending Minnesota Statutes 1988, section 609.5316, subdivision 3; 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.

Olson, E.; Lieder; Tunheim and Sparby introduced:

H. F. No. 2087, A bill for an act relating to agriculture; providing that checkoff fees from certain potato producers are not refundable; amending Minnesota Statutes 1988, section 17.63.

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

Kelly, Scheid, Vellenga, Forsythe and Miller introduced:

H. F. No. 2088, A bill for an act relating to civil actions; providing that proof of a person's failure to use seat belts is admissible in litigation; amending Minnesota Statutes 1988, sections 169.685, subdivision 4; and 604.01, by adding a subdivision.

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

Ogren, Osthoff, Dawkins, Jefferson and Boo introduced:

H. F. No. 2089, A bill for an act relating to utilities; defining certain resellers of local exchange telephone service as independent telephone companies; prohibiting special pricing for resellers; classifying resale of local exchange telephone service as a competitive service; amending Minnesota Statutes 1988, sections 237.01, subdivision 3, and by adding subdivisions; and 237.59, by adding a subdivision; and Minnesota Statutes 1989 Supplement, section 237.071.

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

Jennings introduced:

H. F. No. 2090, A bill for an act relating to highways; naming and designating as Moberg Trail that portion of Constitutional Route

No. 46 located within Chisago county; amending Minnesota Statutes 1988, section 161.14, by adding a subdivision.

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

Heap introduced:

H. F. No. 2091, A bill for an act relating to highways; directing commissioner of transportation to implement sound abatement measures along highways; amending Minnesota Statutes 1988, section 161.125, subdivision 1; repealing Laws 1978, chapter 791, section 19.

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

Skoglund, Stanius, Munger, Wagenius and Johnson, R., introduced:

H. F. No. 2092, A bill for an act relating to natural resources; prohibiting transportation of Eurasian milfoil; providing exceptions; proposing coding for new law in Minnesota Statutes, chapter 18.

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

Janezich, Kinkel, Dorn, Williams and Sparby introduced:

H. F. No. 2093, A bill for an act relating to health; providing exemptions from the infectious waste control act; requiring hospitals to accept certain infectious waste; modifying standards for ambulance drivers; requiring adoption of rules setting new standards for recertification of and upgrading to emergency care course certificates; increasing reimbursement for volunteers; exempting ambulances from vehicle license fees, registration, and excise taxes; regulating the provision of special transportation services; providing a tax credit; requiring studies; increasing medical assistance rates for ambulance services; providing funding for prehospital education, continuing education, and equipment; establishing task forces for medical directors and advisers; establishing an incentive plan for ambulance service personnel; setting plan requirements; creating a loan forgiveness program for medical students; providing nursing scholarships; creating a loan forgiveness program for advanced practice nurses; providing funding for summer medical interns; encouraging rural medical school applicants; increasing medical assistance reimbursement for certain physician services; increasing participation in the rural physicians associates program; creating a

rural hospital planning and transition grant program; creating a rural hospital subsidy fund; changing requirements for swing beds; providing exemptions to the hospice licensure requirement; requiring a study of rural health professionals; allowing counties authority to exceed levy limits; appropriating money; amending Minnesota Statutes 1988, sections 136C.04, by adding a subdivision; 144A.48, subdivision 2, and by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 9; 116.78, by adding subdivisions; 144.562, subdivision 2; 144.804, subdivision 1; 144.809; 144.8091; 168.012, subdivision 1; 168.013, subdivision 1a; 168.33, subdivision 7; and 297B.03; Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 136A; 144; 147; 148; 174; and 290; proposing coding for new law as Minnesota Statutes, chapter 353E.

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

Brown, Olson, K.; Munger and Johnson, R., introduced:

H. F. No. 2094, A bill for an act relating to health; providing exemptions from the infectious waste control act; requiring hospitals to accept certain infectious waste; modifying standards for ambulance drivers; requiring adoption of rules setting new standards for recertification of and upgrading to emergency care course certificates; increasing reimbursement for volunteers; exempting ambulances from vehicle license fees, registration, and excise taxes; regulating the provision of special transportation services; providing a tax credit; requiring studies; increasing medical assistance rates for ambulance services; providing funding for prehospital education, continuing education, and equipment; establishing task forces for medical directors and advisers; establishing an incentive plan for ambulance service personnel; setting plan requirements; creating a loan forgiveness program for medical students; providing nursing scholarships; creating a loan forgiveness program for advanced practice nurses; providing funding for summer medical interns; encouraging rural medical school applicants; increasing medical assistance reimbursement for certain physician services; increasing participation in the rural physicians associates program; creating a rural hospital planning and transition grant program; creating a rural hospital subsidy fund; changing requirements for swing beds; providing exemptions to the hospice licensure requirement; requiring a study of rural health professionals; allowing counties authority to exceed levy limits; appropriating money; amending Minnesota Statutes 1988, sections 136C.04, by adding a subdivision; 144A.48, subdivision 2, and by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 9; 116.78, by adding subdivisions; 144.562, subdivision 2; 144.804, subdivision 1; 144.809; 144.8091; 168.012, subdivision 1; 168.013, subdivision 1a; 168.33, subdivision 7; and 297B.03; Minnesota Statutes Second 1989 Sup-

plement, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 136A, 144, 147, 148, 174, and 290; proposing coding for new law as Minnesota Statutes, chapter 353E.

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

Vellenga and Seaberg introduced:

H. F. No. 2095, A bill for an act relating to juvenile court; providing a rebuttable presumption in favor of referring certain juvenile offenders to adult court for criminal prosecution; amending Minnesota Statutes 1989 Supplement, section 260.125, subdivision 3.

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

Battaglia introduced:

H. F. No. 2096, A bill for an act relating to human services; allowing medical assistance coverage of swing bed services to continue after June 30, 1990; repealing Laws 1989, chapter 282, article 3, section 54.

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

Dawkins, Jefferson, Otis, Clark and Welle introduced:

H. F. No. 2097, A resolution memorializing the President and Congress to reauthorize the low-income home energy assistance program and to increase its appropriation for fiscal year 1991 and subsequent years.

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

Rest, Kostohryz, McPherson, Swenson and Price introduced:

H. F. No. 2098, A bill for an act relating to education; giving intermediate school districts health and safety aid and levying authority; amending Minnesota Statutes 1988, sections 136D.27, subdivision 2; 136D.74, subdivision 2a; and 136D.87, subdivision 2; Minnesota Statutes 1989 Supplement, sections 136D.27, subdivision 3; 136D.74, subdivision 2b; and 136D.87, subdivision 3; Min-

nesota Statutes Second 1989 Supplement, section 124.83, subdivision 1.

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

Simoneau and Johnson, A., introduced:

H. F. No. 2099, A bill for an act relating to pet or companion animals; permitting restrictions to be imposed on persons convicted of committing certain crimes; amending Minnesota Statutes 1988, section 343.21, by adding a subdivision.

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

Reding introduced:

H. F. No. 2100, A bill for an act relating to the public employees insurance plan trust fund; clarifying the authority to expend excess police state aid amounts; amending Minnesota Statutes 1989 Supplement, section 43A.316, subdivision 9.

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

Williams; Carlson, L.; Price; Dorn and Poppenhagen introduced:

H. F. No. 2101, A bill for an act relating to higher education; authorizing an appropriation for a parking deck at Moorhead State University to be used to acquire land and construct parking spaces.

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

Reding introduced:

H. F. No. 2102, A bill for an act relating to the funding of public safety employee retirement funds; reducing the employer contribution rates by two-thirds of the amount of the current actuarial contribution sufficiency; amending Minnesota Statutes 1988, sections 352.92, subdivision 2; 352B.02, subdivision 1c; and 353.65, subdivision 3.

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

Reding introduced:

H. F. No. 2103, A bill for an act relating to public employee retirement plans; requiring the regular reporting of investment performance results calculated on a time-weighted total rate of return basis; proposing coding for new law in Minnesota Statutes, chapter 356.

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

Reding introduced:

H. F. No. 2104, A bill for an act relating to the funding of teacher retirement fund associations in cities of the first class; increasing employee and employer contributions; providing state financial first class city teachers retirement fund association supplemental revenue; amending Minnesota Statutes 1988, sections 124A.22, by adding a subdivision; and 354A.12, subdivisions 1 and 2; Minnesota Statutes 1989 Supplement, section 124A.22, subdivision 1.

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

Bertram, Jefferson, Haukoos and Reding introduced:

H. F. No. 2105, A bill for an act relating to buildings; changing the definition of public building in the state building code; ratifying the interstate compact on industrialized/modular buildings; amending Minnesota Statutes 1989 Supplement, section 16B.60, subdivision 6; 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.

Welle, Boo, Cooper, Ostrom and Dauner introduced:

H. F. No. 2106, A bill for an act relating to human services; requiring continued capacity to serve persons with developmental disabilities in regional treatment centers; requiring notice to the parent or guardian before discharge of a resident with mental retardation from a regional treatment center; allowing the parent or guardian to object; amending Minnesota Statutes 1989 Supplement, sections 252.025, subdivision 4; and 252.038, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 252.

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

Hasskamp, Tompkins, Gutknecht, Gruenes and Williams introduced:

H. F. No. 2107, A bill for an act relating to human services; requiring continued capacity to serve persons with developmental disabilities in regional treatment centers; requiring notice to the parent or guardian before discharge of a resident with mental retardation from a regional treatment center; allowing the parent or guardian to object; amending Minnesota Statutes 1989 Supplement, sections 252.025, subdivision 4; and 252.038, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 252.

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

Wagenius; Munger; Anderson, R.; Ozment and Long introduced:

H. F. No. 2108, A bill for an act relating to waste management; making several technical changes to the waste management act; establishing a time period for local decision-making on siting of solid waste facilities; establishing time periods for state and metropolitan council approval of county solid waste management plans; clarifying jurisdiction of county plans; clarifying order of funding priority for grants for solid waste management projects; adjusting procedures for the creation of solid waste management districts; increasing the authority of the districts; authorizing counties to set civil penalties by ordinance for violation of designation ordinances; adding procedures and requirements for cities to meet when they organize solid waste collection; requiring a supplementary incinerator ash report; reducing time for metropolitan review of local government solid waste facility siting decisions; repealing the requirement that government agencies use degradable polyethylene bags; changing references; amending Minnesota Statutes 1988, sections 16B.61, subdivision 3a; 115A.03, subdivision 23; 115A.06, subdivisions 2, 5, 5a, 6, 8, 10, 11, 12, and 13; 115A.07, subdivisions 1 and 2; 115A.075; 115A.10; 115A.11, subdivision 1a; 115A.158, subdivision 2; 115A.191, subdivisions 1 and 2; 115A.192, subdivisions 1 and 2; 115A.193; 115A.194, subdivision 2; 115A.411, subdivision 1; 115A.46, subdivision 1, and by adding a subdivision; 115A.49; 115A.53; 115A.54, subdivision 3; 115A.64, subdivisions 2, 4, and 6; 115A.66, subdivision 3; 115A.67; 115A.86, by adding a subdivision; 115A.914; 115A.94, subdivisions 3 and 4; 115A.97, subdivision 5; 325E.045, subdivision 1; 473.823, subdivision 5, and by adding a subdivision; 473.845, subdivision 4; 473.846; Minnesota Statutes 1989 Supplement, sections 115A.14, subdivision 4; 115A.195; 115A.54, subdivision 2a; 115A.84, subdivision 2; 115A.86, subdivision 5; 115B.04, subdivision 4; 116C.69, subdivision 3; Minnesota Statutes Second 1989 Supplement, sections 115A.072, subdivisions 1 and 4; 115A.55, subdivision 3; 115A.551, subdivisions 4 and 7; 115A.558; 115A.961, subdivisions 2 and 4;

Laws 1988, chapter 685, section 42; Laws 1989, chapter 325, section 79; and chapter 335, article 1, sections 23, subdivision 4, and 269; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1988, sections 115A.09, subdivision 5; 115A.90, subdivision 2; 325E.045, subdivisions 3 and 4; and Laws 1987, chapter 348, section 51, subdivision 5.

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

Kelly, Pappas, Skoglund, Blatz and Carruthers introduced:

H. F. No. 2109, A bill for an act relating to insurance; prohibiting exclusion of any member of a household from homeowners insurance policies; establishing a minimum fine for failure to purchase automobile insurance; establishing minimum and maximum fines for failure to produce proof of automobile insurance and for using a false automobile insurance identification card; amending Minnesota Statutes 1988, section 65A.295; and Minnesota Statutes 1989 Supplement, sections 65B.67, subdivision 4; 169.791, subdivision 6; and 169.793, subdivision 2.

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

Solberg and Neuenschwander introduced:

H. F. No. 2110, A bill for an act relating to education; allowing independent school district No. 319 to make certain fund transfers in each of the next five fiscal years.

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

Jefferson, Kelso, Ogren and Tjornhom introduced:

H. F. No. 2111, A bill for an act relating to occupations and professions; providing for independent medical examinations by doctors of chiropractic; amending Minnesota Statutes 1988, sections 148.01, subdivision 1; and 148.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 148.

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

Blatz, Osthoff, Lynch and Dawkins introduced:

H. F. No. 2112, A bill for an act relating to commerce; regulating escrow accounts for mortgaged residences; amending Minnesota Statutes 1988, section 47.20, subdivision 9.

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

Dorn, Frederick, Trimble and Pelowski introduced:

H. F. No. 2113, A bill for an act relating to the environment; approving a permit for the consumptive use of groundwater at the LeHillier Mankato hazardous waste site.

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

Kinkel and Poppenhagen introduced:

H. F. No. 2114, A bill for an act relating to agriculture; removing certain counties from designated potato council areas; amending Minnesota Statutes 1988, section 17.54, subdivision 9.

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

Weaver, Lynch, Jacobs, Quinn and Runbeck introduced:

H. F. No. 2115, A bill for an act relating to crimes; regulating the use and possession of machine guns; amending Minnesota Statutes 1988, section 609.67, subdivision 3.

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

Johnson, R.; Reding and Knickerbocker introduced:

H. F. No. 2116, A bill for an act relating to nonprofit corporations; regulating amendments to the articles; requiring approval by the directors and members with voting rights; amending Minnesota Statutes 1989 Supplement, section 317A.133, subdivision 2.

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

Osthoff, Scheid, Jefferson, Frerichs and Clark introduced:

H. F. No. 2117, A bill for an act relating to housing; providing for the administration of section 8 existing housing and low-rent public housing programs; clarifying and limiting local approval requirements; removing the exemption for special assessments for housing and redevelopment authorities; providing for the transfer of housing and housing development projects to an economic development authority; amending Minnesota Statutes 1988, sections 469.002, subdivision 10, and by adding a subdivision; 469.004, subdivision 5; 469.005, subdivision 1; 469.012, subdivision 3; 469.016; 469.040, subdivisions 1 and 3; 469.094, subdivisions 1 and 2; and 473.195, subdivision 1; and Minnesota Statutes 1989 Supplement, section 469.012, subdivision 1.

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

Greenfield, Clark and Rodosovich introduced:

H. F. No. 2118, A bill for an act relating to health; establishing requirements for rehabilitating or liquidating a health maintenance organization; clarifying the liability of a health maintenance organization or management company; specifying requirements for a health maintenance organization application for a certificate; establishing protections against conflicts of interest; establishing requirements for a guaranteeing organization; including certain investments as admitted assets; requiring an expedited resolution of disputes about coverage of immediately and urgently needed service; establishing requirements for prior authorization; allowing replacement coverage by other health maintenance organizations; allowing appointment of a special examiner; amending Minnesota Statutes 1988, sections 60B.04, subdivision 1; 60B.15; 60B.17, subdivision 2, and by adding subdivisions; 60B.20; 60B.25; 62D.02, subdivision 15; 62D.03, subdivision 4; 62D.04, subdivision 1; 62D.041, subdivision 2; 62D.044; 62D.08, subdivisions 1 and 2; 62D.11, subdivision 1a, and by adding a subdivision; 62D.121, by adding a subdivision; 62D.14, by adding a subdivision; 62D.17, subdivisions 1 and 4; 62D.18, subdivision 1; and 62D.211; Minnesota Statutes 1989 Supplement, sections 62D.121, subdivision 3; and 72A.491, by adding a subdivision; and Laws 1988, chapter 434, section 24; proposing coding for new law in Minnesota Statutes, chapters 60B and 62D; repealing Minnesota Statutes 1988, sections 62D.11, subdivision 4; 62D.12, subdivisions 14 and 16; 62D.18, subdivisions 2 to 5; and 62D.20, subdivision 2.

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

Solberg, Janezich, Osthoff, Gutknecht and Quinn introduced:

H. F. No. 2119, A bill for an act relating to the high school league; providing certain requirements for deciding tournament structure and for a two-tier hockey tournament; amending Minnesota Statutes 1989 Supplement, section 129.121, subdivision 7, and by adding a subdivision.

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

Kinkel; Solberg; Anderson, R.; Hasskamp and Ogren introduced:

H. F. No. 2120, A bill for an act relating to taxation; property; changing a specification for certain commercial seasonal recreational property; amending Minnesota Statutes Second 1989 Supplement, section 273.13, subdivisions 22 and 25.

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

Frederick, Reding, Uphus, Dorn and Dempsey introduced:

H. F. No. 2121, A bill for an act relating to retirement; legislator's retirement plan; changing service credit for members elected to complete unexpired term; amending Minnesota Statutes 1988, section 3A.10, subdivision 2, and by adding a subdivision; Minnesota Statutes 1989 Supplement, section 3A.02, subdivision 1.

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

Quinn, Dawkins, Jacobs and Bennett introduced:

H. F. No. 2122, A bill for an act relating to cooperatives; providing for equal representation on the board from districts or units of certain cooperatives; proposing coding for new law in Minnesota Statutes, chapter 308A.

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

Quinn, Jacobs, Dawkins and Bennett introduced:

H. F. No. 2123, A bill for an act relating to cooperatives; applying the open meeting law to certain electric cooperatives; proposing coding for new law in Minnesota Statutes, chapter 308A.

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

Bertram; Bauerly; Kalis; Johnson, A., and Seaberg introduced:

H. F. No. 2124, A bill for an act relating to traffic regulations; requiring brakes on certain vehicles weighing 3,000 pounds or more; amending Minnesota Statutes 1988, section 169.67, subdivision 3; Minnesota Statutes 1989 Supplement, section 169.67, subdivision 4.

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

Stanius, Valento, Schreiber, Blatz and Pellow introduced:

H. F. No. 2125, A bill for an act relating to taxation; property; providing for homestead treatment of certain new residential construction offered for sale; amending Minnesota Statutes 1988, section 273.124, by adding a subdivision.

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

Stanius introduced:

H. F. No. 2126, A bill for an act relating to human services licensing; setting minimum standards for child care workers; amending Minnesota Statutes 1988, sections 245A.14, by adding a subdivision; and 245A.16, by adding a subdivision.

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

Stanius introduced:

H. F. No. 2127, A bill for an act relating to utilities; limiting public utilities commissioners to one term; amending Minnesota Statutes 1988, section 216A.03, subdivision 1.

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

Stanius introduced:

H. F. No. 2128, A bill for an act relating to crime; increasing the penalty for assaulting a child protection worker who is performing

lawful duties; amending Minnesota Statutes 1988, section 609.2231, by adding a subdivision.

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

Stanius, Quinn, Jacobs, Boo and Bennett introduced:

H. F. No. 2129, A bill for an act relating to utilities; authorizing the public utilities commission to approve an application for a change in the boundary lines of an assigned electric utility service area under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

Stanius; Neuenschwander; Ozment; Carlson, D., and Tunheim introduced:

H. F. No. 2130, A bill for an act relating to game and fish; requiring an open season for crappie on certain 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.

Johnson, R.; Munger; Ogren; Marsh and Kelly introduced:

H. F. No. 2131, A bill for an act relating to crimes; prohibiting wild land arson fires; providing 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.

Greenfield, Welle, Vellenga, Pugh and Forsythe introduced:

H. F. No. 2132, A bill for an act relating to child care funding; authorizing the commissioner of human services to promulgate rules directing county boards to establish certain payment policies; amending Minnesota Statutes 1989 Supplement, section 256H.02.

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

Greenfield, Pappas, Jefferson, Williams and Gruenes introduced:

H. F. No. 2133, 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; amending Minnesota Statutes 1989 Supplement, section 245.94, subdivision 1.

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

Abrams, Scheid, Knickerbocker, Kostohryz and Osthoff introduced:

H. F. No. 2134, A bill for an act relating to elections; changing the vote margin for an automatic recount at the state primary or general election; amending Minnesota Statutes 1988, section 204C.35, subdivision 1.

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

Quinn; Lynch; Simoneau; Johnson, A., and Jacobs introduced:

H. F. No. 2135, A bill for an act relating to Anoka county; authorizing the sale or exchange of certain land.

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

Wagenius, Munger, Bauerly, McGuire and Ozment introduced:

H. F. No. 2136, A bill for an act relating to the environment; providing for the reduction of toxic metals in packaging; providing penalties; authorizing rulemaking; 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.

Blatz, Janezich, Dauner, Dempsey and Schreiber introduced:

H. F. No. 2137, A bill for an act relating to taxation; property; allowing homestead treatment from homesteads purchased to replace a homestead acquired under eminent domain; amending Minnesota Statutes 1988, section 273.124, by adding a subdivision.

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

Blatz, Bertram, Steensma, Lynch and Kostohryz introduced:

H. F. No. 2138, A bill for an act relating to veterans; requiring two members of the board of directors of the Minnesota veterans homes to be women; directing the commissioner of veterans affairs to study the provision of veterans services to women; amending Minnesota Statutes 1988, section 198.002, subdivision 2.

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

Lynch, Henry, Valento, Limmer and McPherson introduced:

H. F. No. 2139, A bill for an act relating to human services; appropriating additional money for alternative care grants; allowing funds to be available for either year of the biennium.

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

Runbeck, Tompkins, Frerichs, Dempsey and Frederick introduced:

H. F. No. 2140, A bill for an act relating to human services; appropriating additional money for alternative care grants; allowing funds to be available for either year of the biennium.

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

Waltman; Omann; Weaver; Olsen, S., and McDonald introduced:

H. F. No. 2141, A bill for an act relating to human services; appropriating additional money for alternative care grants; allowing funds to be available for either year of the biennium.

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

Uphus; Omann; Nelson, C.; McDonald and Sparby introduced:

H. F. No. 2142, A bill for an act relating to agriculture; providing reimbursement to towns required to control grasshoppers under certain circumstances; appropriating money.

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

Janezich, Kelly, Vellenga, Blatz and Rukavina introduced:

H. F. No. 2143, A bill for an act relating to crimes; defining "crime" for purposes of crime victims reparations; amending Minnesota Statutes 1988, section 611A.52, subdivision 6.

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

Girard, Brown, Pelowski, Hugoson and Kalis introduced:

H. F. No. 2144, A bill for an act relating to education; expanding open enrollment to bordering states; amending Minnesota Statutes 1989 Supplement, section 120.062, subdivision 12, and by adding a subdivision.

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

Pugh, Greenfield, Rodosovich, Stanius and Anderson, R., introduced:

H. F. No. 2145, A bill for an act relating to human services; allowing cast metal restoration dental services under medical assistance for persons whose disabilities prevent them from removing dentures; amending Minnesota Statutes 1988, section 256B.0625, subdivision 9.

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

Pugh, Price and McGuire introduced:

H. F. No. 2146, A bill for an act relating to watercraft; providing additional regulation of the use and operation of personal watercraft; amending Minnesota Statutes 1988, section 361.02, by adding subdivisions; and proposing coding for new law in Minnesota Statutes, chapter 361.

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

Johnson, R.; Knickerbocker; Simoneau; Reding and Rukavina introduced:

H. F. No. 2147, A bill for an act relating to retirement; establishing a maximum monthly benefit for the surviving spouse and dependent children of basic pension plan members; amending Minnesota Statutes 1988, section 353.31, subdivision 1.

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

Johnson, R.; Knickerbocker; Simoneau; Reding and Rukavina introduced:

H. F. No. 2148, A bill for an act relating to state employees, public employees, and teachers; providing immediate vesting for those persons whose employer ceases to be a governmental agency, instrumentality, subdivision, or public body; permitting those persons to elect a refund of their accumulated contributions, retirement annuity, or deferred retirement annuity; proposing coding for new law in Minnesota Statutes, chapter 356.

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

Hausman, Trimble, Morrison and Battaglia introduced:

H. F. No. 2149, A bill for an act relating to port authorities; expanding the range of titles for certain offices; amending Minnesota Statutes 1988, section 469.051, subdivision 2.

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

Quinn and Bertram introduced:

H. F. No. 2150, A bill for an act relating to occupations and professions; allowing certified athletic trainers to perform certain treatment under the supervision of a physical therapist in a clinical setting; amending Minnesota Statutes 1988, section 148.65, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 148.

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

Olson, K.; Winter; Steensma; Dauner and Wenzel introduced:

H. F. No. 2151, A resolution memorializing the President and Congress of the United States to maintain the federal subsidy for federal crop insurance.

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

Olson, K.; Bauerly; McEachern; Ostrom and Dorn introduced:

H. F. No. 2152, A bill for an act relating to education; permitting most ECSUs to form a representative assembly; amending Minnesota Statutes 1988, section 123.58, subdivision 5.

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

Seaberg introduced:

H. F. No. 2153, A bill for an act relating to traffic regulations; requiring that loose materials hauled in a motor vehicle be adequately covered; amending Minnesota Statutes 1988, section 169.81, subdivision 5.

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

Pappas, Vellenga, Greenfield and Bishop introduced:

H. F. No. 2154, A bill for an act relating to family law; modifying dissolution statistical reporting requirements; modifying standards for joint legal custody; requiring specific findings supporting joint custody in certain cases; providing for the award of temporary attorney fees; providing for funding of legal representation in family law matters; appropriating money; amending Minnesota Statutes 1988, sections 144.224; 518.131, subdivisions 1 and 7; and 518.14; Minnesota Statutes 1989 Supplement, section 518.17, subdivision 2.

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

Bauerly, Marsh, Gruenes and Bertram introduced:

H. F. No. 2155, A bill for an act relating to education; appropriating money for capital improvements at St. Cloud technical college; authorizing the sale of state bonds.

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

Pelowski and Johnson, V., introduced:

H. F. No. 2156, A bill for an act relating to counties; regulating performance bonds; amending Minnesota Statutes 1988, section 375.21, subdivision 1.

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

Johnson, R.; Solberg; Rukavina; Begich and Janezich introduced:

H. F. No. 2157, A bill for an act relating to taxation; sales and use; expanding the definition of chain saws used for logging; amending Minnesota Statutes 1988, section 297A.01, subdivision 15.

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

O'Connor, Sarna, Quinn, McEachern and Dempsey introduced:

H. F. No. 2158, A bill for an act relating to consumer protection; regulating the disclosure of personal identification information on credit card transaction forms; providing a penalty; 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.

Marsh, Bauerly, Gruenes, Omann and Bertram introduced:

H. F. No. 2159, A bill for an act relating to education; appropriating money for capital improvements at the St. Cloud campus of the state university system; authorizing the sale of state bonds.

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

Cooper, Dauner, Brown, Dorn and Sviggum introduced:

H. F. No. 2160, A bill for an act relating to human services; requiring increases in rates for wages of employees of developmental achievement centers; requiring a fair wage plan; appropriating

money; proposing coding for new law in Minnesota Statutes, chapter 252.

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

Winter, Hasskamp, Peterson, Conway and Krueger introduced:

H. F. No. 2161, A bill for an act relating to health; providing exemptions from the infectious waste control act; requiring hospitals to accept certain infectious waste; modifying standards for ambulance drivers; requiring adoption of rules setting new standards for recertification of and upgrading to emergency care course certificates; increasing reimbursement for volunteers; exempting ambulances from vehicle license fees, registration, and excise taxes; regulating the provision of special transportation services; providing a tax credit; requiring studies; increasing medical assistance rates for ambulance services; providing funding for prehospital education, continuing education, and equipment; establishing task forces for medical directors and advisers; establishing an incentive plan for ambulance service personnel; setting plan requirements; creating a loan forgiveness program for medical students; providing nursing scholarship; creating a loan forgiveness program for advanced practice nurses; providing funding for summer medical interns; encouraging rural medical school applicants; increasing medical assistance reimbursement for certain physician services; increasing participation in the rural physicians associates program; creating a rural hospital planning and transition grant program; creating a rural hospital subsidy fund; changing requirements for swing beds; providing exemptions to the hospice licensure requirement; requiring a study of rural health professionals; allowing counties authority to exceed levy limits; appropriating money; amending Minnesota Statutes 1988, sections 136C.04, by adding a subdivision; 144A.48, subdivision 2, and by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 9; 116.78, by adding subdivisions; 144.562, subdivision 2; 144.804, subdivision 1; 144.809; 144.8091; 168.012, subdivision 1; 168.013, subdivision 1a; 168.33, subdivision 7; and 297B.03; Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 136A; 144; 147; 148; 174; and 290; proposing coding for new law as Minnesota Statutes, chapter 353E.

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

Williams, Reding and Knickerbocker introduced:

H. F. No. 2162, A bill for an act relating to the operation of state government; changing certain procedures and limits for contracts

with the state; establishing an advisory task force; authorizing reimbursement of certain expenses; changing certain vehicle marking and color provisions; clarifying certain transfer authority; protecting governments that purchase certain insurance; amending Minnesota Statutes 1988, sections 3.736, subdivision 8; 16B.07, subdivision 3; 16B.09, by adding a subdivision; 16B.17, subdivision 3; 16B.41, subdivision 4; 16B.58, subdivision 7; 16B.85, subdivision 5; and 466.06; and Minnesota Statutes 1989 Supplement, sections 16B.54, subdivision 2; and 40.46, subdivision 1.

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

Williams and Kinkel introduced:

H. F. No. 2163, A bill for an act relating to minimum wages; defining the term "employee" to exclude certain seasonal children's resident or day camp employees; amending Minnesota Statutes 1988, section 177.23, subdivision 7.

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

Kinkel introduced:

H. F. No. 2164, A bill for an act relating to education; permitting a levy referendum to be held in May; amending Minnesota Statutes Second 1989 Supplement, section 124A.03, subdivision 2.

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

Kinkel introduced:

H. F. No. 2165, A resolution memorializing the Congress and President of the United States to authorize a United States postage stamp commemorating the centennial of the founding of Itasca State Park and the Minnesota State Park System.

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

Bauerly, Ostrom, Sviggum, Hartle and Tunheim introduced:

H. F. No. 2166, A bill for an act relating to education; eliminating performance bond requirements for the purchase of finished tangible

goods by school districts; amending Minnesota Statutes 1988, section 123.37, subdivision 1.

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

Bauerly, McEachern, Ozment, Otis and Kinkel introduced:

H. F. No. 2167, A bill for an act relating to education; establishing basic revenue formula allowance and minimum allowance component figures for fiscal year 1991 and for later years; amending Minnesota Statutes 1989 Supplement, section 124A.22, subdivisions 2 and 9.

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

Greenfield, Welle, Clark, Rodosovich and Anderson, R., introduced:

H. F. No. 2168, A bill for an act relating to health; codifying existing law restricting construction of new hospitals; repealing a sunset; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Laws 1984, chapter 654, article 5, section 57; Laws 1987, chapter 75, sections 1 and 2; Laws 1988, chapter 689, article 2, section 238; and Laws 1989, chapter 282, article 2, section 204.

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

Swenson, Milbert, Runbeck, Pugh and Carruthers introduced:

H. F. No. 2169, A bill for an act relating to crimes; reclassifying the crime of criminal vehicular operation resulting in death as "criminal vehicular homicide"; eliminating negligence as an element of the crime when the driver is under the influence of alcohol or drugs; clarifying that persons whose alcohol concentration, as measured within two hours of the time of driving, is 0.10 or more may be convicted of criminal vehicular homicide or injury; directing the sentencing guidelines commission to rank criminal vehicular homicide in severity level VII; amending Minnesota Statutes 1989 Supplement, section 609.21.

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

O'Connor, Osthoff, Greenfield and Jefferson introduced:

H. F. No. 2170, A bill for an act relating to the cities of Saint Paul and Minneapolis; intern training programs; amending Laws 1980, chapter 612, section 3, as amended.

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

Price, Kostohryz, Jacobs and Redalen introduced:

H. F. No. 2171, A bill for an act relating to horse racing; increasing per diem rate for racing commissioners; requiring licenses for pari-mutuel clerks at county fairs; apportioning money for promotion of the breeding and racing industry; allowing administration of certain medications by designated persons; reducing state tax withholding on pari-mutuel winnings; amending Minnesota Statutes 1988, sections 240.02, subdivision 3; 240.09, subdivision 2; 240.18; 240.24, subdivision 2; and 290.92, subdivision 27.

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

Ostrom, Cooper, Peterson, Dempsey and Miller introduced:

H. F. No. 2172, A bill for an act relating to wells; amending the definition of exploratory boring; amending Minnesota Statutes 1989 Supplement, section 103I.005, subdivision 9.

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

Ostrom, Kostohryz, Steensma, Frederick and Dorn introduced:

H. F. No. 2173, A bill for an act relating to veterans; exempting the veterans homes board from the contested case provisions of the administrative procedure act; amending Minnesota Statutes 1988, section 14.03, subdivision 2.

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

Rest, Scheid, Schreiber, Brown and Redalen introduced:

H. F. No. 2174, A bill for an act relating to taxation; property; changing the filing date of certain information reports; providing a 30-day period before personal property taxes become delinquent;

amending Minnesota Statutes Second 1989 Supplement, sections 273.371, subdivision 1; and 277.01, subdivision 1.

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

Dawkins and Jacobs introduced:

H. F. No. 2175, A bill for an act relating to the city of Saint Paul; authorizing the issuance of on-sale nonintoxicating and wine licenses to its division of parks and recreation.

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

Ogren; Anderson, R., and Greenfield introduced:

H. F. No. 2176, A bill for an act relating to human services; extending certain requirements for establishing property-related payment rates to nursing homes with debt refinanced after October 1, 1985; amending Minnesota Statutes 1989 Supplement, section 256B.431, subdivision 3g.

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

Ogren introduced:

H. F. No. 2177, A bill for an act relating to public safety; appropriating money to commissioner of public safety for infrared search device.

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

Stanius, Kelly, Vellenga, Omann and Gruenes introduced:

H. F. No. 2178, A bill for an act relating to criminal procedure; authorizing warrantless searches in certain child kidnapping cases; 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.

Stanius, Kelly, Lynch, Vellenga and Runbeck introduced:

H. F. No. 2179, A bill for an act relating to juveniles; authorizing child protection workers to take a child into immediate custody when the child is found in dangerous surroundings; amending Minnesota Statutes 1989 Supplement, section 260.165, subdivision 1.

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

Swenson, Pugh, Morrison, Milbert and Macklin introduced:

H. F. No. 2180, A bill for an act relating to crimes; expanding the criminal vehicular operation crime to include repeat DWI offenders who negligently operate a vehicle and cause death or great bodily harm while having an alcohol concentration of 0.05 or more; amending Minnesota Statutes 1989 Supplement, section 609.21.

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

Reding, Begich, Greenfield, Winter and Blatz introduced:

H. F. No. 2181, A bill for an act relating to insurance; health and accident; providing coverage for outpatient mental and nervous disorder treatment under certain circumstances; amending Minnesota Statutes 1989 Supplement, section 62A.152, subdivision 2.

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

Omann introduced:

H. F. No. 2182, A bill for an act relating to education; authorizing the state board of education to extend a capital loan deadline; amending Minnesota Statutes 1989 Supplement, section 124.43, subdivision 1.

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

Forsythe introduced:

H. F. No. 2183, A bill for an act relating to traffic regulations; prohibiting commercial motor vehicles from operating on the cross-

town highway; proposing coding for new law in Minnesota Statutes, chapter 169.

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

Wagenius, Orenstein, Kelly, Munger and Blatz introduced:

H. F. No. 2184, A bill for an act relating to statutes of limitations; establishing a three-year time limit to bring an action for penalty or forfeiture for violation of certain environmental statutes; amending Minnesota Statutes 1989 Supplement, section 541.07; proposing coding for new law in Minnesota Statutes, chapter 575.

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

Murphy introduced:

H. F. No. 2185, A bill for an act relating to charitable gambling; authorizing the charitable gambling control board to issue certain licenses; amending Minnesota Statutes Second 1989 Supplement, section 349.16, subdivision 1a.

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

Bauerly; Johnson, V.; Lieder; Onnen and Hasskamp introduced:

H. F. No. 2186, A bill for an act relating to public safety; requiring local governments to be notified of certain excavation; imposing a penalty; amending Minnesota Statutes 1988, sections 216D.01, subdivision 8; 216D.04, subdivisions 2 and 3; and 216D.06, subdivision 1.

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

Lieder; Johnson, V.; Onnen; Hasskamp and Battaglia introduced:

H. F. No. 2187, A bill for an act relating to local government; requiring additional notice of various vacation proceedings; amending Minnesota Statutes 1988, section 368.01, subdivision 25; and Minnesota Statutes 1989 Supplement, section 412.851.

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

Lieder; Johnson, V.; Onnen; Hasskamp and Battaglia introduced:

H. F. No. 2188, A bill for an act relating to local government; permitting towns to publish collections of town ordinances, resolutions, rules, and laws; amending Minnesota Statutes 1988, sections 415.021 and 599.13.

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

Bauerly; Johnson, V.; Lieder; Onnen and Hasskamp introduced:

H. F. No. 2189, A bill for an act relating to taxation; property; clarifying employment terms of city and town assessors; amending Minnesota Statutes 1988, section 273.05, subdivision 1.

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

Jefferson introduced:

H. F. No. 2190, A bill for an act relating to liquor; authorizing an on-sale liquor license for the Minneapolis sports arena; amending Minnesota Statutes 1988, section 340A.504, subdivision 1; Minnesota Statutes 1989 Supplement, section 340A.404, subdivision 2.

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

Sparby introduced:

H. F. No. 2191, A bill for an act relating to education; permitting the Argyle school district to transfer money from the debt redemption fund to the capital expenditure fund.

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

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

H. F. No. 2192, A bill for an act relating to education; permitting the department of education to distribute grants to innovative adult basic education providers; amending Laws 1989, chapter 329, article 4, section 19, subdivision 2.

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

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

H. F. No. 2193, A bill for an act relating to education; providing for the development of two regional assessment and training center sites for learning disabled adults; appropriating money.

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

Krueger and Bishop introduced:

H. F. No. 2194, A bill for an act relating to public records; authorizing storage of official records by optical disk; authorizing school districts to adopt a plan for the storage of records by optical disk; amending Minnesota Statutes 1988, section 15.17, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 121.

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

Peterson, Kelly, Vellenga, Seaberg and Wagenius introduced:

H. F. No. 2195, A bill for an act relating to crimes; making it a crime to obtain telecommunication services by fraud; requiring forfeiture of telecommunication devices used for fraudulent purposes; prescribing penalties; amending Minnesota Statutes 1988, section 609.89, subdivision 1; 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, Kelly, Heap, Vanasek and Welle introduced:

H. F. No. 2196, A bill for an act relating to judicial administration; proposing an amendment to the Minnesota Constitution, articles VI and VIII, creating a court of compensation appeals; abolishing the workers' compensation court of appeals; providing for designation by the governor of the chief judge of the workers' compensation court of appeals; regulating the administration of the workers' compensation court of appeals; appropriating money; amending Minnesota Statutes 1988, sections 3C.11, subdivision 3; 3C.12, subdivision 2; 5.08, subdivision 2; 10A.01, subdivision 19; 14.03, subdivision 2; 15A.082, subdivisions 1 and 3; 15A.083, subdivision 7; 43A.18, subdivision 3; 43A.27, subdivision 4; 175A.01, subdivision 1; 175A.02; 175A.07, subdivision 4; 176.421, subdivisions 5, 6, and by adding a subdivision; 204B.06, subdivisions 4 and 6; 204B.11, subdivision 1; 204B.34, subdivision 3, 204B.36, subdivision 4; 204D.02, subdivi-

sion 1; 204D.08, subdivision 6; 209.01, subdivision 2; 268.10, subdivision 8; 268.12, subdivision 13; 480.052; 480.054; 480.055, subdivision 1; 480.19; 480A.06, subdivision 3; 481.02, subdivisions 3 and 6; 490.15, subdivision 1; and 574.18; Minnesota Statutes 1989 Supplement, sections 10A.01, subdivisions 5 and 18; 357.08; proposing coding for new law as Minnesota Statutes, chapter 480B; repealing Minnesota Statutes 1988, sections 175A.01 to 175A.10; and 176.471.

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

Clark, Dawkins and O'Connor introduced:

H. F. No. 2197, A bill for an act relating to housing; providing grants and loans for rental property damaged by a police drug raid or during the transfer of controlled substances; amending Minnesota Statutes 1988, sections 462A.05, by adding subdivisions; and 462A.21, by adding subdivisions; Minnesota Statutes 1989 Supplement, section 609.5315, subdivision 5.

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

Munger, Long, Bishop, McGuire and Pauly introduced:

H. F. No. 2198, A bill for an act relating to the environment; providing assistance to eligible recipients on methods to prevent toxic pollution; providing financial assistance to research and demonstrate alternative means to prevent toxic pollution; requiring facilities to develop plans to prevent toxic pollution; providing penalties; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 115D.

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

Johnson, R.; Simoneau; O'Connor; Knickerbocker and Reding introduced:

H. F. No. 2199, A bill for an act relating to retirement; making a variety of technical changes in the laws governing benefits and administration of various statewide and local public pension plans; amending Minnesota Statutes 1988, sections 3A.03, subdivision 2; 352.73, by adding a subdivision; 352B.11, subdivision 4; 352C.09, subdivision 2; 352D.05, subdivision 3; 354.05, subdivision 13; 354.07, subdivision 4; 354.146, subdivision 1; 354.42, subdivisions 2 and 3; 354.46, subdivision 1; 354.52, subdivision 2; 354.55, subdivi-

sion 19; 356.302, subdivisions 3 and 4; Minnesota Statutes 1989 Supplement, sections 352.01, subdivision 25; 352.031, subdivisions 2, 3, and by adding a subdivision; 352.115, subdivision 3; 352.116, subdivisions 1, 1a, and by adding a subdivision; 352.93, subdivisions 2a and 3; 352B.08, subdivisions 2a and 3; 352B.11, subdivision 2; 353.01, subdivision 37; 353.29, subdivision 3; 353.30; 353.651, subdivision 4; 354.05, subdivision 38; 354.071, subdivisions 2, 3, and by adding a subdivision; 354.44, subdivision 6; 354.45, subdivision 1a; 354.46, subdivision 2; 354.47, subdivision 1; 354.48, subdivision 3; 354.49, subdivisions 2 and 3; 354.50, subdivision 5; 354.55, subdivision 11; 354.65; 354.66, subdivision 2; 354A.011, subdivision 15a; 354A.31, subdivisions 4, 6, and 7; 354A.32, subdivisions 1 and 1a; 354B.02, subdivisions 2 and 3; 354B.03, subdivisions 1 and 3; 356.371, subdivision 3; 356.86, subdivisions 2, 5, and 6; Laws 1989, chapter 319, article 19, section 7, subdivision 4; repealing Minnesota Statutes 1988, sections 11A.19, subdivisions 1 to 8; 354.05, subdivisions 23, 24, 33, and 34; 354.146, subdivision 2; and 354.62, subdivisions 1, 3, 4, 5, and 6; Minnesota Statutes 1989 Supplement, sections 11A.19, subdivision 9; 353.87, subdivision 5; 354.44, subdivision 7; and 354.62, subdivisions 2 and 7.

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

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

H. F. No. 2200, A bill for an act relating to education; providing for department of education initiatives; amending Minnesota Statutes 1988, sections 122.94, subdivision 5; 123.3514, subdivisions 6 and 6b; 123.9361; 123.947; and 125.231, subdivision 6; Minnesota Statutes 1989 Supplement, sections 121.912, subdivision 1b; 122.94, subdivision 6; 122.945, subdivision 2; 123.58, subdivision 4; 129.128; and 141.35; and Laws 1989, chapter 329, article 11, section 15, subdivisions 2 and 12.

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

Simoneau introduced:

H. F. No. 2201, A bill for an act relating to governmental operations; prohibiting lump sum salary payments to employees not covered by collective bargaining agreements; clarifying limit on salary increases for managers and metropolitan agency employees; amending Minnesota Statutes 1988, section 43A.17, subdivision 2.

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

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

H. F. No. 2202, A bill for an act relating to education; allowing the board of teaching to grant variances to its rules in certain cases; amending Minnesota Statutes 1988, section 125.185, by adding a subdivision.

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

Gutknecht, Stanius, Tjornhom, Frederick and Lynch introduced:

H. F. No. 2203, A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 4, and to article V, section 2, limiting the term of consecutive service of the governor, senators, and representatives to 12 consecutive years.

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

Skoglund introduced:

H. F. No. 2204, A bill for an act relating to insurance; clarifying an insurer's duty to provide loss or claims experience data to an insured; amending Minnesota Statutes 1989 Supplement, section 72A.20, subdivision 26.

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

Skoglund introduced:

H. F. No. 2205, A bill for an act relating to insurance; regulating the practices and record keeping of, and disclosures by, public adjusters; amending Minnesota Statutes 1988, section 72B.135, by adding subdivisions.

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

Ogren introduced:

H. F. No. 2206, A bill for an act relating to retirement; public employees retirement association; authorizing a certain member to purchase prior service credit.

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

Winter, Brown and Ogren introduced:

H. F. No. 2207, A bill for an act relating to natural resources; increasing the watershed administrative fund limit; establishing a natural resource protection fund; amending Minnesota Statutes 1988, section 112.61, by adding a subdivision; Minnesota Statutes 1989 Supplement, section 112.61, subdivision 3.

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

O'Connor, Munger, Ogren and Simoneau introduced:

H. F. No. 2208, A bill for an act relating to the environment; placing restrictions on use of water for once-through cooling systems; changing water use processing fees for once-through cooling systems; providing for prevailing wage rates for conversion work; authorizing a tax credit; authorizing the sale of state bonds; appropriating money; amending Minnesota Statutes 1988, sections 105.41, by adding a subdivision; and 290.06, by adding a subdivision; Minnesota Statutes 1989 Supplement, section 105.41, subdivisions 1c and 5a.

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

Rest, Schreiber, Ogren and Simoneau introduced:

H. F. No. 2209, A bill for an act relating to taxation; tax increment financing; modifying the requirements for the collection and expenditure of increments; providing for the computation of state aids; amending Minnesota Statutes 1988, sections 469.129, subdivision 2; 469.174, subdivision 12, and by adding a subdivision; 469.175, subdivision 1a, and by adding subdivisions; 469.176, subdivisions 2 and 3; 469.177, subdivision 8; 469.179, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 469.175, subdivision 4; 469.176, subdivision 4c; 469.177, subdivision 9; Minnesota Statutes Second 1989 Supplement, sections 469.174, subdivisions 7 and 10; 469.175, subdivisions 3 and 7; 469.176, subdivisions 1 and 4j; Laws 1988, chapter 719, article 12, section 30, as amended; proposing coding for new law in Minnesota Statutes, chapters 273 and 469.

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

Rest, Blatz, Greenfield and Vellenga introduced:

H. F. No. 2210, A bill for an act relating to human services; imposing requirements for adoptions; requiring certain records; classifying certain records as private data and confidential data; clarifying interstate and intercountry placements; requiring adoption placement to be done by an authorized agency; requiring a preplacement adoption family study for an independent adoption; requiring a statement of rights of birth and adoptive parents for placement pursuant to termination of parental rights; establishing expenses to be paid by the adoptive parents; imposing penalties; amending Minnesota Statutes 1988, sections 257.01; 257.02; 257.05; 257.06; 257.41; 257.45; 257.46; 259.21, subdivisions 1, 6, and by adding subdivisions; 259.22, subdivisions 1 and 2; 259.24, subdivisions 1, 8, and by adding a subdivision; 259.27, subdivisions 1 and 5; 259.28, subdivision 1; 259.31; 259.33; 259.40, subdivisions 1 and 4; 259.47, subdivisions 1, 3, and 4; 260.242, subdivision 2; and 317.65, subdivision 7; Minnesota Statutes 1989 Supplement, section 257.03; 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.

Cooper, Bertram, Sviggum and Kalis introduced:

H. F. No. 2211, A bill for an act relating to transportation; exempting fertilizer and agricultural chemical retailers from certain regulations on transporting hazardous materials; amending Minnesota Statutes 1988, section 221.033, subdivision 2.

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

Carlson, L.; McGuire; Cooper; Kalis and Haukoos introduced:

H. F. No. 2212, A bill for an act relating to education; revising, updating, and making substantive changes in the laws on the county extension service; amending Minnesota Statutes 1988, sections 38.33; 38.34; 38.35; 38.36; 38.37; and 38.38; proposing coding for new law in Minnesota Statutes, chapter 38.

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

Greenfield, McLaughlin, Murphy and Forsythe introduced:

H. F. No. 2213, A bill for an act relating to human services;

modifying the preadmission screening and alternative care grants programs; revising the county allocation formula for the alternative care grants program; requiring a study and report; amending Minnesota Statutes 1988, section 256B.091, subdivision 4; Minnesota Statutes Second 1989 Supplement, section 256B.091, subdivision 8.

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

Dauner; Tunheim; Schafer; Olson, E., and Nelson, C., introduced:

H. F. No. 2214, A bill for an act relating to education; authorizing the state board of education to waive certain size requirements for combination; amending Minnesota Statutes 1989 Supplement, section 122.241, subdivision 3.

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

Clark and McLaughlin introduced:

H. F. No. 2215, A bill for an act relating to real property; changing the period of redemption for certain property located in a targeted neighborhood; amending Minnesota Statutes 1988, section 281.17.

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

Jennings, Redalen, Solberg, Schafer and Johnson, R., introduced:

H. F. No. 2216, A bill for an act relating to waters; requiring notice to towns and opportunity for hearing before change in level of public waters; proposing coding for new law in Minnesota Statutes, chapter 110.

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

Jennings; Redalen; Johnson, R.; Schafer and Munger introduced:

H. F. No. 2217, A bill for an act relating to waste; appropriating money for waste tire feasibility studies.

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

Seaberg, Carruthers and Pugh introduced:

H. F. No. 2218, A bill for an act relating to privacy of communications; including cordless telephones in the privacy of communications act; amending Minnesota Statutes 1988, section 626A.01, subdivisions 3 and 14.

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

Rodosovich introduced:

H. F. No. 2219, A bill for an act relating to state parks; renaming Helmer Myre and Nerstrand Woods state parks; amending Minnesota Statutes 1988, section 85.012, subdivisions 27 and 45.

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

Milbert introduced:

H. F. No. 2220, A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1988, sections 11A.14, subdivision 5; 15.0597, subdivision 1; 15.50, subdivisions 2 and 5; 16B.53, subdivision 3; 62C.141; 115.49, subdivision 4; 163.06, subdivision 6; 197.55; 232.21, subdivision 7; 256B.69, subdivision 6; 257.41; 273.124, subdivision 13; 273.1315; 333.135; 336.9-105; 353A.02, subdivision 14; 354.05, subdivision 23; 354.66, subdivision 7; 412.701; 412.711; 459.07; 469.155, subdivision 12; 481.12; 626.556, subdivision 10c; Minnesota Statutes 1989 Supplement, sections 18.022, subdivision 2; 62A.045; 105.41, subdivision 1a; 115C.03, subdivision 9; 124.86, subdivision 2; 127.455; 144.6501, subdivision 10; 168.013, subdivision 1a; 168.33, subdivision 2; 176.421, subdivision 7; 204C.361; 236.02, subdivision 7; 245.462, subdivision 4; 256E.08, subdivision 5; 256H.08; 256H.22, subdivisions 2 and 3; 260.185, subdivision 1; 270B.12, subdivision 7; 273.119, subdivision 1; 319A.20; 336.2A-104; 352.01, subdivision 2b; 352.72, subdivision 1; 352B.30, subdivision 1; 383D.41, subdivisions 1 and 2; 422A.05, subdivision 2a; 469.129, subdivision 1; 501B.61, subdivision 1; 563.01, subdivision 3; 609.605, subdivision 3; Minnesota Statutes Second 1989 Supplement, sections 121.904, subdivision 4a; 245A.14, subdivision 6; and 275.50, subdivision 5; and Laws 1989, chapters 329, article 8, section 15, subdivision 2; 332, section 3, subdivision 3; repealing Minnesota Statutes 1988, sections 11A.19, subdivisions 1 to 8; 43A.192; Minnesota Statutes 1989 Supplement, sections 11A.19, subdivision 9; and 226.01 to 226.06.

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

Segal and Kelso introduced:

H. F. No. 2221, A bill for an act relating to public employment; making employees of charitable hospitals eligible for coverage by the public employees insurance plan; amending Minnesota Statutes 1988, section 43A.316, subdivision 2.

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

Peterson, Seaberg, Wagenius, Vellenga and Kelly introduced:

H. F. No. 2222, A bill for an act relating to crimes; making it a crime to obtain telecommunication services by fraud; requiring forfeiture of telecommunication devices used for fraudulent purposes; prescribing penalties; amending Minnesota Statutes 1988, section 609.89, subdivision 1; 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.

Pugh, Dempsey, Janezich and Macklin introduced:

H. F. No. 2223, A bill for an act relating to trusts; changing certain trust requirements; abolishing the common law rule against perpetuities; amending Minnesota Statutes 1989 Supplement, sections 501B.09, by adding a subdivision; 501B.46; 501B.65, subdivision 2; 501B.67, subdivision 1; 501B.68; 501B.69; 501B.72, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 501B; repealing Minnesota Statutes 1988, sections 501A.01; 501A.02; 501A.03; 501A.04; and 501A.07; Minnesota Statutes 1989 Supplement, sections 501A.05; and 501A.06.

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

McLaughlin, Ogren and Rest introduced:

H. F. No. 2224, A bill for an act relating to taxation; making technical corrections and administrative changes to sales and use, motor vehicle excise, income, franchise, insurance, petroleum products, pull-tab and tipboard taxes, firefighter state aids, and property tax refunds; including lottery prizes as refunds in the revenue

recapture act; providing for posting of certain tax delinquencies; requiring a social security number on certain probate applications; imposing a tax on untaxed pull-tabs and tipboards; recodifying license inquiry provisions; providing for payment and settlement of state elections campaign funds to political party state committees; transferring certain powers and duties; updating references to the Internal Revenue Code; amending Minnesota Statutes 1988, sections 60A.198, by adding a subdivision; 69.771, subdivision 3; 69.772, subdivision 2a; 69.774, subdivision 1; 168A.30, subdivision 1; 270A.03, subdivision 7; 290.17, subdivision 5; 290.39, subdivision 5; 290.49, subdivision 3; 290.92, subdivisions 12 and 23; 290.93, subdivision 1; 290A.03, subdivision 3; 290A.04, subdivision 1; 296.06, subdivision 2; 297A.01, subdivision 8; 297A.14, subdivision 1; 297A.25, subdivision 31; 297A.255, by adding a subdivision; 297B.01, subdivision 8; 297B.035, subdivision 1; 299F.21, subdivision 1; 349.212, by adding a subdivision; and 524.3-301; Minnesota Statutes 1989 Supplement, sections 69.021, subdivision 6; 168A.10, subdivision 1; 270.73, subdivision 1; 270B.07, by adding a subdivision; 290.01, subdivision 19; and 290.39, subdivision 4; Minnesota Statutes Second 1989 Supplement, sections 10A.31, subdivision 5; 60A.15, subdivision 1; 290.17, subdivision 2; 290A.04, subdivisions 2h and 2i; 297A.01, subdivision 3; 349.212, subdivision 4; and Laws 1989, chapter 28, section 24; repealing Minnesota Statutes 1988, sections 290.23, subdivision 15; 290.612; and 297A.431.

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

Solberg and Bishop introduced:

H. F. No. 2225, A bill for an act relating to courts; delaying the effective date of the law requiring counties to pay filing fees in district court actions; exempting certain public authorities from paying filing fees in district court actions in certain circumstances; amending Minnesota Statutes Second 1989 Supplement, section 357.021, subdivision 1a; Laws 1989, chapter 335, article 3, section 58, as amended.

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

Swenson, Carruthers, Kelly, Runbeck and Milbert introduced:

H. F. No. 2226, A bill for an act relating to crimes; reclassifying the crime of criminal vehicular operation resulting in death as "criminal vehicular homicide"; eliminating negligence as an element of the crime when the driver is under the influence of alcohol or drugs; clarifying that persons whose alcohol concentration, as measured within two hours of the time of driving, is 0.10 or more

may be convicted of criminal vehicular homicide or injury; amending Minnesota Statutes 1989 Supplement, section 609.21.

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

Gruenes, Valento, Gutknecht, Stanius and Schreiber introduced:

H. F. No. 2227, A bill for an act relating to insurance; regulating the comprehensive health insurance plan; increasing access to the plan; providing tax credits to certain employers who provide qualified health insurance; establishing requirements for minimum benefits plans; requiring offers of additional coverages; establishing demonstration projects for the uninsured; appropriating money; amending Minnesota Statutes 1988, sections 62E.03; 62E.14, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62A; 62C; 62D; 62E; and 290.

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

Bishop, Battaglia, Simoneau, Reding and Scheid introduced:

H. F. No. 2228, A bill for an act relating to state government; creating an advisory commission on intergovernmental relations; amending Minnesota Statutes Second 1989 Supplement, section 3.885, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapter 15; repealing Minnesota Statutes Second 1989 Supplement, section 3.885, subdivision 1a.

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

Rukavina, Begich, Battaglia, Solberg and Janezich introduced:

H. F. No. 2229, A bill for an act relating to state lands; requiring condemnation and sale of certain trust lands constituting lakeshore lots; authorizing a bond issue to establish a revolving fund to finance acquisitions; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 92; repealing Minnesota Statutes 1988, section 92.67.

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

Jefferson, Winter, Rukavina and Clark introduced:

H. F. No. 2230, A bill for an act relating to public purchasing; establishing programs for purchasing from certain small targeted group businesses and businesses located in economically disadvantaged areas; requiring prompt payment to subcontractors; providing penalties; amending Minnesota Statutes 1988, sections 16A.124, subdivision 1; 16B.07, by adding a subdivision; 16B.20, subdivisions 1 and 3; 161.321, subdivisions 1, 4, 5, and by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 16B.19; 16B.20, subdivision 2; 16B.21; 16B.22; 16B.226; 116J.68; 136.27; 136.72; 137.31, subdivision 6; 161.321, subdivisions 2, 3, and 6; 161.3211; 241.27, subdivision 2; 471.345, subdivision 8; and 473.142; Laws 1989, chapter 352, section 25; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; and 137; repealing Minnesota Statutes 1989 Supplement, sections 16B.189; 137.31, subdivision 3a; and 645.445, subdivision 5.

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

Vellenga, Wagenius, Rest, Marsh and Blatz introduced:

H. F. No. 2231, A bill for an act relating to children; creating a legislative commission on children; appropriating money; 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.

Kelso and Macklin introduced:

H. F. No. 2232, A bill for an act relating to taxation; providing for imposition of the Scott county admissions tax on full admissions; amending Laws 1987, chapter 285, section 1, subdivision 2.

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

Long, McLaughlin, Skoglund, Kahn and Wagenius introduced:

H. F. No. 2233, A bill for an act relating to waters; legislative approval to continue to provide water from the Mississippi River to the Chain of Lakes and Minnehaha Creek by the Minneapolis park and recreation board.

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

O'Connor, Osthoff, Jefferson, Sparby and Tjornhom introduced:

H. F. No. 2234, A bill for an act relating to housing; authorizing guarantees, requiring limits, and regulating securities relating to certain home loans; amending Minnesota Statutes 1988, sections 462A.21, subdivision 9; and 475.66, subdivision 3; Minnesota Statutes 1989 Supplement, sections 462A.05, subdivision 34; and 462A.057, subdivision 7; and Laws 1989, chapter 335, article 1, section 27, subdivision 1.

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

Reding; Johnson, R., and O'Connor introduced:

H. F. No. 2235, A bill for an act relating to the organization and operation of state government; regulating the insurance and pension benefits of certain judges; amending Minnesota Statutes 1988, sections 43A.27, subdivision 4; 490.124, subdivisions 1 and 3; and 490.129; repealing Minnesota Statutes 1988, section 490.129.

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

Redalen, Brown, Dauner and Ogren introduced:

H. F. No. 2236, A bill for an act relating to taxation; property; changing the class rates on certain agricultural property; amending Minnesota Statutes Second 1989 Supplement, section 273.13, subdivision 23.

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

Carruthers introduced:

H. F. No. 2237, A bill for an act relating to education; modifying the general education fund balance reduction; amending Minnesota Statutes Second 1989 Supplement, section 124A.26, subdivision 1.

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

Lasley and Olson, K., introduced:

H. F. No. 2238, A bill for an act relating to drivers' licenses; defining gross vehicle weight and commercial motor vehicle; requir-

ing driver of smaller school bus to have a commercial driver's license with a school bus endorsement; providing for operation of vehicles by holder of class C driver's license; providing for effective date of requirement for commercial driver's license; setting fees; appropriating money; amending Minnesota Statutes 1988, sections 169.01, subdivision 46; 171.01, subdivision 16; and 171.321, subdivision 1; Minnesota Statutes 1989 Supplement, sections 169.01, subdivision 75; 171.01, subdivision 22; 171.02, subdivision 2; and 171.06, subdivision 2; Laws 1989, chapter 307, sections 43 and 44.

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

Johnson, V., introduced:

H. F. No. 2239, A bill for an act relating to human services; allowing a nursing care facility attached to a nonprofit hospital that has suspended operations to continue its status as a hospital-attached convalescent and nursing care facility for purposes of medical assistance reimbursement; amending Minnesota Statutes 1988, section 256B.431, subdivision 3e.

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

Wenzel introduced:

H. F. No. 2240, A bill for an act relating to appropriations; authorizing sale of state bonds; appropriating money for the city of Garrison sewer system.

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

Ozment introduced:

H. F. No. 2241, A bill for an act relating to cemeteries; appropriating money for a fence around the cemetery at the veterans home in Hastings.

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

Winter introduced:

H. F. No. 2242, A bill for an act relating to insurance; no-fault auto; exempting certain antique automobiles and recreational vehi-

cles from rental vehicle coverage; amending Minnesota Statutes 1989 Supplement, section 65A.49, subdivision 5a.

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

Scheid introduced:

H. F. No. 2243, A bill for an act relating to commercial transactions; adopting an article of the uniform commercial code that governs funds transfers; amending Minnesota Statutes 1989 Supplement, section 336.1-105; 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.

Clark, Pappas, Kelly and Forsythe introduced:

H. F. No. 2244, A bill for an act relating to juveniles; providing for chemical use assessments of certain juveniles before case disposition; amending Minnesota Statutes 1988, section 260.151, subdivision 1.

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

Dawkins introduced:

H. F. No. 2245, A bill for an act relating to real property; limiting the payment that can be required for service of process or notices in order to reinstate a mortgage before a foreclosure sale; amending Minnesota Statutes 1988, section 580.30.

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

Dawkins introduced:

H. F. No. 2246, A bill for an act relating to landlord tenant law; prohibiting actions for rent or eviction against a tenant who has not received the attorney general's statement; permitting a tenant to void any lease which contains an unlawful provision described in the attorney general's statement; amending Minnesota Statutes 1988, section 504.22, subdivision 5, and by adding a subdivision.

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

Dawkins introduced:

H. F. No. 2247, A bill for an act relating to housing; establishing residential landlord liability for failure to disclose or correct unsafe conditions; proposing coding for new law in Minnesota Statutes, chapter 504.

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

Dawkins introduced:

H. F. No. 2248, A bill for an act relating to labor; regulating joint labor-management committees; regulating public employee elections; amending Minnesota Statutes 1988, sections 179.02, by adding a subdivision; 179.84, subdivision 1; 179.85; 179A.04, subdivision 3; and 179A.12, subdivision 7.

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

Carruthers, Blatz and Skoglund introduced:

H. F. No. 2249, A bill for an act relating to insurance; no-fault auto; clarifying eligibility for economic loss benefits; amending Minnesota Statutes 1988, sections 65B.48, subdivision 1; and 65B.64, subdivision 1.

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

Hausman, Trimble and Pappas introduced:

H. F. No. 2250, A bill for an act relating to local government in Ramsey county; eliminating certain performance bonds; permitting fees for inspections by the county surveyor; amending Minnesota Statutes 1988, section 383A.32, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 383A.

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

Segal, Greenfield and Bishop introduced:

H. F. No. 2251, A bill for an act relating to health; establishing an adolescent pregnancy division within the Minnesota department of health; specifying duties; authorizing grants for pregnancy prevention; authorizing emergency rules; appropriating money; 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.

Kelso, Welle and Solberg introduced:

H. F. No. 2252, A bill for an act relating to occupations and professions; increasing minimum insurance coverage required for abstracters; abolishing requirement of seals by impression; repealing an obsolete provision; amending Minnesota Statutes 1988, sections 386.66 and 386.67; repealing Minnesota Statutes 1988, section 386.65, subdivision 3.

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

Clark, Munger, Otis and Trimble introduced:

H. F. No. 2253, A bill for an act relating to economic development; establishing the Minnesota natural wild rice promotion council; appropriating money; amending Minnesota Statutes 1988, section 84.091, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 84; repealing Minnesota Statutes 1988, section 84.0911, subdivision 2.

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

Begich, Janezich, Solberg, Rukavina and Battaglia introduced:

H. F. No. 2254, A bill for an act relating to public debt; providing that certain property owners may vote on debt questions; amending Minnesota Statutes 1988, section 475.58, subdivision 1.

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

Gruenes, Carlson, D.; Schafer, McDonald and Uphus introduced:

H. F. No. 2255, A bill for an act relating to health; establishing an

office of rural health; requiring a loan and grant program to encourage medical practice in rural Minnesota; authorizing health care planning grants and capital equipment loans for small hospitals; establishing a task force; requiring a report; appropriating money; amending Minnesota Statutes 1988, section 116N.04, subdivision 5, and by adding a subdivision; 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.

Boo, Omann, Poppenhagen, Hugoson and Johnson, V., introduced:

H. F. No. 2256, A bill for an act relating to health; establishing an office of rural health; requiring a loan and grant program to encourage medical practice in rural Minnesota; authorizing health care planning grants and capital equipment loans for small hospitals; establishing a task force; requiring a report; appropriating money; amending Minnesota Statutes 1988, section 116N.04, subdivision 5, and by adding a subdivision; 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.

Girard, Waltman, Richter, Sviggum and Frederick introduced:

H. F. No. 2257, A bill for an act relating to health; establishing an office of rural health; requiring a loan and grant program to encourage medical practice in rural Minnesota; authorizing health care planning grants and capital equipment loans for small hospitals; establishing a task force; requiring a report; appropriating money; amending Minnesota Statutes 1988, section 116N.04, subdivision 5, and by adding a subdivision; 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.

Gruenes, Kelly, Blatz, Vellenga and Stanius introduced:

H. F. No. 2258, A bill for an act relating to child support; creating a demonstration project for the collection of delinquent child support.

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

Gruenes, Cooper and Uphus introduced:

H. F. No. 2259, A bill for an act relating to waste; defining fee requirement for nursing homes that generate infectious waste; amending Minnesota Statutes 1989 Supplement, section 116.79, subdivision 3.

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

Kelso introduced:

H. F. No. 2260, A bill for an act relating to local government; providing for calculation of aids in the city of Shakopee for 1991.

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

Jaros; Clark; Greenfield; Anderson, R., and Rukavina introduced:

H. F. No. 2261, A bill for an act relating to human services; establishing a human resources trust fund for long-term activities to assure adequate food, housing, employment, health care, and education for state citizens; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 256J.

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

Wenzel introduced:

H. F. No. 2262, A bill for an act relating to taxation; reducing the lawful gambling combined receipts tax; providing for refunds; appropriating money; amending Minnesota Statutes Second 1989 Supplement, section 349.212, subdivision 6.

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

Segal, Pappas and Otis introduced:

H. F. No. 2263, A bill for an act relating to education; requiring school districts to offer family life education instruction; encouraging junior and senior high schools to establish school-based health clinics; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 121 and 123.

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

Johnson, A.; Simoneau and Quinn introduced:

H. F. No. 2264, A bill for an act relating to elections; providing that certain voter registrations are not deficient for lack of an address; allowing certain persons with no permanent address to vote in certain elections; amending Minnesota Statutes 1988, sections 201.071, subdivision 3; 203B.16, by adding a subdivision; and 203B.17.

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

Johnson, A.; Simoneau; Jacobs and Quinn introduced:

H. F. No. 2265, A bill for an act relating to elections; clarifying certain campaign financial reporting requirements; amending Minnesota Statutes 1989 Supplement, section 211A.02, subdivision 1.

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

Jennings; Battaglia; Murphy; Johnson, V., and Dempsey introduced:

H. F. No. 2266, A bill for an act relating to towns; regulating maintenance of tunnels; regulating town meetings; providing for town deputy treasurer; amending Minnesota Statutes 1988, sections 160.25, subdivision 3; 365.51, subdivision 1; and 365.58; proposing coding for new law in Minnesota Statutes, chapter 367.

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

Pappas introduced:

H. F. No. 2267, A bill for an act relating to health; providing additional funding for family planning grants; establishing an outreach program for pregnant women eligible for medical assistance; appropriating money.

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

Le Clair G. Lambert, Assistant Sergeant at Arms and Educational Programs Coordinator for the Minnesota House of Representatives, addressed the body on behalf of Black History Month.

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:

S. F. No. 60 was recommended to pass.

H. F. No. 1569 was recommended for progress.

On the motion of Long the report of the Committee of the Whole was adopted.

MOTIONS AND RESOLUTIONS

Marsh moved that the name of McDonald be added as an author on H. F. No. 31. The motion prevailed.

O'Connor moved that the name of Bennett be added as an author on H. F. No. 1730. The motion prevailed.

Sviggum moved that the name of Bennett be added as an author on H. F. No. 1860. The motion prevailed.

Williams moved that the names of Haukoos and Olson, K., be added as authors on H. F. No. 1907. The motion prevailed.

Blatz moved that the name of Henry be added as an author on H. F. No. 1941. The motion prevailed.

Welle moved that the names of Tunheim, Winter, Hasskamp and Kinkel be added as authors on H. F. No. 1945. The motion prevailed.

Tompkins moved that the name of Morrison be stricken and the words "by request" be added after her name as chief author on H. F. No. 1954. The motion prevailed.

Johnson, R., moved that the name of Knickerbocker be added as an author on H. F. No. 1963. The motion prevailed.

Clark moved that the name of Pappas be added as an author on H. F. No. 1970. The motion prevailed.

Clark moved that the name of Kahn be added as an author on H. F. No. 1971. The motion prevailed.

Simoneau moved that the name of Conway be added as an author on H. F. No. 1974. The motion prevailed.

Johnson, A., moved that the name of Olsen, S., be added as an author on H. F. No. 1981. The motion prevailed.

Skoglund moved that the name of Segal be added as an author on H. F. No. 1983. The motion prevailed.

Skoglund moved that the name of Segal be added as an author on H. F. No. 1984. The motion prevailed.

Bauerly moved that the name of Olsen, S., be added as an author on H. F. No. 1995. The motion prevailed.

Rodosovich moved that the name of Conway be added as an author on H. F. No. 2021. The motion prevailed.

Tunheim moved that the name of Sparby be added as an author on H. F. No. 2026. The motion prevailed.

Wenzel moved that the name of Olson, E., be added as an author on H. F. No. 2035. The motion prevailed.

Bertram moved that the name of Wenzel be added as an author on H. F. No. 2053. The motion prevailed.

Dauner moved that the name of Sparby be added as an author on H. F. No. 2056. The motion prevailed.

Tunheim moved that the name of Sparby be added as an author on H. F. No. 2070. The motion prevailed.

Bauerly moved that H. F. No. 1804 be recalled from the Committee on Education and be re-referred to the Committee on Taxes. The motion prevailed.

Price moved that H. F. No. 1948 be recalled from the Committee on

Health and Human Services and be re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Stanis, Kelly, Vellenga, Runbeck and Lynch introduced:

House Resolution No. 15, A house resolution relating to the adoption of a bill of rights for all children in the state of Minnesota.

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

POINT OF ORDER

Long raised a point of order pursuant to section 253 of "Mason's Manual of Legislative Procedure" relating to requests for information from members. The Speaker ruled the point of order well taken.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the following change in committee assignments:

Criminal Justice Division/Judiciary: Remove the name of Orenstein.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 2:30 p.m., Monday, February 26, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Monday, February 26, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SIXTY-FOURTH DAY

SAINT PAUL, MINNESOTA, MONDAY, FEBRUARY 26, 1990

The House of Representatives convened at 2:30 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Sister Sharon Howell, Congregation of St. Joseph, College of St. Thomas, St. Paul, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abrams	Greenfield	Lasley	Orenstein	Simoneau
Anderson, G.	Gruenes	Lieder	Osthoff	Skoglund
Battaglia	Gutknecht	Limmer	Ostrom	Solberg
Bauerly	Hartle	Long	Otis	Sparby
Beard	Hasskamp	Lynch	Ozment	Stanius
Begich	Haukoos	Macklin	Pappas	Steensma
Bennett	Hausman	Marsh	Pauly	Sviggum
Bertram	Heap	McDonald	Pellow	Swenson
Bishop	Henry	McEachern	Pelowski	Tjornhom
Blatz	Himle	McGuire	Peterson	Tompkins
Boo	Hugoson	McLaughlin	Poppenhagen	Trimble
Brown	Jacobs	McPherson	Price	Tunheim
Burger	Janezich	Millert	Pugh	Uphus
Carlson, D.	Jaros	Miller	Quinn	Valento
Carlson, L.	Jefferson	Morrison	Redalen	Vellenga
Carruthers	Jennings	Munger	Reding	Wagenius
Clark	Johnson, A.	Murphy	Rest	Waltman
Conway	Johnson, R.	Nelson, C.	Rice	Weaver
Cooper	Johnson, V.	Nelson, K.	Richter	Welle
Dauner	Kahn	Neuenschwander	Rodosovich	Wenzel
Dawkins	Kalis	O'Connor	Rukavina	Williams
Dempsey	Kelly	Ogren	Runbeck	Winter
Dille	Kelso	Olsen, S.	Sarna	Spk. Vanasek
Dorn	Kinkel	Olson, E.	Schafer	
Forsythe	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omann	Schreiber	
Girard	Krueger	Onnen	Seaberg	

A quorum was present.

Anderson, R.; Frederick and Segal were excused.

The Chief Clerk proceeded to read the Journal of the preceding

day. Jefferson 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. 1754, 1830, 1859, 1985, 1785, 1839, 1846 and 1952 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1841, A bill for an act relating to consumer protection; regulating membership travel contracts; providing a right to cancel; prescribing penalties; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325G.

Reported the same back with the following amendments:

Page 1, after line 21, insert:

“Subd. 2. [NOTICE OF CANCELLATION.] A membership travel operator must provide with every membership travel contract offered or sold in this state a notice of right to cancel as provided in section 325G.08, subdivision 1, clause (b).”

Page 1; line 22, delete “2” and insert “3”

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. 1883, A bill for an act relating to the environment; approving permits for the consumptive use of groundwater at the Seneca wastewater treatment plant.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 105.405, subdivision 3, is amended to read:

Subd. 3. [REQUIREMENTS FOR CONSUMPTIVE USE.] (a) Except as provided in paragraph (b), a permit authorized by sections 105.37 to 105.55 or a plan that requires a permit or the commissioner's approval, involving a consumptive use of more than 2,000,000 gallons per day average in a 30-day period, may not be granted or approved until after: (1) a determination by the commissioner that the water remaining in the basin of origin will be adequate to meet the basin's water resources needs during the specified life of the consumptive use; and (2) approval by the legislature.

(b) Legislative approval under paragraph (a), clause (2), is not required for a consumptive use in excess of 2,000,000 gallons per day average in a 30-day period for:

- (1) a domestic water supply, excluding industrial and commercial uses of a municipal water supply; and
- (2) agricultural irrigation and processing of agricultural products;
- (3) construction dewatering system; and
- (4) pollution abatement or remediation.

Sec. 2. [APPROVAL OF CURRENT PROJECTS.]

Pursuant to section 1, the commissioner of natural resources has reported to the legislature that the projects listed below require water appropriation permits for consumptive use in excess of 2,000,000 gallons per day average in a 30-day period. The commissioner must determine for each project that the water remaining in the basin of origin will be adequate to meet the basin's needs for water. Upon the affirmative determination of the commissioner, the legislature hereby grants the commissioner authority to issue the required appropriation permits for the following projects:

- (1) construction of the Blue Lake Wastewater Treatment Facility;
- (2) construction of the Empire Wastewater Treatment Facility;
- (3) construction of the Minneapolis East Interceptor Project;
- (4) construction of the Seneca Wastewater Treatment Facility;
- (5) construction of the Stillwater Wastewater Treatment Facility;
- (6) Minnesota Pollution Control Agency Superfund Site at LeHillier, Minnesota;

- (7) Anoka Municipal Sanitary Landfill in Ramsey, Minnesota;
- (8) United States Army Twin City Army Ammunition Plant (TCAAP);
- (9) Flying Cloud Landfill in Eden Prairie, Minnesota;
- (10) United States Army Corps of Engineers, Goose Lake-Vermilion River Bottoms Habitat Rehabilitation Enhancement Project in Dakota and Goodhue counties; and
- (11) Minneapolis Chain of Lakes Water Level Augmentation.

Sec. 3. [EXISTING RIGHTS AND RESPONSIBILITIES.]

Legislative approval under section 2 shall not affect:

(1) existing rights of parties to challenge a permit under section 105.44; and

(2) any liability of project sponsors that exists elsewhere in statute.

Sec. 4. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to water resources; approving certain permits under certain conditions; amending Minnesota Statutes 1988, section 105.405, 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. 1892, A bill for an act relating to courts; providing for a pilot project in Clay county using mediation services for child custody and visitation issues; 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.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1893, A bill for an act relating to local government; authorizing certain towns to contribute to economic development organizations.

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. 1895, A bill for an act relating to courts; providing an alternative dispute resolution pilot project in the second judicial district; amending Minnesota Statutes 1989 Supplement, section 484.74, subdivision 4.

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. 1921, A bill for an act relating to waste; prohibiting the placement of certain dry cell batteries in mixed municipal solid waste; requiring labeling of certain batteries by electrode content; establishing maximum content levels of mercury in batteries; requiring that batteries in certain consumer products be easily removable; providing penalties; proposing coding for new law in Minnesota Statutes, chapters 115A and 325E.

Reported the same back with the following amendments:

Page 1, line 19, before "The" insert "For batteries subject to this section that are purchased from a person other than a retailer located in Minnesota,"

Page 1, line 20, before "batteries" insert "the" and delete "subject to this section"

Page 3, line 16, after "section" insert "1 or"

Page 3, line 17, after "section" insert "1 or"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1930, A bill for an act relating to health; authorizing the creation of a technical advisory task force for emergency dispatch services; requiring the submission of a multidisciplinary report on training needs of emergency dispatchers operating within 911 systems.

Reported the same back with the following amendments:

Page 2, line 9, delete everything before the comma and insert "Minnesota police and peace officers association"

Page 2, line 10, delete everything after the comma

Page 2, line 11, delete "paramedics,"

Page 2, line 15, after the period insert "In addition, the task force shall have one member who is a member of the general public who has no involvement in the management or the provision of 911 or other emergency medical or public safety services and one member who is a professional, full-time 911 dispatcher who is experienced in both receiving 911 calls and dispatching emergency medical and public safety services or relaying 911 calls to the appropriate emergency medical and public safety agencies. Finally, the task force shall have two members who are responsible for operating a public safety answering point, one of whom is nominated by the metropolitan 911 telephone board and one of whom is nominated by the county board of a county outside the metropolitan area as defined in section 403.02, subdivision 2."

Subd. 3. [MEETINGS.] The task force shall hold at least one-half of its meetings in areas outside the metropolitan area as defined in section 403.02, subdivision 2."

Renumber the remaining subdivisions

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. 1947, A bill for an act relating to the environment; recognizing the hydrological cycle of water purification through the atmosphere; establishing a list of persistent toxic substances; requiring the pollution control agency to establish best available reduction technology, to monitor toxic emissions, and to adopt standards and a plan to regulate toxic release/discharge, ambient concentration, and deposition; requiring reports to the legislature; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments:

Page 1, line 26, after "commercial," insert "institutional,"

Page 1, line 27, delete "municipal" and insert "governmental"

Page 1, line 28, delete "delicate"

Page 2, line 1, delete "balance of ecological systems" and insert "integrity of the ecosystem" and delete "and threaten" and insert "This threatens"

Page 2, line 2, delete "that" and delete "to act promptly"

Page 2, line 3, delete "and decisively"

Page 2, line 11, after "purification" insert "by ensuring the hydrological cycle of water and the integrity of the ecosystem,"

Page 3, line 2, delete "such" and insert "in order"

Page 3, line 11, delete "such as mercury or PCBs"

Page 4, line 13, before the period insert ", according to the schedule prescribed in paragraph (c)"

Page 4, after line 19, insert:

“(c) The agency must notify existing sources of persistent toxic substances that are in noncompliance with best available reduction technology of a compliance period to be met by January 1, 1996. A phased-in period of compliance shall be followed beginning January 1, 1994, according to the degree of severity of noncompliance.”

Page 4, line 21, delete “1994” and insert “1993”

Page 4, line 22, delete “appropriate substantive” and insert “environmental”

Page 4, line 34, after “protecting” insert “the purity of the hydrological cycle of water 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 Government and Metropolitan Affairs to which was referred:

H. F. No. 1954, A bill for an act relating to the city of Apple Valley; permitting the establishment of special service districts.

Reported the same back with the following amendments:

Page 2, line 7, after “(a)” insert “All of the land encircled by or abutting the city ring route road system”

Page 2, line 28, delete “section 428A.01” and insert “chapter 428A”

Page 2, line 33, delete “article” and insert “act”

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. 1964, A bill for an act relating to mining; amending certain provisions relating to operators' bonds; amending Minnesota Statutes 1988, section 93.49.

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

The report was adopted.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 1968, A bill for an act relating to commerce; increasing the amount of the department's general civil penalty; amending Minnesota Statutes 1988, section 45.027, subdivision 6.

Reported the same back with the following amendments:

Page 1, line 9, strike "not to exceed" and delete "\$10,000" and insert "up to \$5,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 1983, A bill for an act relating to insurance; regulating coverages under Medicare supplement plans; requiring insurers to submit claims experience and earned premiums data; amending Minnesota Statutes 1988, 62A.36, by adding a subdivision; Minnesota Statutes 1989 Supplement, 62A.31, subdivision 2; 62A.315; and 62A.316.

Reported the same back with the following amendments:

Page 3, line 27, strike "eligible expenses"

Page 3, after line 32, insert:

"Nothing in this section prohibits the plan from requiring that services be received from providers designated as preferred providers or participating providers in order to receive coverage under optional benefit riders."

Page 4, line 19, after the period insert "The commissioner shall annually make the submitted data available to the public at a cost not to exceed the cost of copying. The data must be compiled in a form useful for consumers who wish to compare premium charges and loss ratios."

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:

S. F. No. 956, A bill for an act relating to waste management; requiring a county that enters a contract with the state for the siting and development of a stabilization and containment facility to hold a binding referendum on implementation of the contract; amending Minnesota Statutes 1988, section 115A.191, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 18, delete "6" and insert "7" and delete everything after the period

Page 1, delete lines 19 and 20

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1841, 1883, 1893, 1895, 1921, 1930, 1964, 1968 and 1983 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 956 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Simoneau; Bauerly; McEachern; Nelson, K., and Morrison introduced:

H. F. No. 2268, A bill for an act relating to local government; allowing municipalities to enter into certain contracts to reduce

energy and operating costs; amending Minnesota Statutes 1988, section 471.345, by adding a subdivision; repealing Minnesota Statutes 1988, section 471.345, subdivision 9.

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

Carlson, L.; Dorn; Orenstein; Heap and McGuire introduced:

H. F. No. 2269, A bill for an act relating to education; changing permitted kinds of investments for the permanent university fund; permitting capital gains of the fund to be used to support endowed academic chairs; amending Minnesota Statutes 1988, section 137.022, subdivisions 1 and 3.

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

Rest, Price, Scheid, Ozment and Olsen, S., introduced:

H. F. No. 2270, A bill for an act relating to education; eliminating the per pupil unit cap on intermediate district levies; amending Minnesota Statutes 1989 Supplement, sections 136D.27, subdivision 1; 136D.74, subdivision 2; and 136D.87, subdivision 1.

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

Kelso, Rodosovich, Schafer, Jaros and Begich introduced:

H. F. No. 2271, A bill for an act relating to education; permitting all school districts to form and join intermediate districts; 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.

Sviggum, Waltman, Schafer, Conway and Vanasek introduced:

H. F. No. 2272, A bill for an act relating to education; providing equity in revenue for all 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.

O'Connor, Sarna, McEachern, Dawkins and Olsen, S., introduced:

H. F. No. 2273, 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.

O'Connor, Sarna, Jacobs, Dawkins and Olsen, S., introduced:

H. F. No. 2274, A bill for an act relating to consumer protection; regulating the imposition of late payment or delinquency charges on credit cards; 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.

O'Connor, Dawkins and Osthoff introduced:

H. F. No. 2275, A bill for an act relating to retirement; St. Paul police pension benefits; amending Laws 1955, chapter 151, section 9, subdivisions 5 and 6, as amended.

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

Kelly; Vellenga; Nelson, K.; Long and Blatz introduced:

H. F. No. 2276, A bill for an act relating to peace officers; requiring applicants seeking initial peace officer licensure on or after August 1, 1994, to have successfully completed a professional peace officer education program; requiring the board of peace officer standards and training to adopt rules by August 1, 1993, providing for the certification of professional peace officer education programs in accredited colleges and universities; requiring the board to establish a task force to assist in the formulation of these rules; requiring the board to submit an interim report to the legislature concerning the development of these rules; 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.

Pappas, Seaberg and Kelly introduced:

H. F. No. 2277, A bill for an act relating to crime victims; providing for a notice for victims of sexual assault concerning their risk of developing sexually transmitted diseases; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 611A.

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

Pappas, Trimble and Jaros introduced:

H. F. No. 2278, 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.

Simoneau; Johnson, R., and Knickerbocker introduced:

H. F. No. 2279, A bill for an act relating to retirement; authorizing the public employees retirement association and local relief association to direct their actuaries to prepare actuarial calculations necessary to complete consolidation and to limit the additional municipal contribution amount; providing a six-month window in which police and fire members of local relief association that consolidated with the public employees retirement association may elect benefit coverage under either benefit plan; amending Minnesota Statutes 1988, sections 353A.02, subdivision 2; 353A.05, subdivisions 1 and 3; 353A.07, subdivision 5; 353A.09, subdivisions 5 and 7.

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

Bertram, Murphy, Brown and Anderson, R., introduced:

H. F. No. 2280, A bill for an act relating to human services; requiring an increase in the rate of reimbursement for physicians under medical assistance; appropriating money.

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

O'Connor, Dawkins and Osthoff introduced:

H. F. No. 2281, A bill for an act relating to retirement; authorizing investment related postretirement adjustments for eligible members of the St. Paul police and firefighters relief associations; amending Minnesota Statutes 1989 Supplement, sections 69.031, subdivision 5; 69.77, subdivision 2b; 356.216; and 423A.01, subdivision 2; and Laws 1989, chapter 319, article 19, sections 6 and 7, subdivision 1.

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

Uphus, Bauerly, Jacobs, Morrison and Gruenes introduced:

H. F. No. 2282, A bill for an act relating to education; making school attendance a condition of obtaining a driver's license; amending Minnesota Statutes 1989 Supplement, sections 171.04; and 171.18.

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

Jefferson, O'Connor, Williams, Trimble and Tjornhom introduced:

H. F. No. 2283, A bill for an act relating to housing; establishing a local government housing account that may be used for transitional housing, public housing modernization and rehabilitation, and subsidized rental housing preservation; establishing a council on homelessness; providing for a housing and redevelopment authority property service charge in lieu of property taxes; appropriating nonrefundable bond allocation deposits to the housing trust fund account; appropriating money; amending Minnesota Statutes 1988, sections 462A.201, subdivision 2; 469.040, by adding a subdivision; and 474A.21; proposing coding for new law in Minnesota Statutes, chapter 462A.

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

Swenson, Kelso, Redalen, Ogren and Dempsey introduced:

H. F. No. 2284, A bill for an act relating to taxation; property; expanding the definition of agricultural land to include land used to board horses; amending Minnesota Statutes Second 1989 Supplement, section 273.13, subdivision 23.

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

Schreiber; Gutknecht; Sviggum; Johnson, V., and Abrams introduced:

H. F. No. 2285, A bill for an act relating to elections; prohibiting certain contributions during regular legislative sessions; proposing coding for new law in Minnesota Statutes, chapter 10A.

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

Gruenes; Carlson, D.; Olsen, S.; Stanius and Pellow introduced:

H. F. No. 2286, A bill for an act relating to insurance; accident and health; requiring the commissioner of commerce to administer health care plans for Minnesota residents who are not covered by other plans; establishing minimum benefits for these plans; allowing a tax credit for premiums paid for coverage; appropriating money; amending Minnesota Statutes 1988, sections 290.92, subdivision 5; and 290.93, subdivision 4; Minnesota Statutes 1989 Supplement, sections 290.01, subdivision 19a; and 290.92, subdivision 5a; proposing coding for new law in Minnesota Statutes, chapter 290; proposing coding for new law as Minnesota Statutes, chapter 62K.

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

Gruenes and Kalis introduced:

H. F. No. 2287, A bill for an act relating to traffic regulations; imposing mandatory minimum fine for violators of handicapped parking restrictions; providing a penalty for a physically handicapped person who parks in handicapped parking space without required certificate or license plates; amending Minnesota Statutes 1988, section 169.346, subdivision 3.

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

Gruenes, Lynch, Ogren, Bauerly and Uphus introduced:

H. F. No. 2288, A bill for an act relating to taxation; sales; exempting certain tree removal services; amending Minnesota Statutes 1988, section 297A.25, by adding a subdivision.

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

Olsen, S.; Pappas; Carruthers; Henry and Macklin introduced:

H. F. No. 2289, A bill for an act relating to controlled substances; increasing the area affected from within 300 feet to within 1,000 feet of a school or park boundary for purposes of increasing penalties for sale or possession of controlled substances; requiring mandatory minimum sentences of imprisonment for first time offenders for sale or possession of controlled substances within a school or park zone; making it a crime to deliver or possess drug paraphernalia within a school zone or park zone; increasing penalties for sale or possession of anabolic substances (steroids), methamphetamine ("ice"), amphetamine, and marijuana within a school zone or park zone; requiring the posting of "Drug-Free School Zone" and "Drug-Free Park Zone" signs around school and park zone boundaries; amending Minnesota Statutes 1989 Supplement, sections 152.01, subdivisions 12a and 14a; 152.022, subdivisions 1 and 3; 152.023, subdivisions 2 and 3; 152.027, by adding a subdivision; and 152.029.

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

Bertram, Bauerly, Kelly and Marsh introduced:

H. F. No. 2290, A bill for an act relating to crime; increasing the penalty for killing a police dog engaged in correctional duties; amending Minnesota Statutes 1988, section 609.596.

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

McLaughlin and Reding introduced:

H. F. No. 2291, A bill for an act relating to state government; providing sanctions for failure to comply with affirmative action requirements; amending Minnesota Statutes 1988, sections 15A.081, subdivision 7b; 15A.082, by adding a subdivision; and 43A.18, subdivision 5.

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

Waltman; Johnson, V.; Carlson, D.; Jennings and Steensma introduced:

H. F. No. 2292, A bill for an act relating to transportation; providing for 15 percent state reimbursement to towns for cost of building bridge approaches under certain conditions; appropriating

money; proposing coding for new law in Minnesota Statutes, chapter 165.

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

Jaros; Rukavina; Carlson, D.; Murphy and Ogren introduced:

H. F. No. 2293, A bill for an act relating to human services; including the commissioners of commerce and health in designing the demonstration project for uninsured low-income persons; clarifying eligibility and enrollee participation requirements for the demonstration project; amending Minnesota Statutes 1988, section 256B.73.

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

Hausman; Kalis; Johnson, A.; Lieder and Seaberg introduced:

H. F. No. 2294, A bill for an act relating to drivers' licenses; providing for electronically produced images on drivers' licenses; amending Minnesota Statutes 1988, sections 171.07, subdivisions 1a and 6; and 171.071; Minnesota Statutes 1989 Supplement, section 171.07, subdivisions 1 and 3.

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

Marsh, Kelly, Limmer, Blatz and Carruthers introduced:

H. F. No. 2295, A bill for an act relating to sentencing; requiring court administrators to maintain information on the felony sentencing practices of the district court judges; amending Minnesota Statutes 1988, section 485.07.

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

Poppenhagen introduced:

H. F. No. 2296, A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land in Becker county.

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

Macklin and Kelso introduced:

H. F. No. 2297, A bill for an act relating to state lands; authorizing the private sale of certain state lands in Scott county; appropriating proceeds of the conveyance.

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

Solberg; Kinkel; Johnson, R.; Carlson, D., and Hasskamp introduced:

H. F. No. 2298, A bill for an act relating to waters; changing the requirements for appropriation permits; requiring the commissioner of natural resources to report to the legislature; amending Minnesota Statutes 1988, section 105.417, subdivision 5; Minnesota Statutes 1989 Supplement, sections 103I.205, subdivision 1; and 105.41, subdivision 1.

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

Solberg; Kinkel; Johnson, R.; Carlson, D., and Hasskamp introduced:

H. F. No. 2299, A bill for an act relating to waters; requiring the commissioner of natural resources to establish a plan for drought emergencies; creating a drought task force; amending Minnesota Statutes 1989 Supplement, section 473.156, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 105.

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

Johnson, R.; Kinkel; Krueger; Neuenschwander and Olson, E., introduced:

H. F. No. 2300, A bill for an act relating to human services; requiring that equalization aid be established and allocated to counties; appropriating money; proposing coding for new laws in Minnesota Statutes, chapter 245.

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

Dawkins, Pappas, McLaughlin, Tompkins and Runbeck introduced:

H. F. No. 2301, A bill for an act relating to human services; requiring the department of human services to prepare a special report on the operation of the consolidated chemical dependency treatment fund.

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

Swenson, Boo, Valento, Seaberg and Blatz introduced:

H. F. No. 2302, A bill for an act relating to human services; appropriating additional money for alternative care grants; allowing funds to be available for either year of the biennium.

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

Stanius and Macklin introduced:

H. F. No. 2303, A bill for an act relating to crimes; prohibiting certain adoptions without agency placement; prohibiting certain payments in connection with adoption, child placement, or termination of parental rights; proposing standards for certain placement waivers; providing penalties; amending Minnesota Statutes 1988, sections 144.215, by adding a subdivision; and 259.22, 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 Judiciary.

Bauerly, Anderson, R.; Bertram; Gruenes and Omann introduced:

H. F. No. 2304, A bill for an act relating to state government; increasing the time limit for rental of state property; authorizing payment to tenants for capital improvements under certain circumstances; amending Minnesota Statutes 1988, section 16B.24, subdivision 5.

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

Krueger; Wenzel; Nelson, C.; Redalen and Bauerly introduced:

H. F. No. 2305, A bill for an act relating to agriculture; providing

for light butter; amending Minnesota Statutes 1988, section 32.471, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 32.

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

Bishop, Orenstein, Brown, Ogren and Kelly introduced:

H. F. No. 2306, A bill for an act relating to drivers' licenses; providing for living will designation on driver's license; amending Minnesota Statutes 1988, section 171.07, by adding a subdivision; Minnesota Statutes 1989 Supplement, section 171.06, subdivision 3.

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

Quinn, Jacobs, Weaver, Bauerly and McEachern introduced:

H. F. No. 2307, A bill for an act relating to education; providing for an equalized aid and levy for exceptional need; 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.

Quinn, Jacobs, Weaver, Bauerly and McEachern introduced:

H. F. No. 2308, A bill for an act relating to education; changing the weighting of certain AFDC pupil units; appropriating money; amending Minnesota Statutes 1988, section 124.17, subdivision 1b.

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

Kinkel introduced:

H. F. No. 2309, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in Cass county.

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

Kinkel and Nelson, K., introduced:

H. F. No. 2310, A bill for an act relating to education; permitting education districts and districts operating under joint powers agreements to conduct meetings via interactive television; amending Minnesota Statutes 1988, section 471.59, subdivision 2; Minnesota Statutes 1989 Supplement, section 122.92, subdivision 1.

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

Greenfield, Vanasek, Ozment and Long introduced:

H. F. No. 2311, A bill for an act relating to waste; prohibiting certain types of low-level radioactive waste from being disposed of at other than licensed facilities; proposing coding for new law in Minnesota Statutes, chapter 116C.

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

Gutknecht, Ogren, Tompkins, Stanius and Runbeck introduced:

H. F. No. 2312, A bill for an act relating to insurance; accident and health; requiring the commissioner of commerce to administer health care plans for Minnesota residents who are not covered by other plans; establishing minimum benefits for these plans; allowing a tax credit for premiums paid for coverage; appropriating money; amending Minnesota Statutes 1988, sections 290.92, subdivision 5; and 290.93, subdivision 4; Minnesota Statutes 1989 Supplement, sections 290.01, subdivision 19a; and 290.92, subdivision 5a; proposing coding for new law in Minnesota Statutes, chapter 290; proposing coding for new law as Minnesota Statutes, chapter 62K.

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

Omann and Jacobs introduced:

H. F. No. 2313, A bill for an act relating to liquor; authorizing the metropolitan airports commission to issue off-sale liquor licenses for the sale of Minnesota wine; amending Minnesota Statutes 1988, section 340A.405, by adding a subdivision.

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

Stanius and Valento introduced:

H. F. No. 2314, A bill for an act relating to water safety; amending Minnesota Statutes 1988, section 361.09, by adding a subdivision.

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

Stanius and Bennett introduced:

H. F. No. 2315, A bill for an act relating to employment and training; providing for a one-month probationary period for participants in the wage subsidy program; amending Minnesota Statutes 1988, section 268.681, subdivision 3.

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

Ostrom, Jacobs, Dempsey, Conway and Waltman introduced:

H. F. No. 2316, A bill for an act relating to utilities; requiring municipal electric power agencies to keep financial records as required for public utilities and to undergo annual independent financial audits; proposing coding for new law in Minnesota Statutes, chapter 453.

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

McDonald; Steensma; Girard; Olson, E., and Wenzel introduced:

H. F. No. 2317, A bill for an act relating to education; requiring a study of agriculture programs at the University of Minnesota.

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

Uphus introduced:

H. F. No. 2318, A bill for an act relating to cities; regulating financial operations of municipal hospitals; amending Minnesota Statutes 1988, section 412.221, subdivision 16.

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

Olson, E.; Reding; Dille; Johnson, V., and Dauner introduced:

H. F. No. 2319, 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; amending Minnesota Statutes 1988, section 487.13; repealing Minnesota Statutes 1988, section 485.018, subdivision 7.

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

Limmer introduced:

H. F. No. 2320, A bill for an act relating to crimes; increasing the penalty for a dangerous weapon offense to a felony; amending Minnesota Statutes 1988, section 609.66, subdivision 1.

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

Haukoos, Dempsey, Vanasek, Kelly and Lynch introduced:

H. F. No. 2321, A bill for an act relating to consumer protection; requiring an itemized statement for certain automobile purchase price refunds; amending Minnesota Statutes 1988, sections 325F.662, subdivision 8; and 325F.665, subdivisions 3 and 6.

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

McDonald; Carlson, D.; Valento; Forsythe and Pellow introduced:

H. F. No. 2322, A bill for an act relating to crimes; making it a crime to burn the American flag under circumstances likely to incite lawless action; 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.

Simoneau; Reding; McEachern; Johnson, R., and Knickerbocker introduced:

H. F. No. 2323, A bill for an act relating to public employment; expanding coverage of the public employees insurance plan; establishing classes of premiums; amending Minnesota Statutes 1988, section 43A.316, subdivision 8.

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

Carruthers, Runbeck, Segal, Williams and Stanius introduced:

H. F. No. 2324, A bill for an act relating to insurance; accident and health; prohibiting the nondiagnostic use of X-rays; regulating trade practices; regulating the payment of health claims; amending Minnesota Statutes 1988, sections 72A.19, subdivision 1; 72A.20, subdivision 12, and by adding subdivisions; 72A.201, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapters 62A and 72A.

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

Osthoff, Scheid and Abrams introduced:

H. F. No. 2325, A bill for an act relating to elections; presidential primary; changing the primary date; changing the requirements for being a candidate at the primary; allowing voters to prefer uncommitted delegates; allowing write-in votes; providing for voter receipt of ballots; eliminating the provision that the primary winner is the party's endorsed candidate; changing the apportionment of party delegates; requiring provision of certain information to interested persons; amending Minnesota Statutes 1989 Supplement, sections 207A.01; 207A.02, subdivision 1; 207A.03; and 207A.06; proposing coding for new law in Minnesota Statutes, chapter 207A; repealing Minnesota Statutes 1989 Supplement, section 207A.05.

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

Anderson, R., by request, introduced:

H. F. No. 2326, A bill for an act relating to traffic regulations; prohibiting retread tires on front wheels of towing unit of commercial motor vehicle; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 169.

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

Jacobs, Vanasek, Lasley, Ozment and Macklin introduced:

H. F. No. 2327, A bill for an act relating to telephone service; requiring the expansion of the metropolitan extended area tele-

phone service, under some circumstances; 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.

Lasley introduced:

H. F. No. 2328, A bill for an act relating to the Cambridge regional human services center; permitting the transfer of water and sewer facilities; appropriating money.

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

McLaughlin and Otis introduced:

H. F. No. 2329, A bill for an act relating to education and training; creating a legislative task force on employment in the 1990s; providing for the task force's duties.

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

Reding introduced:

H. F. No. 2330, A bill for an act relating to employment; establishing a state certification program for professional firefighters; proposing coding for new law in Minnesota Statutes, chapter 299F.

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

Tunheim introduced:

H. F. No. 2331, A bill for an act relating to public lands; providing payment equivalency for lost revenue from certain federal land leased to the state to be paid from revenue generated from the land; proposing coding for new law in Minnesota Statutes, chapter 84A.

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

Begich, Beard, Limmer and Sarna introduced:

H. F. No. 2332, A bill for an act relating to public employees;

providing for an award of interest on certain essential employee arbitrations; amending Minnesota Statutes 1988, section 179A.16, by adding a subdivision.

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

Pappas, Bishop and Vellenga introduced:

H. F. No. 2333, A bill for an act proposing an amendment to the Minnesota Constitution, article I; creating a right of privacy.

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

Orenstein introduced:

H. F. No. 2334, A bill for an act relating to crime; imposing felony penalties for discharging toxic chemicals into the air or water; imposing gross misdemeanor penalties for the illegal disposal of solid waste; imposing felony penalties for tampering with pollution monitoring devices; authorizing environmental cleanup as restitution for environmental crimes; amending Minnesota Statutes 1988, section 609.671, subdivisions 1, 2, 8, and 9, and by adding subdivisions.

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

Carruthers and Segal introduced:

H. F. No. 2335, A bill for an act relating to insurance; regulating appeals of health claims; amending Minnesota Statutes 1989 Supplement, section 72A.327.

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

Frederick, Simoneau, Vanasek and Johnson, V., introduced:

H. F. No. 2336, A bill for an act relating to historical interpretive centers; defining the status of Farmamerica in Waseca county.

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

Hausman, Long, Segal, Greenfield and Bishop introduced:

H. F. No. 2337, A bill for an act relating to health; appropriating money to the commissioner of health to contract for family planning and birth control research.

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

Kahn, Rukavina and Jacobs introduced:

H. F. No. 2338, A bill for an act relating to gambling; requiring the director of the lottery to establish certain betting games related to the 1992 National Football League championship game; providing for the expenditure of the net proceeds of these games; amending Minnesota Statutes 1988, section 116P.04, subdivision 2; Minnesota Statutes 1989 Supplement, sections 116O.12; 349A.06, subdivision 5; and 349A.13; proposing coding for new law in Minnesota Statutes, chapter 349A.

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

Kahn, Jacobs and Solberg introduced:

H. F. No. 2339, A bill for an act relating to crime; repealing prohibitions against reselling of tickets for more than face value; amending Minnesota Statutes 1988, section 609.805, subdivision 2.

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

Kahn, Rukavina and Osthoff introduced:

H. F. No. 2340, A bill for an act relating to alcoholic beverages; authorizing cities and counties to issue licenses permitting on-sale of alcoholic beverages during certain hours when on-sale is otherwise prohibited; amending Minnesota Statutes 1988, section 340A.504, subdivisions 1 and 6; Minnesota Statutes 1989 Supplement, section 340A.504, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 349.

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

Pugh, Stanius, Marsh and Battaglia introduced:

H. F. No. 2341, A bill for an act relating to game and fish; private shooting preserves; license requirement; pheasant release; license fee; amending Minnesota Statutes 1988, section 97A.121, subdivisions 1 and 4a; Minnesota Statutes 1989 Supplement, section 97A.475, subdivision 18.

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

Skoglund introduced:

H. F. No. 2342, A bill for an act relating to insurance; requiring certain preferred provider organizations to be licensed; providing for the regulation of their solvency and operations; amending Minnesota Statutes 1989 Supplement, section 72A.20, subdivision 15; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Skoglund introduced:

H. F. No. 2343, A bill for an act relating to insurance; accident and health; providing for the classification and disclosure of certain comprehensive health insurance data; regulating the Minnesota comprehensive health insurance plan; amending Minnesota Statutes 1988, sections 13.71, by adding a subdivision; 62E.10, subdivision 9; and 62E.14, by adding a subdivision.

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

Skoglund introduced:

H. F. No. 2344, A bill for an act relating to insurance; Medicare supplement; regulating coverages; amending Minnesota Statutes 1988, section 62A.43, subdivision 1, and by adding a subdivision.

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

Trimble introduced:

H. F. No. 2345, A bill for an act relating to education; establishing

a student activity fee and fund at community colleges; proposing coding for new law in Minnesota Statutes, chapter 136.

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

Trimble introduced:

H. F. No. 2346, A bill for an act relating to health; granting an exception to the nursing home moratorium; amending Minnesota Statutes 1989 Supplement, section 144A.071, subdivision 3.

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

Segal introduced:

H. F. No. 2347, A bill for an act relating to occupations and professions; defining license requirements for asbestos contractors, consultants, and project monitors; providing penalties; amending Minnesota Statutes 1988, sections 326.71; 326.72; 326.73; 326.74; 326.75, by adding a subdivision; 326.78, subdivision 1, and by adding a subdivision; and 326.80; Minnesota Statutes 1989 Supplement, section 326.78, subdivision 2; 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.

McLaughlin, Quinn, Ogren and Rest introduced:

H. F. No. 2348, A bill for an act relating to taxation; increasing the income levels of debtors whose medical debts are exempt from collection under the revenue recapture act; amending Minnesota Statutes 1988, section 270A.03, subdivision 5.

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

McGuire introduced:

H. F. No. 2349, A bill for an act relating to crime; removing requirement that negligence be proven for conviction of criminal vehicular operation if driver's alcohol concentration was .10 or more; imposing penalties for criminal vehicular operation resulting in substantial bodily harm; amending Minnesota Statutes 1989 Supplement, section 609.21.

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

McGuire, Hasskamp, Janezich, Limmer and Conway introduced:

H. F. No. 2350, A bill for an act relating to natural resources; authorizing the commissioner to designate agents to sell state park permits; amending Minnesota Statutes 1988, section 85.053, subdivision 1.

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

McGuire, Pugh and Girard introduced:

H. F. No. 2351, A bill for an act relating to natural resources; authorizing conservation officers to seek issuance of and to serve search warrants; amending Minnesota Statutes 1989 Supplement, sections 626.05, subdivision 2; and 626.13.

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

McGuire, Hausman, Pauly, Kinkel and Blatz introduced:

H. F. No. 2352, A bill for an act relating to taxation; property; reducing the class rate applied to certain nonprofit student housing; amending Minnesota Statutes Second 1989 Supplement, sections 273.13, subdivision 25; and 273.1316, subdivisions 1, 6, and 7.

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

McGuire introduced:

H. F. No. 2353, A bill for an act relating to the environment; regulating the disposition of property acquired for response action; amending Minnesota Statutes 1988, section 115B.17, by adding a subdivision.

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

Miller introduced:

H. F. No. 2354, A bill for an act relating to health; requiring an

environmental impact statement for burning of PCBs; authorizing counties to be compensated for human health risks; requiring permits and local approval before burning PCBs; requiring a report to the public utilities commission and a return of savings to ratepayers; amending Minnesota Statutes 1988, section 116.36, subdivision 1; 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.

Bauerly, Pelowski, Vanasek, Schreiber and McEachern introduced:

H. F. No. 2355, A bill for an act relating to education; changing the training and experience funding; amending Minnesota Statutes 1988, section 124A.22, subdivision 4.

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

McEachern introduced:

H. F. No. 2356, A bill for an act relating to education; approving a capital loan to the St. Michael-Albertville school district.

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

Valento and Olsen, S., introduced:

H. F. No. 2357, A bill for an act relating to local government; limiting certain payments to elected officials; proposing coding for new law in Minnesota Statutes, chapter 471.

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

Abrams and Segal introduced:

H. F. No. 2358, A bill for an act relating to human services; creating a temporary exception to the moratorium on increases in bed capacity in existing intermediate care facilities for persons with mental retardation.

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

Abrams introduced:

H. F. No. 2359, A bill for an act relating to taxation; income and franchise; providing a checkoff for drug abuse resistance education grants; 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.

Abrams introduced:

H. F. No. 2360, A bill for an act relating to insurance; no-fault auto; regulating uninsured motorist coverage; amending Minnesota Statutes 1988, section 65B.43, subdivision 18.

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

Abrams introduced:

H. F. No. 2361, A bill for an act relating to taxation; property; changing income qualifications for class 1b treatment; amending Minnesota Statutes 1988, section 273.13, subdivision 22.

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

Abrams introduced:

H. F. No. 2362, A bill for an act relating to insurance; requiring notice before changes in beneficiaries, or changes and cancellations in coverages; amending Minnesota Statutes 1988, sections 61A.12, subdivision 4; 65B.15, subdivision 2, and by adding a subdivision; and 65B.43, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 72A.

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

Abrams and Segal introduced:

H. F. No. 2363, A bill for an act relating to human services; increasing the maximum amount of care per child in a drop-in child care program; amending Minnesota Statutes 1989 Supplement, section 245A.02, subdivision 6a.

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

Dorn introduced:

H. F. No. 2364, A bill for an act relating to capital improvements; providing for capital expenses at Mankato State University; authorizing sale of state bonds; appropriating money.

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

Pugh, Kelly and Dempsey introduced:

H. F. No. 2365, A bill for an act relating to the collection and dissemination of data; proposing classifications of data as private and nonpublic; clarifying access to data on decedents; changing classification nomenclature as it relates to medical examiner's data; establishing a statute of limitations for actions brought; amending Minnesota Statutes 1988, sections 13.10, subdivision 3; 13.83, subdivisions 4, 5, 7, and 9; Minnesota Statutes 1989 Supplement, sections 13.83, subdivision 8; 171.06, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1988, section 13.641.

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

Greenfield introduced:

H. F. No. 2366, A bill for an act relating to juvenile justice; providing that it is a prima facie case for reference for prosecution as an adult if a child is alleged to have committed a felony offense as part of, or subsequent to, the delinquent act of escape from confinement to a local juvenile correctional facility; amending Minnesota Statutes 1988, sections 260.015, subdivision 5; and Minnesota Statutes 1989 Supplement, section 260.125, subdivision 3.

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

Greenfield and Clark introduced:

H. F. No. 2367, A bill for an act relating to crimes; making it a crime for an alleged or adjudicated juvenile delinquent who is 18 years old to escape from a local juvenile correctional facility;

amending Minnesota Statutes 1988, section 609.485, subdivisions 2 and 4.

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

Bertram introduced:

H. F. No. 2368, A bill for an act relating to agriculture; regulating noxious weeds; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 1988, sections 18.171 to 18.315; and Minnesota Statutes 1989 Supplement, sections 18.189 and 18.192.

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

Orenstein introduced:

H. F. No. 2369, A bill for an act relating to human rights; providing a human rights curriculum; 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.

Orenstein introduced:

H. F. No. 2370, A bill for an act relating to crimes; prohibiting persons from interfering with access to medical facilities; 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.

Orenstein introduced:

H. F. No. 2371, A bill for an act relating to local government tort liability; raising the monetary limit on tort claims that may be settled without court approval; amending Minnesota Statutes 1988, section 466.08.

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

Orenstein, Kalis and Osthoff introduced:

H. F. No. 2372, A bill for an act relating to motor vehicles; establishing and regulating manufacturer's registration plates; amending Minnesota Statutes 1989 Supplement, section 168.27, subdivisions 1, 16, and 17.

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

Olson, K.; Bauerly; Jennings and Carlson, D., introduced:

H. F. No. 2373, A bill for an act relating to traffic regulations; regulating wheel flaps and covered loads; imposing a penalty; amending Minnesota Statutes 1988, sections 169.733; and 169.81, subdivision 5, and by adding a subdivision.

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

Bauerly, Bertram, McEachern, Schreiber and Wenzel introduced:

H. F. No. 2374, A bill for an act relating to agriculture; changing the makeup of potato research and promotion councils; amending Minnesota Statutes 1988, section 17.54, subdivision 9.

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

Tunheim, Kalis, Lieder, Dorn and Olson, K., introduced:

H. F. No. 2375, A bill for an act relating to education; allowing school districts to provide transportation for nonresident pupils if the pupils present themselves on a regular transportation route; amending Minnesota Statutes 1988, section 123.39, subdivision 6.

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

Tunheim, Lieder and Olson, E., introduced:

H. F. No. 2376, A bill for an act relating to education; increasing secondary sparsity revenue; amending Minnesota Statutes 1989 Supplement, section 124A.22, subdivision 6.

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

Tunheim, Kalis, Lieder, Dorn and Olson, E., introduced:

H. F. No. 2377, A bill for an act relating to recreational vehicles; exempting from registration all-terrain vehicles that are used exclusively for private agricultural use or exclusively on private lands; limiting operation of all-terrain vehicles exempt from registration; amending Minnesota Statutes 1989 Supplement, sections 84.922, subdivisions 1a and 5; and 84.928, subdivision 1; repealing Minnesota Statutes 1989 Supplement, section 84.922, subdivision 2a.

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

Tunheim introduced:

H. F. No. 2378, A bill for an act relating to education; permitting the Badger school district to borrow against taxes levied by the district, including taxes on which penalties have accrued.

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

Welle, Dorn, Dauner, Sviggum and Gutknecht introduced:

H. F. No. 2379, A bill for an act relating to human services; clarifying case management services under medical assistance; specifying requirements for an individual service plan; requiring county boards to document unavailability of money for services to persons with mental retardation or related conditions; amending Minnesota Statutes 1988, section 256B.092, subdivisions 1a, 1b, and by adding subdivisions.

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

Welle and Cooper introduced:

H. F. No. 2380, A bill for an act relating to human services; providing for services for persons with mental retardation in the Willmar catchment area; amending Minnesota Statutes 1989 Supplement, section 252.025, subdivision 4.

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

Nelson, K., and McEachern introduced:

H. F. No. 2381, A bill for an act relating to education; changing the duration and membership of the task force on education organization; amending Laws 1988, chapter 718, article 6, section 23, subdivisions 1, 2, and 7.

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

Lasley, Johnson, R., and Bauerly introduced:

H. F. No. 2382, A bill for an act relating to forestry; implementing a statewide program to encourage maintenance and expansion of community and urban forests; assigning responsibilities to various state agencies and municipalities.

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

McEachern, Bauerly, Ostrom, Ozment and Munger introduced:

H. F. No. 2383, A bill for an act relating to education; providing for the environmental education act; creating the office of environmental education; proposing coding for new law as Minnesota Statutes, chapter 126A; repealing Minnesota Statutes 1988, sections 116E.01; 116E.02; 116E.03, subdivisions 2, 3, 4, 5, 6, 7, 7a, 8, and 9; and 116E.04; Minnesota Statutes 1989 Supplement, sections 116E.03, subdivision 1; and 116E.035.

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

Rice introduced:

H. F. No. 2384, A bill for an act relating to port authorities; allowing a port authority to use foreign trade zone powers, if granted, outside its port district; amending Minnesota Statutes 1988, section 469.059, subdivision 14.

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

Olson, E., Bertram, Redalen, Cooper and Dauner introduced:

H. F. No. 2385, A bill for an act relating to agriculture; requiring cash discounts on agricultural production inputs if there are interest

discounts on credit terms for seller-financed sales; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

Rukavina, Munger and Janezich introduced:

H. F. No. 2386, A bill for an act relating to solid waste management; permitting certain fees; granting authority to St. Louis county; amending Minnesota Statutes 1988, section 400.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 383C.

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

Olson, K.; McEachern; Bauerly; Swenson and Cooper introduced:

H. F. No. 2387, A bill for an act relating to education; prohibiting the use of public money for certain transportation; amending Minnesota Statutes 1988, section 123.39, subdivision 6.

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

Lieder; Tunheim; Olson, K.; Kinkel and Olsen, S., introduced:

H. F. No. 2388, A bill for an act relating to education; revising the general education revenue reduction; amending Minnesota Statutes 1989 Supplement, section 124A.26, subdivision 1.

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

Otis; Nelson, K.; McEachern and Weaver introduced:

H. F. No. 2389, A bill for an act relating to education; creating incentives to improve school performance; 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.

Vellenga, Blatz, Kelly, Wagenius and Greenfield introduced:

H. F. No. 2390, A bill for an act relating to children; providing improved procedures to protect the safety and welfare of abused and neglected children; providing for more permanent placements of children in need of protection or services; improving data practices; appropriating money for early intervention and targeted family services, and for family planning grants; amending Minnesota Statutes 1988, sections 147.09; 260.011, subdivision 2; 260.155, subdivision 1; 626.556, subdivision 1, and by adding a subdivision; 626.559, subdivision 2; Minnesota Statutes 1989 Supplement, sections 245A.04, subdivision 3; 260.015, subdivision 2a; 260.161, subdivision 2; 260.171, subdivision 4; 260.191, subdivision 1; 260.221, subdivision 1; 626.556, subdivisions 2, 10e, and 11; and 626.558, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 245 and 260.

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

Kahn, Simoneau and Bishop introduced:

H. F. No. 2391, A bill for an act relating to revenue bonds and notes; stating the intent of the legislature not to appropriate money from the general fund to pay for revenue bonds or notes; amending Minnesota Statutes 1988, sections 16B.16, by adding a subdivision; 41A.03, subdivision 5; 136.31, subdivision 1; 136A.35; 462A.14; and 462A.22, subdivision 8; Minnesota Statutes 1989 Supplement, sections 136A.176; and 298.2211, subdivision 4.

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

Kahn, Simoneau and Bishop introduced:

H. F. No. 2392, A bill for an act relating to crime; requiring deposit of forfeiture proceeds in the state treasury; allocating forfeiture proceeds among the agencies assisting with the forfeiture; appropriating money; amending Minnesota Statutes 1989 Supplement, section 609.5315, subdivision 5.

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

Milbert, Sarna, Scheid, Bennett and Price introduced:

H. F. No. 2393, A bill for an act relating to consumer protection; regulating automatic garage door systems in residential buildings;

providing standards; prescribing a penalty; amending Minnesota Statutes 1989 Supplement, section 16B.61, subdivision 3; 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.

Price, Beard, Pugh and Milbert introduced:

H. F. No. 2394, A bill for an act relating to taxation; property; increasing the market value of homestead property subject to preferential class rates; amending Minnesota Statutes Second 1989 Supplement, section 273.13, subdivisions 22 and 23.

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

Sparby introduced:

H. F. No. 2395, A bill for an act relating to retirement; Thief River Falls police relief association trust fund; requiring less-frequent actuarial surveys; amending Laws 1978, chapter 689, section 4, subdivision 2.

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

Price, Dauner and Bennett introduced:

H. F. No. 2396, A bill for an act relating to taxation; property; providing a special levy to pay certain watershed capital improvement costs; amending Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5.

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

Kelly, Rest, Orenstein, Seaberg and Swenson introduced:

H. F. No. 2397, 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.

Beard, Sarna, Begich and Rukavina introduced:

H. F. No. 2398, A bill for an act relating to occupational safety and health; requiring employers to prepare and implement a written program that describes how they will reduce the extent and severity of work-related injuries and illnesses; amending Minnesota Statutes 1988, section 182.653, by adding a subdivision.

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

Greenfield, Clark and Forsythe introduced:

H. F. No. 2399, A bill for an act relating to human services; authorizing counties to retain one-half of the nonfederal share of money collected by the county for assistance furnished; amending Minnesota Statutes 1988, section 256.863.

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

Greenfield, Segal and Forsythe introduced:

H. F. No. 2400, A bill for an act relating to courts; providing for partial state reimbursement of county costs for court-ordered care, examination, or treatment of juveniles; appropriating money; amending Minnesota Statutes 1989 Supplement, section 260.251, subdivision 1.

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

Tunheim and Lieder introduced:

H. F. No. 2401, A bill for an act relating to traffic regulations; establishing penalties for driving past railroad crossing warning devices; providing for instruction in railroad crossing safety at driver improvement clinics; establishing standards and procedures for closing a railroad crossing; stipulating the adequacy of crossing devices; imposing penalties; amending Minnesota Statutes 1988, sections 169.26; and 169.973, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 219; repealing Minnesota Statutes 1988, sections 219.27 and 219.28; and Minnesota Statutes 1989 Supplement, section 219.072.

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

Vellenga introduced:

H. F. No. 2402, A bill for an act relating to local government; reauthorizing Ramsey county and the city of St. Paul to issue general obligation bonds to finance the restoration of the concourse of the St. Paul union depot; repealing Minnesota Statutes 1988, section 383A.65, as amended.

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

Pappas, Wagenius, Seaberg, Pugh and Vellenga introduced:

H. F. No. 2403, A bill for an act relating to family law; requiring child custody investigators to consider statutory factors in preparing custody reports; authorizing courts to exclude a respondent from the place of employment of a petitioner in an order for protection; clarifying the probable cause arrest provision for violations of orders for protection; authorizing bonds to ensure compliance with orders for protection; authorizing referrals to prosecuting authorities for violations of orders for protection; amending Minnesota Statutes 1988, sections 518.167, subdivision 2; and 518B.01, subdivisions 6, 7, and 14.

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

Jefferson, Vellenga and Greenfield introduced:

H. F. No. 2404, A bill for an act relating to human services; establishing requirements, procedures, and incentives for child support and medical support enforcement; appropriating money; amending Minnesota Statutes 1988, sections 171.07, subdivision 1a; 518.551, subdivisions 1 and 5; 518.611, subdivisions 1, 2, 8, 8a, and by adding a subdivision; 518C.02, by adding subdivisions; 518C.03; 518C.05; 518C.09; 518C.12; 518C.27, subdivision 1; and Minnesota Statutes 1989 Supplement, sections 256.74, subdivision 1; 518.551, subdivision 10; 518.611, subdivision 4; 518.613, subdivision 2; 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.

Wagenius and Vellenga introduced:

H. F. No. 2405, A bill for an act relating to education; encouraging early childhood family education programs to recruit and retain

at-risk families; amending Minnesota Statutes 1989 Supplement, section 121.882, subdivision 2.

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

Wagenius introduced:

H. F. No. 2406, A bill for an act relating to taxation; providing a sales tax exemption for certain chair lifts, ramps, and elevators; amending Minnesota Statutes Second 1989 Supplement, section 297A.25, subdivision 43.

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

Olson, K.; Cooper and Nelson, C., introduced:

H. F. No. 2407, A bill for an act relating to health; requiring an asbestos abatement rule change.

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

Skoglund introduced:

H. F. No. 2408, A bill for an act relating to insurance; health and accident; allowing certain employers to enroll in the state comprehensive health insurance plan; proposing coding for new law in Minnesota Statutes, chapter 62E.

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

Dempsey introduced:

H. F. No. 2409, A bill for an act relating to marriage dissolution; regulating child support; amending Minnesota Statutes 1988, section 518.551, subdivision 5.

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

CONSENT CALENDAR

H. F. No. 1859, A bill for an act relating to transportation; exempting volunteer drivers of private passenger vehicles from certain passenger service rules of the commissioner of transportation; amending Minnesota Statutes 1989 Supplement, section 221.031, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Krueger	Omann	Scheid
Anderson, G.	Greenfield	Lasley	Onnen	Schreiber
Battaglia	Gruenes	Lieder	Orenstein	Seaberg
Bauerly	Gutknecht	Limmer	Osthoff	Simoneau
Beard	Hartle	Long	Ostrom	Skoglund
Begich	Hasskamp	Lynch	Otis	Solberg
Bennett	Haukoos	Macklin	Ozment	Sparby
Bertram	Hausman	Marsh	Pappas	Stanius
Bishop	Heap	McDonald	Pauly	Steensma
Blatz	Henry	McEachern	Pellow	Swenson
Boo	Himle	McGuire	Pelowski	Tjornhom
Brown	Hugoson	McLaughlin	Peterson	Tompkins
Burger	Jacobs	McPherson	Poppenhagen	Trimble
Carlson, D.	Janezich	Milbert	Price	Tunheim
Carlson, L.	Jaros	Miller	Pugh	Uphus
Carruthers	Jefferson	Morrison	Quinn	Valento
Clark	Jennings	Munger	Redalen	Vellenga
Conway	Johnson, A.	Murphy	Reding	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rest	Waltman
Dauner	Johnson, V.	Nelson, K.	Rice	Weaver
Dawkins	Kalis	Neuenschwander	Richter	Welle
Dempsey	Kelly	O'Connor	Rodosovich	Wenzel
Dille	Kelso	Ogren	Rukavina	Williams
Dorn	Kinkel	Olsen, S.	Runbeck	Winter
Forsythe	Knickerbocker	Olson, E.	Sarna	Spk. Vanasek
Frerichs	Kostohryz	Olson, K.	Schafer	

The bill was passed and its title agreed to.

H. F. No. 1985, A bill for an act relating to insurance; regulating cease and desist orders and communications with the department of commerce; amending Minnesota Statutes 1988, sections 45.027, subdivision 5; and 60A.17, 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 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Lasley	Orenstein	Seaberg
Anderson, G.	Gruenes	Lieder	Osthoff	Simoneau
Battaglia	Gutknecht	Limmer	Ostrom	Skoglund
Bauerly	Hartle	Long	Otis	Solberg
Beard	Hasskamp	Lynch	Ozment	Sparby
Begich	Haukoos	Macklin	Pappas	Stanius
Bennett	Hausman	Marsh	Pauly	Steensma
Bertram	Heap	McDonald	Pellow	Swenson
Bishop	Henry	McEachern	Pelowski	Tjornhom
Blatz	Himle	McGuire	Peterson	Tompkins
Boo	Hugoson	McLaughlin	Poppenhagen	Trimble
Brown	Jacobs	McPherson	Price	Tunheim
Burger	Janezich	Milbert	Pugh	Uphus
Carlson, D.	Jefferson	Miller	Quinn	Valento
Carlson, L.	Jennings	Morrison	Redalen	Vellenga
Carruthers	Johnson, A.	Munger	Reding	Wagenius
Clark	Johnson, R.	Murphy	Rest	Waltman
Conway	Johnson, V.	Nelson, C.	Rice	Weaver
Cooper	Kalis	Nelson, K.	Richter	Welle
Dauner	Kelly	O'Connor	Rodosovich	Wenzel
Dawkins	Kelso	Ogren	Rumbeck	Williams
Dempsey	Kinkel	Olsen, S.	Sarna	Winter
Forsythe	Knickerbocker	Olson, K.	Schafer	Spk. Vanasek
Frerichs	Kostohryz	Omann	Scheid	
Girard	Krueger	Onnen	Schreiber	

The bill was passed and its title agreed to.

CALENDAR

S. F. No. 60, A bill for an act relating to water; recodifying, clarifying, and relocating provisions relating to water law; amending Minnesota Statutes 1988, sections 9.071; 16B.62, subdivision 1; 18.191; 18B.07, subdivision 6; 40A.13, subdivision 1; 41B.039, subdivision 3; 84.083, by adding subdivisions; 84.91, subdivision 4; 84.911, subdivisions 5 and 6; 84.95, subdivision 2; 85.33, subdivision 3; 86A.05, subdivision 10; 88.43, subdivision 2; 93.335, subdivision 1; 94.343, subdivision 4; 97A.015, subdivision 41; 97A.071, subdivision 4; 97A.101, subdivision 2; 115.097, subdivision 2; 144.95, subdivision 4; 156A.10, subdivision 2; 161.28, subdivision 1; 163.17; 272.02, subdivisions 1 and 6; 273.19, subdivision 5; 295.44, subdivision 1; 357.021, subdivision 2; 375.471; 383A.602, subdivision 5; 383A.604, subdivision 1; 394.25, subdivision 2; 459.20; 462.357, subdivision 1; 465.20; 469.141, subdivision 4; 469.174, subdivision 19; 471.345, subdivision 3; 471.591, subdivision 1; 471.98, subdivision 2; 473.191, subdivision 2; 609.68; and 645.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 83A; 97C; 156A; and 383B; proposing coding for new law as Minnesota Statutes, chapters 86B; 103A; 103B; 103C; 103D; 103E; 103F; and 103G; repealing Minnesota Statutes 1988, sections 40.01

to 40.45; 84.031; 84.032; and 84.158; 104.01 to 104.50; 105.37 to 105.81; 106A.005 to 106A.811; 110.13 to 110.72; 110B.01 to 110B.35; 112.34 to 112.89; 114.12 and 114.13; 114B.01 to 114B.07; 116C.41; 361.01 to 361.29; 378.01 to 378.57; 465.18; and 473.875 to 473.883.

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:

Abrams	Girard	Krueger	Omann	Scheid
Anderson, G.	Greenfield	Lasley	Onnen	Schreiber
Battaglia	Gruenes	Lieder	Orenstein	Seaberg
Bauerly	Gutknecht	Limmer	Osthoff	Simoneau
Beard	Hartle	Long	Ostrom	Skoglund
Begich	Hasskamp	Lynch	Otis	Solberg
Bennett	Haukoos	Macklin	Ozment	Sparby
Bertram	Hausman	Marsh	Pappas	Stanis
Bishop	Heap	McDonald	Pauly	Steensma
Blatz	Henry	McEachern	Pellow	Sviggum
Boo	Himle	McGuire	Pelowski	Swenson
Brown	Hugoson	McLaughlin	Peterson	Tjornhom
Burger	Jacobs	McPherson	Poppenhagen	Tompkins
Carlson, D.	Janezich	Milbert	Price	Trimble
Carlson, L.	Jaros	Miller	Pugh	Tunheim
Carruthers	Jefferson	Morrison	Quinn	Uphus
Clark	Jennings	Munger	Redalen	Vallento
Conway	Johnson, A.	Murphy	Reding	Vellenga
Cooper	Johnson, R.	Nelson, C.	Rest	Wagenius
Dauner	Johnson, V.	Nelson, K.	Rice	Waltman
Dawkins	Kalis	Neuenschwander	Richter	Weaver
Dempsey	Kelly	O'Connor	Rodosovich	Welle
Dille	Kelso	Ogren	Rukavina	Wenzel
Dorn	Kinkel	Olsen, S.	Runbeck	Williams
Forsythe	Knickerbocker	Olson, E.	Sarna	Winter
Frerichs	Kostohryz	Olson, K.	Schafer	Spk. Vanasek

The bill was passed and its title agreed to.

GENERAL ORDERS

Long moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Quinn moved that the name of Johnson, A., be shown as chief author on H. F. No. 45. The motion prevailed.

Dawkins moved that the name of Osthoff be added as an author on H. F. No. 136. The motion prevailed.

Runbeck moved that her name be stricken and the name of Stanius be added as chief author on H. F. No. 830. The motion prevailed.

Winter moved that the name of Wynia be stricken and his name be shown as chief author and the name of Long be added as an author on H. F. No. 1247. The motion prevailed.

Hasskamp moved that the name of Bishop be added as an author on H. F. No. 1822. The motion prevailed.

Tunheim moved that the name of Sparby be added as an author on H. F. No. 1931. The motion prevailed.

Jefferson moved that the name of Vanasek be added as an author on H. F. No. 1958. The motion prevailed.

Bauerly moved that the name of Kelly be added as an author on H. F. No. 1995. The motion prevailed.

Steensma moved that the name of Ozment be added as an author on H. F. No. 2023. The motion prevailed.

Dorn moved that the names of Frederick, Kalis and Ostrom be added as authors on H. F. No. 2078. The motion prevailed.

Forsythe moved that the name of Tjornhom be added as an author on H. F. No. 2183. The motion prevailed.

Winter moved that the names of Price and Himle be added as authors on H. F. No. 2207. The motion prevailed.

O'Connor moved that the name of McPherson be added as an author on H. F. No. 2208. The motion prevailed.

Rest moved that the name of Price be added as an author on H. F. No. 2209. The motion prevailed.

Jefferson moved that the name of Pauly be added as an author on H. F. No. 2230. The motion prevailed.

Redalen moved that the name of Waltman be added as an author on H. F. No. 2236. The motion prevailed.

Jefferson moved that H. F. No. 2230 be recalled from the Commit-

tee on Economic Development and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Williams moved that H. F. No. 2101 be recalled from the Committee on Education and be re-referred to the Committee on Appropriations. The motion prevailed.

Johnson, R., moved that H. F. No. 2131 be recalled from the Committee on Judiciary and be re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Peterson moved that H. F. No. 2195 be returned to its author. The motion prevailed.

Williams moved that H. F. No. 257 and the accompanying Conference Committee Report which were temporarily laid over by the House on Monday, May 22, 1989, be returned to the Conference Committee. The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 2:30 p.m., Thursday, March 1, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Thursday, March 1, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SIXTY-FIFTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 1, 1990

The House of Representatives convened at 2:30 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Tom Shifflet, Senior Minister, First Christian Church, Minneapolis, Minnesota.

The roll was called and the following members were present:

Abrams	Ferichs	Kostohryz	Onnen	Segal
Anderson, G.	Girard	Krueger	Orenstein	Simoneau
Anderson, R.	Greenfield	Lasley	Osthoff	Skoglund
Battaglia	Gruenes	Lieder	Ostrom	Solberg
Bauerly	Gutknecht	Limmer	Otis	Sparby
Beard	Hartle	Long	Ozment	Stanius
Begich	Hasskamp	Lynch	Pappas	Steensma
Bennett	Haukoos	Macklin	Pauly	Sviggum
Bertram	Hausman	Marsh	Pellow	Swenson
Bishop	Heap	McDonald	Pelowski	Tjornhom
Blatz	Henry	McEachern	Peterson	Tompkins
Boo	Himle	McGuire	Poppenhagen	Trimble
Brown	Hugoson	McLaughlin	Price	Tunheim
Burger	Jacobs	McPherson	Pugh	Uphus
Carlson, D.	Janezich	Milbert	Quinn	Valento
Carlson, L.	Jaros	Miller	Redalen	Vellenga
Carruthers	Jefferson	Morrison	Reding	Wagenius
Clark	Jennings	Munger	Rest	Waltman
Conway	Johnson, A.	Murphy	Richter	Weaver
Cooper	Johnson, R.	Nelson, C.	Rodosovich	Welle
Dauner	Johnson, V.	Neuenschwander	Rukavina	Wenzel
Dawkins	Kahn	O'Connor	Runbeck	Williams
Dempsey	Kalis	Ogren	Sarna	Winter
Dille	Kelly	Olsen, S.	Schafer	Spk. Vanasek
Dorn	Kelso	Olsen, E.	Scheid	
Forsythe	Kinkel	Olson, K.	Schreiber	
Frederick	Knickerbocker	Omann	Seaberg	

A quorum was present.

Nelson, K., and Rice were excused.

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

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1841, 1883, 1921, 1930, 1968, 1983, 1893, 1895 and 1964 and S. F. No. 956 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 984, A bill for an act relating to agriculture; regulating certain livestock transactions; amending Minnesota Statutes 1988, section 17A.03, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 17A; proposing coding for new law as Minnesota Statutes, chapter 31B.

Reported the same back with the following amendments:

Page 2, line 30, after "dealer" insert "and grain and feed businesses with livestock contracts"

Page 2, line 32, delete "prescribed in section 201.97" and insert "form"

Page 4, line 23, delete "LIMITATIONS" and insert "ACCOUNTING REQUIREMENTS"

Page 4, line 25, delete "prohibited from owning and feeding"

Page 4, line 26, delete everything before the period and insert "required to conduct all financial transactions relating to a contract feeding operation through a separate and exclusive bank account. This separate account is subject to audit and inspection at any reasonable time by the commissioner"

Page 4, line 28, delete "\$30,000,000" and insert "\$10,000,000" and delete "prohibited from owning or" and insert "required to conduct all financial transactions relating to"

Page 4, line 29, delete "except through a marketing"

Page 4, line 30, delete "agency" and insert "through a separate and exclusive bank account. This separate account is subject to audit and inspection at any reasonable time by the commissioner"

Page 6, line 1, delete "proceeds in this state." and insert "proceeds." "

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. 1771, A bill for an act relating to education; giving Cambridge full campus status in the community college system; appropriating money; amending Minnesota Statutes 1988, sections 136.60 and 136.602.

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. 1836, A bill for an act relating to meetings of public bodies; government data practices; defining final disposition of a disciplinary action regarding personnel records; making clear that meetings may not be closed on the basis of data classification statutes; providing an exception to the open meeting law for preliminary discussions concerning allegations of misconduct against government employees; amending Minnesota Statutes 1988, sections 13.43, subdivision 2; and 471.705, by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 13.43, subdivision 2, is amended to read:

Subd. 2. [PUBLIC DATA.] (a) Except for employees described in subdivision 5, the following personnel data on current and former employees, volunteers, and independent contractors of a state agency, statewide system, or political subdivision and members of advisory boards or commissions is public: name; actual gross salary; salary range; contract fees; actual gross pension; the value and nature of employer paid fringe benefits; the basis for and the amount of any added remuneration, including expense reimbursement, in addition to salary; job title; job description; education and training

background; previous work experience; date of first and last employment; the existence and status of any complaints or charges against the employee, whether or not the complaint or charge resulted in a disciplinary action; and the final disposition of any disciplinary action together with the specific reasons for the action and supporting documentation data documenting the basis of the action, excluding data that would identify confidential sources who are employees of the public body; the terms of any agreement settling administrative or judicial proceedings involving individuals described in paragraph (c); work location; a work telephone number; badge number; honors and awards received; payroll time sheets or other comparable data that are only used to account for employee's work time for payroll purposes, except to the extent that release of time sheet data would reveal the employee's reasons for the use of sick or other medical leave or other not public data; and city and county of residence.

(b) For purposes of this subdivision, a final disposition occurs with respect to an individual described in paragraph (c) when the state agency, statewide system, or political subdivision makes its final decision about the disciplinary action, regardless of the possibility of any later proceedings or court proceedings. In the case of arbitration proceedings arising under collective bargaining agreements, a final disposition occurs at the conclusion of the arbitration proceedings. Final disposition includes a resignation by an individual after a disciplinary action has been initiated; except that in the case of teachers and law enforcement officers there is a final disposition only when the resignation occurs after the final decision of the state agency, statewide system, or political subdivision.

(c) An individual is subject to paragraph (b) if:

(1) the individual is an executive, manager, or supervisor;

(2) the individual is a teacher or law enforcement officer; or

(3) the individual is responsible for the care of minors or vulnerable adults and the person's conduct puts the minors or vulnerable adults at substantial risk.

Sec. 2. Minnesota Statutes 1988, section 471.705, is amended by adding a subdivision to read:

Subd. 1d. [TREATMENT OF DATA CLASSIFIED AS NOT PUBLIC.] (a) Meetings may not be closed to discuss data that are not public data. Data that are not public data may be discussed at a meeting subject to this section without liability or penalty, if the disclosure relates to a matter within the scope of the public body's authority, is reasonably necessary to conduct the business or agenda item before the public body, and is without malice. During an open meeting, a public body may make reasonable efforts to protect from

disclosure data that are not public data, including where practical acting by means of reference to a letter, number, or other designation that does not reveal the identity of the data subject. Data discussed at an open meeting or reflected in a record of the meeting retain the data's original classification.

(b) Notwithstanding paragraph (a), any portion of a meeting must be closed if expressly required by other law or if the following types of data are discussed:

(1) data that would identify alleged victims of criminal sexual conduct, domestic abuse, or child abuse;

(2) private personnel data on individuals not described in section 13.43, subdivision 2, paragraph (c);

(3) data on individuals collected, maintained, used, or disseminated by the welfare system, as defined in section 13.46, provided that the data cannot be reduced to summary data;

(4) active investigative data or internal affairs data collected or created by a law enforcement agency, as defined in section 13.82, subdivision 5; or

(5) educational data, medical data, or mental health data that are not public data under section 13.32, 13.42, or 13.46, subdivision 7, respectively.

(c) Notwithstanding paragraph (a), a public body shall close a meeting for preliminary consideration of allegations or charges against an individual subject to its authority. If the members conclude that discipline of any nature is warranted, further meetings or hearings relating to an individual described in section 13.43, subdivision 2, paragraph (c), shall be open. A meeting shall also be open at the request of the individual who is the subject of the meeting.

(d) Notwithstanding paragraph (a), a public body may at its discretion close a meeting to evaluate the performance of an individual described in section 13.43, subdivision 2, who is subject to its authority. The public body shall identify the individual to be evaluated prior to closing a meeting. At its next open meeting, the public body shall summarize its conclusions regarding the evaluation. A meeting shall be open at the request of the individual who is the subject of the meeting.

(e) Meetings may also be closed if expressly authorized by other law.

Sec. 3. Minnesota Statutes 1988, section 471.705, is amended by adding a subdivision to read:

Subd. 1e. [REASONS FOR CLOSING A MEETING.] Before closing a meeting, a public body shall state on the record the specific grounds permitting the meeting to be closed and describe the subject to be discussed.

Sec. 4. Minnesota Statutes 1988, section 471.705, is amended by adding a subdivision to read:

Subd. 1f. [CONSTITUENT MEETINGS.] The notice described in subdivision 1c is not required where members of a public body attend a meeting with constituents to report to them or to discuss public business with them, provided that the meeting occurs at the invitation of the constituents, the meeting is open to the public, no vote or decision is made at the meeting, at least five constituents attend the meeting, and the meeting is not held at the public body's regular meeting location. The public body shall upon request provide the date, time, place, and purpose of the meeting. For purposes of this subdivision, "constituent" does not include members of, employees of, or a person under contract with the public body."

Amend the title as follows:

Page 1, line 6, delete "providing an"

Page 1, delete lines 7 and 8

Page 1, line 9, delete everything before "amending"

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. 1878, A bill for an act relating to education; establishing Students' Day; proposing coding for new law in Minnesota Statutes, chapters 126 and 135A.

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. 1891, A bill for an act relating to lawful gambling; expanding definition of contraband; extending deadline for inventory of seized contraband; authorizing seizing authorities to use proceeds from forfeited contraband; prohibiting possession or sale of unregistered video pull-tab devices; prohibiting altered or counterfeit gambling equipment and possession thereof; prohibiting organizations from accepting checks for gambling equipment or chances; requiring posting of penalties for receiving cash on video games of chance; subjecting illegally used gambling equipment to forfeiture; providing penalties; amending Minnesota Statutes 1988, sections 349.2125, subdivision 4; 349.2127, by adding a subdivision; and 609.762, subdivision 1; Minnesota Statutes 1989 Supplement, sections 349.2125, subdivisions 1 and 3; 349.2127, subdivision 2; 349.22, subdivisions 1 and 3; 349.501, subdivision 1; 349.502, subdivision 1; and 609.76, subdivision 1.

Reported the same back with the following amendments:

Page 4, line 26, after the period insert "Seventy percent of"

Page 4, lines 29 to 33, delete the new language and insert "of forfeited property, after payment of seizure, storage, forfeiture, and sale expenses, must be forwarded to the seizing authority for deposit as a supplement to its operating fund or similar fund for official use, and 20 percent must be forwarded to the county attorney or other prosecuting agency that handled the forfeiture for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes. The remaining ten percent of the proceeds must be forwarded within 60 days after resolution of the forfeiture to the department of human services to fund programs for the treatment of compulsive gamblers"

Page 6, line 11, after "equipment" strike ", except"

Page 6, lines 12 and 13, strike "equipment put into play by a licensed or exempt organization"

Page 6, after line 34, insert:

"(c) A person who violates section 349.2127, subdivision 5, is guilty of a gross misdemeanor if the recipient of the information or anyone acting in concert with the recipient receives prizes valued at more than \$200 but not more than \$2,500. For purposes of this paragraph, the value of prizes received within any six-month period may be aggregated and the defendant charged accordingly.

Sec. 7. Minnesota Statutes 1988, section 349.22, is amended by adding a subdivision to read:

Subd. 1a. [MISDEMEANOR.] Except as otherwise provided in subdivision 3, a person who violates section 349.2127, subdivision 5, is guilty of a misdemeanor."

Page 7, line 10, before the semicolon insert "if the recipient of the information or anyone acting in concert with the recipient receives prizes valued at more than \$2,500. For purposes of this paragraph, the value of prizes received within any six-month period may be aggregated and the defendant charged accordingly"

Page 7, line 18, after "(6)" insert "knowing or with reason to know"

Page 7, line 21, after the period insert "For purposes of this clause, the value of pull-tabs received within any six-month period may be aggregated and the defendant charged accordingly."

Sec. 9. Minnesota Statutes 1988, section 349.22, is amended by adding a subdivision to read:

Subd. 3a. [AGGREGATION.] When the value of prizes or pull-tabs received within a six-month period is aggregated under this section and two or more offenses were 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 section."

Page 8, after line 4, insert:

"Sec. 12. Minnesota Statutes 1988, section 349.52, is amended by adding a subdivision to read:

Subd. 5. [LOCAL REGULATION.] A statutory or home rule charter city or county has the authority to adopt more stringent regulations concerning video games of chance, including the prohibition of video games of chance, within its jurisdiction."

Page 9, line 16, delete "11" and insert "14"

Page 9, line 17, delete "7, 9, 10, and 11" and insert "8, 11, 13, and 14"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 15, after the semicolon, insert "349.22, by adding subdivisions; 349.52, 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. 1898, A bill for an act relating to public safety; providing for inspection of commercial motor vehicles; setting fees; prescribing a penalty; increasing complement of state patrol; amending Minnesota Statutes 1988, sections 221.031, subdivision 1, and by adding a subdivision; 221.221, subdivisions 2 and 3; and 221.605, subdivision 1; Minnesota Statutes 1989 Supplement, section 221.031, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapter 169.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [169.781] [ANNUAL INSPECTION OF COMMERCIAL MOTOR VEHICLES.]

Subdivision 1. [DEFINITIONS.] For purposes of sections 1 to 3:

(a) A "commercial vehicle" is:

(1) any commercial motor vehicle as defined in section 169.01, subdivision 75; and

(2) a motor vehicle registered as a farm truck that otherwise is described in section 169.01, subdivision 75, paragraph (a).

Unless otherwise stated, "commercial motor vehicle" includes each vehicle in a combination drawn by a commercial motor vehicle.

Commercial motor vehicle does not include a school bus displaying a certificate under section 169.451.

(b) "Commissioner" is the commissioner of public safety.

(c) "Owner" means a person who owns, or has control of through a lease of more than 30 days' duration, one or more commercial motor vehicles.

Subd. 2. [INSPECTION REQUIRED.] No person may operate a commercial motor vehicle registered in Minnesota, and no person may permit the operation of a commercial motor vehicle under that

person's control, unless the vehicle displays a valid safety inspection decal issued by the commissioner.

Subd. 3. [WHO MAY INSPECT.] (a) An inspection meeting the requirements of this section may be performed by:

(1) an employee of the department of public safety or transportation who has been certified by the commissioner after having received training provided by the state patrol; or

(2) a person certified to perform inspections after having received training provided by the state patrol.

The commissioner shall certify under clause (2) only a person who (i) is an owner of five or more commercial motor vehicles that are power units, or is an employee of the owner, or (ii) is a dealer licensed under section 168.27 and engaged in the business of buying and selling commercial motor vehicles or an employee of the dealer. Certification under clause (2) is effective for one year from the date of certification. The commissioner may require annual retraining of persons holding a certificate under this paragraph as a condition of renewal of the certificate. A person certified under clause (2) may charge a fee of not more than \$50 for each inspection of a vehicle not owned by the person or the person's employer.

(b) The commissioner may classify types of vehicles for inspection purposes. The commissioner may adopt separate inspection procedures and issue separate classes of inspector certificates for each class.

(c) The commissioner, after notice and a hearing, may suspend a certificate issued under paragraph (a), clause (2), for (1) failure to meet annual certification requirements prescribed by the commissioner, or (2) failure to inspect commercial motor vehicles in accordance with state patrol inspection procedures. The commissioner shall revoke a certificate issued under paragraph (a), clause (2), when the commissioner determines after notice and a hearing that the certified person issued an inspection decal for a commercial motor vehicle when the person knew or reasonably should have known that the commercial motor vehicle was in such a state of repair that it would have been declared out of service if inspected by an employee of the state patrol. Suspension and revocation of certificates under this subdivision are not subject to the contested case provisions of the administrative procedure act.

Subd. 4. [INSPECTION REPORTS.] (a) A person performing an inspection shall issue an inspection report to the owner of each commercial motor vehicle inspected. The report must include the following information:

(1) the name and signature of the person performing the inspection, and any inspector certification number given that person by the commissioner;

(2) if applicable, the United States Department of Transportation carrier number issued to the owner of the vehicle, or to the operator of the vehicle if other than the owner;

(3) the license plate number and vehicle identification number of the vehicle;

(4) the date and location of the inspection;

(5) the vehicle components inspected and a description of the findings of the inspection, including identification of those components not meeting the minimum standards of federal motor carrier regulations; and

(6) the inspector's certification that the inspection was complete, accurate, and in compliance with the requirements of this subdivision.

(b) A copy of the inspection report must be kept by the vehicle's owner for at least one year at a location in the state where the vehicle is domiciled or maintained. The report must be available for inspection by an authorized federal, state, or local official at any time during the period in which the report is required to be retained.

(c) The commissioner shall prescribe the contents of the inspection report and revise it as necessary to comply with state law and federal law and regulations. The report form is not subject to the administrative procedure act.

Subd. 5. [INSPECTION DECALS.] (a) The person performing the inspection shall issue an inspection decal for each commercial motor vehicle when each inspected component complies with federal motor carrier regulations. The decal must state that in a month specified on the decal the commercial motor vehicle was inspected and each inspected component passed the inspection in accordance with the terms of federal motor carrier regulations. The decal is valid for 12 months after the month specified on the decal. The commissioners of public safety and transportation shall make decals available, at a fee of not more than \$2 for each decal, to persons certified to perform inspections under subdivision 3, paragraph (a), clause (2).

(b) Minnesota inspection decals may be affixed only to commercial motor vehicles bearing Minnesota-based license plates.

Subd. 6. [AUDITS; REVIEWS; RANDOM INSPECTIONS.] Employees of the state patrol and motor transportation representatives

of the department of transportation have the authority to (1) review records required to be kept under subdivision 4, paragraph (b); (2) conduct random vehicle inspections at the facility of an owner of a commercial motor vehicle; and (3) conduct audits at the facility of an owner of a commercial motor vehicle under chapters 221 and 296 and federal motor vehicle safety regulations.

Subd. 7. [DISPOSITION OF REVENUES.] The commissioner shall pay all revenues received under this section to the state treasurer for deposit in the trunk highway fund.

Subd. 8. [VIOLATIONS; PENALTY.] A violation of this section is a misdemeanor.

Subd. 9. [FORMS.] The adoption of forms required under this section is not subject to the administrative procedure act.

Sec. 2. [169.782] [DAILY INSPECTION OF COMMERCIAL MOTOR VEHICLES.]

Subdivision 1. [DRIVERS; DAILY INSPECTION REPORT] (a) The driver of each commercial motor vehicle must report in writing at the completion of each day's work on each commercial motor vehicle the driver has operated. A person who owns one or more commercial motor vehicles and who employs drivers for those commercial motor vehicles must require each driver to report as required in this section. The report must cover the following parts and accessories: service brakes, including trailer and semitrailer brake connections; parking (hand) brake; steering mechanism; lighting devices and reflectors; tires; horn; windshield wiper or wipers; rear vision mirror or mirrors; coupling devices; wheels and rims; and emergency equipment.

(b) The report must identify the vehicle and list any defect or deficiency discovered by or reported to the driver that would affect the safe operation of the vehicle or result in its mechanical breakdown. If no defect or deficiency is discovered by or reported to the driver, the report must so indicate. The driver must sign the report after completing it. In the case of a commercial motor vehicle operated by two drivers, the signature of one of the drivers satisfies the requirements of this subdivision if both drivers agree concerning the defects or deficiencies. If a driver operates more than one commercial motor vehicle during a day's work, a report must be prepared for each vehicle operated.

(c) Before operating a commercial motor vehicle on which a report has been prepared under this subdivision, the owner of a commercial motor vehicle or the owner's agent must repair the defects or deficiencies listed on the report that would be sufficient under the state patrol inspection procedures to require the vehicle to be declared out of service. Before allowing the commercial motor

vehicle to again be operated, the owner or the owner's agent must certify, on each report listing the defect or deficiency, that the defect or deficiency has been corrected or that correction is unnecessary. A motor carrier must keep the original copy of the vehicle inspection report, and any certification of repairs in connection with the report, for at least three months after the date of inspection. The report must be available for inspection by an authorized federal, state, or local official at any time during the period in which the report is required to be kept.

(d) A copy of the vehicle inspection report, including a certification of corrections resulting from the report, must be carried in the commercial motor vehicle, or in the power unit of a commercial motor vehicle combination, at all times when the vehicle or power unit is operated until the next inspection report is completed under this subdivision. The copy must be made available on demand to (1) a peace officer, (2) a person authorized to enforce section 221.221, and (3) a person described in section 229D.06.

Subd. 2. [DRIVERS; PRETRIP INSPECTION.] (a) Before driving the vehicle, each driver of a commercial motor vehicle must:

- (1) review the most recent vehicle inspection report on the vehicle;
- (2) determine that the vehicle is in safe operating condition; and
- (3) sign the inspection report in the vehicle. The driver shall sign the report only if all defects and deficiencies listed in the report have been certified as having been corrected or as not requiring correction.

(b) If the commercial motor vehicle does not contain the previous day's inspection report, the driver must make the inspection and complete the report required under subdivision 1. Subdivision 1 applies to a report made under this paragraph.

Subd. 3. [OPERATION PROHIBITED.] It is a misdemeanor to drive or to cause another to drive a commercial motor vehicle that does not contain a copy of an inspection report complying with this section.

Subd. 4. [EXCEPTIONS.] (a) This section, other than subdivision 2, paragraph (a), clause (2), does not apply to a commercial motor vehicle that is a farm truck that may be operated by a person not holding a commercial driver's license.

(b) This section does not apply to a commercial motor vehicle held for resale by a motor vehicle dealer licensed under section 168.27.

Sec. 3. [169.783] [ACCIDENTS; REINSPECTION.]

Subdivision 1. [POSTCRASH INSPECTION.] A peace officer responding to an accident involving a commercial motor vehicle defined in section 1, must immediately notify the state patrol if the accident results in death, personal injury, or property damage to an apparent extent of more than \$4,500. It is a misdemeanor for a person to drive or cause to be driven a commercial motor vehicle after such an accident unless the commercial motor vehicle (1) has been inspected by a state trooper or other person authorized to conduct inspections under section 1, subdivision 3, paragraph (a), clause (1), and the person inspecting the vehicle has determined that the vehicle may safely be operated, or (2) a waiver has been granted under subdivision 2.

Subd. 2. [WAIVER.] A state trooper or other person called to the scene of an accident by a responding peace officer under subdivision 1 may waive the inspection requirement of that subdivision if the person determines that a postcrash inspection is not needed or cannot be accomplished without unreasonable delay. A person who grants a waiver must provide the driver of each commercial motor vehicle involved in the accident a written statement to the effect that the inspection has been waived. The written statement must include the incident report number assigned to the accident by the state patrol.

Sec. 4. Minnesota Statutes 1988, section 221.031, subdivision 1, is amended to read:

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

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

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

(d) The commissioner shall require the filing of annual and other reports including annual accounts of motor carriers, schedules of

rates and charges, or other data by motor carriers, regulate motor carriers in matters affecting the relationship between them and the traveling and shipping public, and prescribe other rules as may be necessary to carry out the provisions of this chapter.

(e) A motor carrier having gross revenues from for-hire transportation in a calendar year of less than \$50,000 may, at the discretion of the commissioner, be exempted from the filing of an annual report, if instead of filing the report the motor carrier files an affidavit, in a form as may be prescribed by the commissioner, attesting that the motor carrier's gross revenues did not exceed \$50,000 in the previous calendar year. Motor carrier gross revenues from for-hire transportation, for the purposes of this subdivision only, do not include gross revenues received from the operation of school buses as defined in section 169.01, subdivision 6.

(f) The commissioner shall enforce sections 1 to 3.

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

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

Sec. 5. Minnesota Statutes 1988, section 221.031, is amended by adding a subdivision to read:

Subd. 8. [DRIVEAWAY-TOWAWAY EXEMPTION.] Notwithstanding Minnesota Rules, part 8850.9000, for purposes of regulating commercial motor vehicles as defined in section 1, subdivision 1, the exemption provided in Code of Federal Regulations, title 49, section 396.11, paragraph (d), applies in Minnesota only to drive-away-towaway operations.

Sec. 6. Minnesota Statutes 1989 Supplement, section 221.031, subdivision 2a, is amended to read:

Subd. 2a. [AGRICULTURAL EXEMPTIONS.] (a) Notwithstanding the provisions of subdivision 2, private carriers engaged in intrastate commerce and operating vehicles transporting agricultural and other farm products within an area having a 50-mile radius from the business location of the private carrier must comply only with the commissioner's rules for safety of operations and equipment, except as provided in paragraph (b).

(b) A rear-end dump truck or other rear-unloading truck while being used for hauling agricultural and other farm products from a

place of production or on-farm storage site to a place of processing or storage, is not subject to any rule of the commissioner requiring rear-end protection, including a federal regulation adopted by reference.

(c) A private carrier that is a commercial motor vehicle as defined in section 1, subdivision 1, must comply with sections 1 to 3.

Sec. 7. Minnesota Statutes 1988, section 221.221, subdivision 2, is amended to read:

Subd. 2. [POWERS.] Transportation representatives and hazardous material specialists of the department for the purpose of enforcing the provisions of this chapter ~~and section, sections 1 to 3~~ and 296.17, subdivisions 10 and 17, and the applicable rules, orders, or directives of the commissioner, the commissioner of revenue, and the board issued under this chapter and chapter 296, but for no other purpose, have the powers conferred by law upon police officers. The powers include the authority to conduct inspections at designated highway weigh stations or under other appropriate circumstances.

Sec. 8. Minnesota Statutes 1988, section 221.221, subdivision 3, is amended to read:

Subd. 3. [DELEGATED POWERS.] Representatives of the department to whom authority has been delegated by the commissioner for the purpose of enforcing sections 1 to 3, 221.041, and 221.171 and the rules, orders, or directives of the commissioner or board adopted or issued under those sections, and for no other purpose, shall have the powers conferred by law upon police officers. The representatives of the department have the power to inspect records, logs, freight bills, bills of lading, or other documents which may provide evidence to determine compliance with sections 1 to 3, 221.041, and 221.171.

Sec. 9. Minnesota Statutes 1988, section 221.605, subdivision 1, is amended to read:

Subdivision 1. [FEDERAL REGULATIONS.] Interstate carriers and private carriers engaged in interstate commerce shall comply with the federal motor carrier safety regulations, Code of Federal Regulations, title 49, parts 390 to 398, and with the rules of the commissioner concerning inspections, vehicle and driver out-of-service restrictions and requirements, and vehicle, driver, and equipment checklists. For purposes of regulating commercial motor vehicles as defined in section 1, subdivision 1, the exemption provided in Code of Federal Regulations, title 49, section 396.11, paragraph (d), applies in Minnesota only to driveaway-towaway operations.

Sec. 10. [STATE PATROL COMPLEMENT.]

The complement of the state patrol in the department of public safety is increased by three state trooper positions and one clerical staff person to administer the program under sections 1 to 3.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 10 are effective July 1, 1990."

Delete the title and insert:

"A bill for an act relating to traffic regulations; requiring annual inspections of commercial motor vehicles; providing for the certification of persons to conduct annual inspections; requiring daily pretrip inspections; prescribing fees; providing penalties; amending Minnesota Statutes 1988, sections 221.031, subdivision 1, and by adding a subdivision; 221.221, subdivisions 2 and 3; and 221.605, subdivision 1; Minnesota Statutes 1989 Supplement, section 221.031, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapter 169."

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 Financial Institutions and Housing to which was referred:

H. F. No. 1913, A bill for an act relating to commerce; regulating dividends on claims in liquidation proceedings; industrial loan and thrift companies; regulating lending practices; regulating the lending practices of regulated lenders; specifying the loan fees and charges that may be imposed by regulated lenders; amending Minnesota Statutes 1988, sections 49.24, subdivision 9; 53.04, subdivision 3a; 56.12; 56.131, subdivisions 1, 2, and 6; and 56.14; and Minnesota Statutes 1989 Supplement, section 56.155, subdivision 2.

Reported the same back with the following amendments:

Page 10, line 3, after "subdivision 5," insert "paragraph (a),"

With the recommendation that when so amended the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 1919, A bill for an act relating to ethnic Minnesotans; designating Ethnic American Day; proposing coding for new law in Minnesota Statutes, chapter 10.

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. 1928, A bill for an act relating to occupations and professions; prohibiting certain acts by protective agents and security guards during a labor dispute; amending Minnesota Statutes 1988, section 326.3384, by adding a subdivision; and amending Minnesota Statutes 1989 Supplement, section 326.3384, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 11, after "DISPUTES" insert ", STRIKES, AND LOCKOUTS"

Page 1, line 14, before the period insert "who is primarily performing the duties of a security guard"

Page 1, line 17, after the first comma insert "strike, or lockout"

Page 1, delete line 18 and insert "subdivisions 7, 8, and 9:"

Page 1, delete lines 19 and 20 and insert:

"(1) inciting, encouraging, or aiding in the incitement or encouragement of any participant to do unlawful acts against the person or property of anyone;"

Page 1, line 22, after "protected" insert "by the persons described in paragraph (a)"

Page 1, delete lines 23 to 25 and insert:

"(3) stopping or detaining any vehicle unless the vehicle is on premises being protected by the persons described in paragraph (a);"

Page 2, line 4, delete "effect" and insert "purpose"

Page 2, line 11, after "if" insert "the license holder or"

Page 2, delete lines 20 to 22

With the recommendation that when so amended the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 1965, A bill for an act relating to health; providing exemptions from the infectious waste control act; requiring hospitals to accept certain infectious waste; modifying standards for ambulance drivers; requiring adoption of rules setting new standards for recertification of and upgrading to emergency care course certificates; increasing reimbursement for volunteers; establishing an emergency medical services advisory council; exempting ambulances from vehicle license fees, registration, and excise taxes; regulating the provision of special transportation services; providing a tax credit; requiring studies; increasing medical assistance rates for ambulance services; providing funding for prehospital education, continuing education, and equipment; establishing task forces for medical directors and advisers; establishing an incentive plan for ambulance service personnel; setting plan requirements; creating a loan forgiveness program for medical students; providing nursing scholarships; creating a loan forgiveness program for advanced practice nurses; providing funding for summer medical interns; encouraging rural medical school applicants; requiring a study of medical assistance reimbursement for rural physicians; increasing participation in the rural physicians associates program; creating a rural hospital planning and transition grant program; creating a rural hospital subsidy fund; clarifying requirements for medical assistance coverage of swing beds; requiring a study of rural health professionals; allowing counties authority to exceed levy limits; appropriating money and increasing the complement; amending Minnesota Statutes 1988, section 136C.04, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 9; 116.78, by adding subdivisions; 144.804, subdivision 1; 144.809; 144.8091; 168.012, subdivision 1; 168.013, subdivision 1a; 168.33, subdivision 7; 256B.0625, subdivision 2; and 297B.03; Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 136A; 144; 147; 148; 174; and 290; proposing coding for new law as Minnesota Statutes, chapter 353E.

Reported the same back with the following amendments:

Page 2, line 10, delete "public health agency" and insert "board of health, community health board, or public health nursing agency"

Page 2, line 30, delete "eligible public health agencies" and insert "an eligible board of health, community health board, or public health nursing agency"

Page 2, delete line 34, and insert "board of health, community health board, or public health nursing agency is defined as a board of health, community health board, or public health nursing agency"

Page 3, line 3, delete "public health agency" and insert "board of health, community health board, or public health nursing agency"

Page 15, line 18, after "5" insert ", and all funds forfeited under sections 10 and 12. Investment earnings on money in the account must be credited to the account"

Page 15, line 20, delete "continually"

Page 15, line 28, delete "shall be annually" and insert "is" and delete "upon receipt" and insert "on January 1, each year"

Page 15, line 30, delete "8" and insert "9"

Page 17, after line 25, insert:

"Sec. 6. Minnesota Statutes 1988, section 176.011, subdivision 9, is amended to read:

Subd. 9. [EMPLOYEE.] "Employee" means any person who performs services for another for hire including the following:

(1) an alien;

(2) a minor;

(3) a sheriff, deputy sheriff, constable, marshal, police officer, firefighter, county highway engineer, and peace officer while engaged in the enforcement of peace or in the pursuit or capture of a person charged with or suspected of crime;

(4) a person requested or commanded to aid an officer in arresting or retaking a person who has escaped from lawful custody, or in executing legal process, in which cases, for purposes of calculating compensation under this chapter, the daily wage of the person shall be the prevailing wage for similar services performed by paid employees;

(5) a county assessor;

(6) an elected or appointed official of the state, or of a county, city, town, school district, or governmental subdivision in the state. An officer of a political subdivision elected or appointed for a regular term of office, or to complete the unexpired portion of a regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;

(7) an executive officer of a corporation, except those executive officers excluded by section 176.041;

(8) a voluntary uncompensated worker, other than an inmate, rendering services in state institutions under the commissioners of human services and corrections similar to those of officers and employees of the institutions, and whose services have been accepted or contracted for by the commissioner of human services or corrections as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(9) a voluntary uncompensated worker engaged in peace time in the civil defense program when ordered to training or other duty by the state or any political subdivision of it. The daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed by paid employees;

(10) a voluntary uncompensated worker participating in a program established by a county welfare board. In the event of injury or death of the worker, the wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid in the county at the time of the injury or death for similar services performed by paid employees working a normal day and week;

(11) a voluntary uncompensated worker accepted by the commissioner of natural resources who is rendering services as a volunteer pursuant to section 84.089. The daily wage of the worker for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(12) a member of the military forces, as defined in section 190.05, while in state active service, as defined in section 190.05, subdivision 5a. The daily wage of the member for the purpose of calculating compensation under this chapter shall be based on the member's usual earnings in civil life. If there is no evidence of previous

occupation or earning, the trier of fact shall consider the member's earnings as a member of the military forces;

(13) a voluntary uncompensated worker, accepted by the director of the Minnesota historical society, rendering services as a volunteer, pursuant to chapter 138. The daily wage of the worker, for the purposes of calculating compensation under this chapter, shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(14) a voluntary uncompensated worker, other than a student, who renders services at the Minnesota state academy for the deaf or the Minnesota state academy for the blind, and whose services have been accepted or contracted for by the state board of education, as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

(15) a voluntary uncompensated worker, other than a resident of the veterans home, who renders services at a Minnesota veterans home, and whose services have been accepted or contracted for by the commissioner of veterans affairs, as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

(16) a worker who renders in-home attendant care services to a physically handicapped person, and who is paid directly by the commissioner of human services for these services, shall be an employee of the state within the meaning of this subdivision, but for no other purpose;

(17) students enrolled in and regularly attending the medical school of the University of Minnesota in the graduate school program or the postgraduate program. The students shall not be considered employees for any other purpose. In the event of the student's injury or death, the weekly wage of the student for the purpose of calculating compensation under this chapter, shall be the annualized educational stipend awarded to the student, divided by 52 weeks. The institution in which the student is enrolled shall be considered the "employer" for the limited purpose of determining responsibility for paying benefits under this chapter;

(18) a faculty member of the University of Minnesota employed for an academic year is also an employee for the period between that academic year and the succeeding academic year if:

(a) the member has a contract or reasonable assurance of a

contract from the University of Minnesota for the succeeding academic year; and

(b) the personal injury for which compensation is sought arises out of and in the course of activities related to the faculty member's employment by the University of Minnesota;

(19) a worker who performs volunteer ambulance driver or attendant services is an employee of the political subdivision, nonprofit hospital, nonprofit corporation, or other entity for which the worker performs the services. The daily wage of the worker for the purpose of calculating compensation under this chapter shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(20) a voluntary uncompensated worker, accepted by the commissioner of administration, rendering services as a volunteer at the department of administration. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees; and

(21) a voluntary uncompensated worker rendering service directly to the pollution control agency. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees; and

(22) a voluntary uncompensated worker while volunteering services as a first responder or as a member of a law enforcement assistance organization while acting under the supervision and authority of a political subdivision. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees.

If it is difficult to determine the daily wage as provided in this subdivision, the trier of fact may determine the wage upon which the compensation is payable."

Page 17, line 36, after "drivers" insert "from participating ambulance services"

Page 18, line 9, after "service" insert "with its base of operation, as defined in section 144.801, subdivision 7, in Minnesota and"

Page 18, delete lines 26 to 30

Page 19, line 6, delete "11" and insert "12"

Page 20, line 4, before "Sixty" insert "(a)" and delete "the" and insert "January 1, 1992"

Page 20, line 5, delete "effective date of the plan"

Page 20, line 6, after the period insert "These 60 months must be accumulated within 120 months of the first month of service credit earned after January 1, 1992."

Page 20, after line 13, insert:

"(b) Funds credited to a person's account are forfeited at the end of the 120th month after the first month of service credit earned after January 1, 1992, if the person does not have 60 months of service credit at that time. Funds forfeited must be deposited in the emergency medical services personnel account created in section 2, and must be allocated with the other funds in the account as provided in section 9."

Page 20, line 25, delete "8" and insert "9"

Page 21, line 1, delete "information" and insert "required information within 60 days after the public employees retirement association sends the service a notice that the information is overdue"

Page 21, line 2, delete everything after the period and insert "Funds forfeited must be deposited in the emergency medical services personnel account created in section 2, and must be allocated with the other funds in the account as provided in section 9."

Page 21, delete lines 3 and 4

Page 21, line 5, delete everything before "Ambulance"

Page 21, line 33, delete "heirs at law" and insert "estate"

Page 32, line 24, delete "SUBSIDY" and insert "ASSISTANCE"

Page 32, line 26, delete "subsidy" and insert "assistance"

Page 32, line 28, delete "such a subsidy" and insert "financial assistance"

Page 33, line 7, delete "health professionals" and insert "primary care physicians and nurses"

Page 33, line 10, delete everything after "of" and insert "primary care physicians and nurses;"

Page 33, delete line 11

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 34, delete "section" and insert "sections"

Page 1, line 35, after "subdivision" insert "; and 176.011, subdivision 9"

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. 1981, A bill for an act relating to motor vehicles; providing for temporary permit while awaiting delivery of special vehicle license plates; requiring registered owner of motor vehicle to list address of primary residence on application for registration; clarifying when inspection fee must be paid to receive certificate of inspection for salvage vehicle; clarifying disclosure requirements for motor vehicle pollution control system; amending Minnesota Statutes 1988, sections 168.09, by adding a subdivision; 168.10, subdivision 1; and 325E.0951, subdivision 3a; Minnesota Statutes 1989 Supplement, section 168A.152, 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. 2012, A bill for an act relating to agriculture; providing for uniformity of certain food rules with federal law; amending Minnesota Statutes 1989 Supplement, section 31.101, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1989 Supplement, section 31.101, is amended by adding a subdivision to read:

Subd. 9. Federal regulations and amendments thereto in effect on April 1, 1989, as provided by Code of Federal Regulation, title 50, parts 260 to 266, are incorporated into the state's fish rules for state inspections performed under a cooperative agreement with the United States Department of Commerce, National Marine Fisheries Service. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.”

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. 2025, A bill for an act relating to agriculture; creating a restricted seed potato growing area; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 21.

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. 2059, A bill for an act relating to education; permitting special school district No. 1 to remodel the Aviation Training Center with federal funds.

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. 2063, A bill for an act relating to crime victims; providing victims of delinquent acts the right to request notice of

release of juvenile offenders from juvenile correctional facilities; providing notice to sexual assault victims when a juvenile offender is released from pretrial detention; requiring that victims be informed of their right to request the withholding of public law enforcement data that identifies them; clarifying the duty of court administrators to disburse restitution payments; making certain changes to the crime victims reparations act; amending Minnesota Statutes 1988, section 611A.53, subdivision 2; Minnesota Statutes 1989 Supplement, sections 13.84, subdivision 5a; 611A.04, subdivision 2; 611A.06; 611A.52, subdivision 8; and 629.73; proposing coding for new law in Minnesota Statutes, chapter 611A.

Reported the same back with the following amendments:

Page 2, line 8, before "address" insert "home".

Page 2, line 10, delete "as a result of" and insert "under a disposition order for"

Page 2, after line 10, insert:

"Sec. 2. Minnesota Statutes 1989 Supplement, section 260.161, subdivision 2, is amended to read:

Subd. 2. Except as provided in this subdivision and in subdivision 1, and except for legal records arising from proceedings that are public under section 260.155, subdivision 1, none of the records of the juvenile court and none of the records relating to an appeal from a nonpublic juvenile court proceeding, except the written appellate opinion, shall be open to public inspection or their contents disclosed except (a) by order of a court or (b) as required by sections 611A.03, 611A.04, and 611A.06, and 629.73. The records of juvenile probation officers and county home schools are records of the court for the purposes of this subdivision. Court services data relating to delinquent acts that are contained in records of the juvenile court may be released as allowed under section 13.84, subdivision 5a. This subdivision applies to all proceedings under this chapter, including appeals from orders of the juvenile court, except that this subdivision does not apply to proceedings under section 260.255, 260.261, or 260.315 when the proceeding involves an adult defendant. The court shall maintain the confidentiality of adoption files and records in accordance with the provisions of laws relating to adoptions. In juvenile court proceedings any report or social history furnished to the court shall be open to inspection by the attorneys of record and the guardian ad litem a reasonable time before it is used in connection with any proceeding before the court.

When a judge of a juvenile court, or duly authorized agent of the court, determines under a proceeding under this chapter that a child has violated a state or local law, ordinance, or regulation pertaining

to the operation of a motor vehicle on streets and highways, except parking violations, the judge or agent shall immediately report the violation to the commissioner of public safety. The report must be made on a form provided by the department of public safety and must contain the information required under section 169.95."

Page 2, line 11, delete "NOTICE OF"

Page 2, delete line 13 and insert "A victim has a"

Page 2, line 14, delete everything before "right"

Page 2, line 15, delete "clauses (b) and" and insert "clause" and delete "the" and insert "a law enforcement"

Page 3, line 5, after "facility" insert "if the offender was placed there under a disposition order"

Page 6, after line 36, insert:

"Sec. 8. Minnesota Statutes 1988, section 611A.57, subdivision 6, is amended to read:

Subd. 6. Claims for reparations and supporting documents and reports are investigative data and subject to the provisions of section 13.39 until the claim is paid, denied, withdrawn, or abandoned. Following the payment, denial, withdrawal, or abandonment of a claim, the claim and supporting documents and reports are private data on individuals as defined in section 13.02, subdivision 12; provided that the board may forward any reparations claim forms, supporting documents, and reports to local law enforcement authorities for purposes of implementing section 611A.67."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete everything after the semicolon

Page 1, delete line 8

Page 1, line 9, delete everything before "clarifying"

Page 1, line 13, delete "section" and insert "sections" and after the semicolon insert "611A.57, subdivision 6;"

Page 1, line 14, after the semicolon insert "260.161, subdivision 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. 2076, A bill for an act relating to liquor; authorizing liquor stores to sell candy liqueurs; exempting certain signs from cost limits; authorizing removal of partially consumed wine bottles from licensed premises; eliminating the requirement for a vote on municipal liquor store continuance upon population change; amending Minnesota Statutes 1988, sections 340A.101, subdivision 10; 340A.308; and 340A.404, by adding a subdivision; repealing Minnesota Statutes 1988, section 340A.601, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 19, delete the new language and insert "liqueur-filled candies,"

Page 2, after line 32, insert:

"Sec. 3. Minnesota Statutes 1989 Supplement, section 340A.404, subdivision 2, is amended to read:

Subd. 2. [SPECIAL PROVISION; CITY OF MINNEAPOLIS.] (a) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theatre, the Cricket Theatre, the Orpheum Theatre, and the State Theatre, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The licenses authorize sales on all days of the week to holders of tickets for performances presented by the theatres and to members of the nonprofit corporations holding the licenses and to their guests.

(b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter provision.

(c) Notwithstanding any other law, local ordinance, or charter provision, the city of Minneapolis may issue one or more on-sale intoxicating liquor licenses to the owner of the sports arena located at 600 First Avenue North in the city of Minneapolis or an entity holding a concessions contract with the owner for use on the premises of that sports arena. The license authorizes sales on all days of the week to holders of tickets for sporting events or other

events at the sports arena, and to the owner of the sports arena and the owner's guests. The licensee may not dispense intoxicating liquor to any person attending or participating in an amateur athletic event held on the premises.

Sec. 4. Minnesota Statutes 1988, section 340A.404, subdivision 3, is amended to read:

Subd. 3. [NOTICE TO THE COMMISSIONER.] A city shall within ten days of the issuance of a license under subdivision 1 or 5, inform the commissioner of the licensee's name and address and trade name, and the effective date and expiration date of the license. The city shall also inform the commissioner of a license transfer, cancellation, suspension, or revocation during the license period."

Page 3, delete lines 1 to 5 and insert "this section may permit a person purchasing a full bottle of wine in conjunction with the purchase of a meal to remove the bottle on leaving the licensed premises, provided that the bottle has been opened and the contents partially consumed. A removal of a bottle under the conditions described in this subdivision is not an off-sale of intoxicating liquor and may be permitted without additional license.

Sec. 6. Minnesota Statutes 1988, section 340A.405, subdivision 2, is amended to read:

Subd. 2. [COUNTIES.] (a) A county may issue an off-sale intoxicating license with the approval of the commissioner to exclusive liquor stores located within unorganized territory of the county.

(b) A county board of any county except Ramsey county containing a town exercising powers under section 368.01, subdivision 1, may issue an off-sale license to an exclusive liquor store within that town with the approval of the commissioner. No license may be issued under this paragraph unless the town board adopts a resolution supporting the issuance of the license.

(c) A county board of any county except Ramsey county containing a town that may not exercise powers under section 368.01, subdivision 1, may issue a combination off-sale and on-sale license to restaurants within that town with the approval of the commissioner pursuant to section 340A.404, subdivision 6. No license may be issued under this paragraph unless the town board adopts a resolution supporting the issuance of the license.

(d) No license may be issued under this subdivision unless a public hearing is held on the issuance of the license. Notice must be given to all interested parties and to any city located within three miles of the premises proposed to be licensed. At the hearing the county board shall consider testimony and exhibits presented by interested

parties and may base its decision to issue or deny a license upon the nature of the business to be conducted and its impact upon any municipality, the character and reputation of the applicant, and the propriety of the location. Any hearing held under this paragraph is not subject to chapter 14.

(e) A county board may not issue a license under this subdivision to a person for an establishment located less than three miles by the most direct route from the boundary of any statutory or home rule city except cities of the first class or within Pine, Carlton, Carver, or Red Lake county within three miles of a statutory or home rule city with a municipal liquor store.

(f) (e) The town board may impose an additional license fee in an amount not to exceed 20 percent of the county license fee.

(g) (f) Notwithstanding any provision of this subdivision or Laws 1973, chapter 566, as amended by Laws 1974, chapter 200, a county board may transfer or renew a license that was issued by a town board under Minnesota Statutes 1984, section 340.11, subdivision 10b, prior to January 1, 1985.

Sec. 7. Minnesota Statutes 1988, section 340A.504, subdivision 1, is amended to read:

Subdivision 1. [NONINTOXICATING MALT LIQUOR.] No sale of nonintoxicating malt liquor may be made between 1:00 a.m. and 8:00 a.m. on the days of Monday through Saturday, nor between 1:00 a.m. and 12:00 noon on Sunday, provided that an establishment located on land owned by the metropolitan sports commission, or the sports arena for which one or more licenses have been issued under section 340A.404, subdivision 2, paragraph (c), may sell nonintoxicating malt liquor between 10:00 a.m. and 12:00 noon on a Sunday on which a sports or other event is scheduled to begin at that location on or before 1:00 p.m. of that day.

Sec. 8. [CITY OF ST. PAUL; WINE AND BEER LICENSES.]

Subdivision 1. [LICENSE AUTHORIZED.] The city of St. Paul may issue on-sale nonintoxicating malt liquor licenses and on-sale wine licenses to the city's division of parks and recreation. The licenses authorize the sale of wine or nonintoxicating malt liquor on property owned by the city and under the jurisdiction of the division, by:

(1) employees of the city;

(2) persons holding a permit from the division to conduct an event and sell wine or nonintoxicating malt liquor to persons attending the event; or

(3) persons who have contracted with the city to sell wine or nonintoxicating malt liquor on such property.

Subd. 2. [PERMITS, CONTRACTS.] (a) Permits issued by the city under subdivision 1, clause (2), and contracts entered into by the city under subdivision 1, clause (3), must provide for:

- (1) the duration of the permit or contract;
- (2) the premises or area in which sales of wine or nonintoxicating malt liquor will be made;
- (3) the persons to whom such sales will be made;
- (4) the days and hours in which such sales will be made; and
- (5) obtaining by the permit holder or contracted vendor of such liquor liability insurance or bond, or both, as the city considers necessary to protect the city's interest as the holder of the license.

(b) A permit may be issued or a contract entered into under this section with a person who does not hold a license issued under Minnesota Statutes, chapter 340A, for the retail sale of alcoholic beverages.

(c) The division may, without notice or hearing, refuse to issue a permit under subdivision 1, clause (2).

Subd. 3. [CITY COUNCIL APPROVAL.] The St. Paul city council must approve each:

- (1) facility at which wine or nonintoxicating malt liquor will be sold by city employees;
- (2) permit issued under subdivision 1, clause (2); and
- (3) contract entered into under subdivision 1, clause (3).

Subd. 4. [APPLICABILITY OF GENERAL LAW.] All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to licenses issued under this section. Licenses authorized by this section are in addition to any other licenses authorized by law.

Sec. 9. [EARLE BROWN HERITAGE CENTER LICENSE.]

In addition to any license authorized by law, the city of Brooklyn Center may issue one on-sale intoxicating liquor license for the Earle Brown Heritage Center convention center. The license shall

authorize the sale and serving of liquor to persons attending events at the center, other than amateur athletic events. The license fee and hours of sale shall be set by the city council within the limits imposed by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to this license.

Sec. 10. [DULUTH LICENSE.]

Notwithstanding any law to the contrary, the city of Duluth may issue an on-sale intoxicating liquor license to a restaurant located at 109 North Second Avenue West in the city of Duluth. The license authorized by this section is in addition to any other licenses authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the license authorized by this section.

Page 3, after line 8, insert:

“Sec. 12. [EFFECTIVE DATE.]

Section 3 is effective on approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021. Section 4 is effective the day following final enactment. Section 8 is effective on approval by the St. Paul city council and compliance with section 645.021. Section 9 is effective on approval by the Brooklyn Center city council and compliance with section 645.021. Section 10 is effective on approval by the Duluth city council and compliance with section 645.021.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon insert “authorizing additional licenses in the cities of Minneapolis, Brooklyn Center, and Duluth; authorizing the issuance of wine and nonintoxicating malt liquor licenses by the city of St. Paul to its parks and recreation division; repealing prohibitions against county off-sale and combination licenses within three miles of incorporated areas; providing for the reporting of wine licenses to the commissioner of public safety;”

Page 1, line 9, delete “and” and after the comma insert “subdivision 3, and”

Page 1, line 10, before “repealing” insert “340A.405, subdivision 2; 340A.504, subdivision 1; Minnesota Statutes 1989 Supplement, section 340A.404, 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. 2143, A bill for an act relating to crimes; defining "crime" for purposes of crime victims reparations; amending Minnesota Statutes 1988, section 611A.52, subdivision 6.

Reported the same back with the following amendments:

Page 2, line 16, after the second comma insert "609.21,"

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 to which was referred:

H. F. No. 2209, A bill for an act relating to taxation; tax increment financing; modifying the requirements for the collection and expenditure of increments; providing for the computation of state aids; amending Minnesota Statutes 1988, sections 469.129, subdivision 2; 469.174, subdivision 12, and by adding a subdivision; 469.175, subdivision 1a, and by adding subdivisions; 469.176, subdivisions 2 and 3; 469.177, subdivision 8; 469.179, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 469.175, subdivision 4; 469.176, subdivision 4c; 469.177, subdivision 9; Minnesota Statutes Second 1989 Supplement, sections 469.174, subdivisions 7 and 10; 469.175, subdivisions 3 and 7; 469.176, subdivisions 1 and 4j; Laws 1988, chapter 719, article 12, section 30, as amended; proposing coding for new law in Minnesota Statutes, chapters 273 and 469.

Reported the same back with the following amendments:

Page 1, line 24, delete everything after "capacity" and insert "means the captured tax capacity of an economic development or soils condition district for which certification was requested after April 30, 1990."

Page 1, delete lines 25 to 32

Page 2, delete lines 1 to 22

Page 3, line 27, after the period, insert "If the municipality elects to transfer increments to its general fund, the levy limit for the municipality must be reduced by the amount of the increment transferred."

Page 10, lines 34 to 36, reinstate the stricken language

Page 11, lines 1 and 2, reinstate the stricken language

Page 11, line 2, delete the colon and insert "and"

Page 11, delete lines 3 to 10

Page 11, line 11, delete "(B)"

Page 11, line 19, delete the period

Page 11, delete lines 20 to 22

Page 11, line 23, delete everything before the period

Page 13, line 26, delete "five" and insert "ten"

Page 13, line 36, delete everything after the period

Page 14, delete line 1

Page 14, line 2, delete "the commissioner of revenue."

Page 14, delete section 12

Page 23, delete section 19

Page 26, line 13, after "district" insert "but within the defined geographic area of the project"

Page 26, line 15, delete "projects" and insert "project areas"

Page 26, line 16, delete ", on, and after August 1, 1979" and insert "July 1, 1982, including those before August 1, 1979, and districts for which certification was requested after April 30, 1990"

Page 27, line 10, delete "May 1" and insert "April 30"

Page 27, line 12, before "If" insert "(a)"

Page 27, line 15, delete "are excess" and insert "must be treated as revenues derived from increment for the district and must be"

expended on qualifying project costs or distributed as excess increments”

Page 27, line 16, delete “increments and must be distributed”

Page 27, after line 23 insert:

“(b) Notwithstanding section 469.179, this subdivision applies to all districts, including districts and housing and redevelopment authority project areas, for which certification was requested before August 1, 1979.”

Page 31, line 30, delete “areas” and insert “area”

Page 33, line 11, delete “12,”

Renumber the sections in sequence

Correct internal references.

Amend the title accordingly

And when so amended the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2212, A bill for an act relating to education; revising, updating, and making substantive changes in the laws on the county extension service; amending Minnesota Statutes 1988, sections 38.33; 38.34; 38.35; 38.36; 38.37; and 38.38; proposing coding for new law in Minnesota Statutes, chapter 38.

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. 2294, A bill for an act relating to drivers' licenses; providing for electronically produced images on drivers' licenses;

amending Minnesota Statutes 1988, sections 171.07, subdivisions 1a and 6; and 171.071; Minnesota Statutes 1989 Supplement, section 171.07, subdivisions 1 and 3.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 984, 1836, 1878, 1891, 1913, 1919, 1928, 1981, 2012, 2059, 2063, 2076, 2143, 2212 and 2294 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Onnen and Segal introduced:

H. F. No. 2410, A bill for an act relating to insurance; increasing access to the comprehensive health insurance plan; amending Minnesota Statutes 1988, sections 62E.02, subdivisions 2, 8, and 13; 62E.11, subdivision 2; 62E.14, by adding subdivisions; Minnesota Statutes 1989 Supplement, section 363.02, subdivision 1.

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

Pappas introduced:

H. F. No. 2411, A bill for an act relating to the capitol area; providing for a Roy Wilkins memorial in the capitol area; appropriating money.

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

Simoneau and Weaver introduced:

H. F. No. 2412, A bill for an act relating to housing; providing a loan program to repair damages to houses caused by certain drought-caused soil conditions; appropriating money.

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

Wenzel introduced:

H. F. No. 2413, 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 Taxes.

Otis introduced:

H. F. No. 2414, A bill for an act relating to utilities; conservation programs; directing the department of public service to analyze ways to provide financial incentives for electric utilities to initiate conservation programs that reduce consumption of energy; appropriating money.

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

Segal introduced:

H. F. No. 2415, A bill for an act relating to insurance; requiring certain group health plans to provide mental health coverage; amending Minnesota Statutes 1989 Supplement, section 62A.152, subdivision 2.

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

Bauerly, Pelowski, Weaver and Kelso introduced:

H. F. No. 2416, A bill for an act relating to education; providing for certain rights and duties of teachers and school boards; amending Minnesota Statutes 1988, section 125.12, subdivisions 3, 4, 6a, 6b, 9, 10, 11, 14, and by adding subdivisions; Minnesota Statutes 1989 Supplement, section 125.12, subdivision 8.

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

Nelson, K.; Pappas; Otis; Vellenga and Jaros introduced:

H. F. No. 2417, A bill for an act relating to education; extending certain levies and bonding authority for school districts in cities of the first class; amending Minnesota Statutes 1989 Supplement, sections 124.225, subdivision 1; 275.125, subdivisions 5e and 6i; Laws 1959, chapter 462, section 3, subdivision 10, as amended.

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

Otis, Beard, Jaros and Waltman introduced:

H. F. No. 2418, A bill for an act relating to education; delaying the date by which the regent candidate advisory council must submit recommendations to the legislature; amending Minnesota Statutes 1988, section 137.0245, subdivision 4.

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

Solberg introduced:

H. F. No. 2419, A bill for an act relating to finance; appropriating money to the Mississippi headwaters board.

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

Rest, Kelly, Vellenga and Swenson introduced:

H. F. No. 2420, A bill for an act relating to traffic safety; allowing impoundment of license plates by administrative action for repeat violations of the driving while intoxicated provisions; amending Minnesota Statutes 1988, section 168.041, subdivision 3a, and by adding subdivisions.

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

Pelowski; Orenstein; Carlson, L., and Johnson, V., introduced:

H. F. No. 2421, A bill for an act relating to the state university board; authorizing the issuance of revenue bonds; amending Minnesota Statutes 1988, section 136.41, by adding a subdivision.

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

Stanisus introduced:

H. F. No. 2422, A bill for an act relating to peace officers; authorizing licensed peace officers to operate motor vehicles and watercraft without lights under certain circumstances; providing exemption from tort liability; amending Minnesota Statutes 1988, sections 169.48; and 361.15; 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.

Stanisus and Kostohryz introduced:

H. F. No. 2423, A bill for an act relating to hunting; amending Minnesota Statutes 1988, section 97B.501.

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

Dempsey introduced:

H. F. No. 2424, A bill for an act relating to cooperatives; providing absentee ballots are secret ballots; amending Minnesota Statutes 1989 Supplement, section 308A.635, subdivision 6.

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

Solberg introduced:

H. F. No. 2425, A bill for an act relating to human services; the Minnesota board on aging; requiring formula distribution of funds for congregate meals within regions; amending Minnesota Statutes 1988, section 256.975, by adding a subdivision.

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

Rice, Begich, Sarna, Beard and Battaglia introduced:

H. F. No. 2426, A bill for an act relating to contracts; providing for

enforcement of certain contracts; proposing coding for new law as Minnesota Statutes, chapter 338.

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

Redalen introduced:

H. F. No. 2427, A bill for an act relating to liquor; authorizing limited sales between off-sale licensees; specifying restrictions; amending Minnesota Statutes 1988, sections 340A.415 and 340A.505.

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

Lasley, Scheid, Ozment and Ostrom introduced:

H. F. No. 2428, A bill for an act relating to education; equalizing the special education levy; providing for special education levy equalization aid; proposing coding for new law in Minnesota Statutes, chapter 124; repealing Minnesota Statutes 1988, section 275.125, subdivision 8c.

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

Williams introduced:

H. F. No. 2429, A bill for an act relating to insurance; accident and health; requiring the state and its agencies and political subdivisions to make available plans of coverage that provide equal access to providers; amending Minnesota Statutes 1988, section 62E.03, subdivision 1.

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

Forsythe; Simoneau; Clark; Nelson, K., and Gruenes introduced:

H. F. No. 2430, A bill for an act relating to health; granting an exception to the nursing home moratorium for an existing freestanding hospice; amending Minnesota Statutes 1989 Supplement, section 144A.071, subdivision 3.

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

Ostrom and Dempsey introduced:

H. F. No. 2431, A bill for an act relating to education; modifying the transportation formula; creating a nonpublic pupil category of funding; amending Minnesota Statutes 1989 Supplement, section 124.225, subdivisions 1 and 7d.

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

Jacobs, Omann, Quinn and Beard introduced:

H. F. No. 2432, A bill for an act relating to utilities; regulating sale and service of energy-consuming products, appliances, and equipment by public utilities; amending Minnesota Statutes 1989 Supplement, section 216B.01; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

Bennett, Stanius, Milbert, Pugh and Seaberg introduced:

H. F. No. 2433, A bill for an act relating to crimes; requiring the sentencing guidelines commission to increase weight assigned prior convictions for certain offenders.

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

Nelson, K., introduced:

H. F. No. 2434, A bill for an act relating to crime; imposing penalties for assaulting social workers and other medical and social service employees; prohibiting repeated threats of crimes of violence; amending Minnesota Statutes 1988, sections 609.2231, by adding a subdivision; and 609.713, by adding a subdivision.

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

Weaver; Olsen, S.; Carlson, D.; Lynch and Omann introduced:

H. F. No. 2435, A bill for an act relating to education; increasing parental involvement; expanding eligibility for early childhood family education programs; encouraging the use of elementary school counselors; creating a new state aid; increasing the formula

allowance; creating a parental involvement day; requiring a day off from work; requiring the board of teaching to adopt rules; creating tax credits; appropriating money; amending Minnesota Statutes 1988, sections 124.2711, subdivision 2; 124A.29, subdivision 1; 181.940, subdivision 3, and by adding subdivisions; and 290.06, by adding subdivisions; Minnesota Statutes 1989 Supplement, sections 121.882, subdivision 2; 124.2711, subdivision 1; and 124A.22, subdivision 2; Laws 1989, chapter 329, article 1, section 17, subdivision 2, as amended; and article 4, section 19, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 123; 124A; and 181.

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

McDonald, Macklin, Vanasek, Ozment and Kelso introduced:

H. F. No. 2436, A bill for an act relating to telephone service; requiring the expansion of the metropolitan extended area telephone service, under some circumstances; 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.

Stanius, Heap, Miller, Gruenes and Bishop introduced:

H. F. No. 2437, A bill for an act relating to finance; requiring the commissioner of finance to prepare quarterly revenue and spending forecasts; amending Minnesota Statutes 1988, section 16A.06, by adding a subdivision.

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

Carruthers, Swenson, Blatz, Wagenius and Dawkins introduced:

H. F. No. 2438, A bill for an act relating to controlled substances; providing mandatory minimum fines for persons convicted of felony-level controlled substance offenses; providing for driver's license revocation for persons convicted of or adjudicated for felony-level controlled substance offenses; requiring certain licensing authorities to develop written policies on licensing sanctions applicable to controlled substance offenders; requiring random drug and alcohol testing for certain offenders placed on probation; requiring adoption of day-fine systems by each judicial district; creating pilot programs to require chemical dependency assessments for drug offenders; creating pilot intensive supervision programs; appropriating money;

amending Minnesota Statutes 1988, section 609.135, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 152.021, subdivision 3; 152.022, subdivision 3; 152.023, subdivision 3; 152.024, subdivision 3; 152.025, subdivision 3; and 260.185, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 152; 171; 214; and 481.

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

Carlson, D., and Ogren introduced:

H. F. No. 2439, A bill for an act relating to the Moose Lake area fire protection district; clarifying the status of certain volunteer firefighter relief associations.

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

Stanius; Carlson, D.; Ozment; Miller and Schafer introduced:

H. F. No. 2440, A bill for an act relating to game and fish; establishing a sportfishing zone in Lake Superior; prohibiting certain gill nets; amending Minnesota Statutes 1988, sections 97C.345, subdivision 4, and by adding a subdivision; 97C.831, subdivisions 2 and 4; 97C.835, subdivision 1; Minnesota Statutes 1989 Supplement, section 97A.475, subdivisions 31, 32, 33, 36, and 37; proposing coding for new law in Minnesota Statutes, chapter 97C; repealing Minnesota Statutes 1988, section 97C.835, subdivisions 4, 5, 6, and 7.

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

Dempsey introduced:

H. F. No. 2441, A bill for an act relating to courts; providing for the transfer of certain duties of the court administrator; proposing coding for new law in Minnesota Statutes, chapter 373.

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

Johnson, V., and Carlson, D., introduced:

H. F. No. 2442, A bill for an act relating to game and fish;

establishment of a common game and fish zone and water safety regulations with Wisconsin.

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

Kinkel introduced:

H. F. No. 2443, A bill for an act relating to real property; restoring certain meander corners in Hubbard county based on original government survey.

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

Rukavina, Munger, Marsh, Hausman and Weaver introduced:

H. F. No. 2444, A bill for an act relating to waste; placing waste stream diversion requirements on counties who apply for solid waste resource recovery permits; requiring a study of the environmental effects of existing resource recovery facilities; placing a moratorium on new permits until completion of the study; appropriating money; amending Minnesota Statutes 1989 Supplement, section 116.07, subdivision 4j.

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

Carruthers, Winter, Skoglund, Pappas and Blatz introduced:

H. F. No. 2445, A bill for an act relating to insurance; prohibiting the reduction of limits of liability by the costs of defense in certain liability policies; providing exceptions; amending Minnesota Statutes 1989 Supplement, section 60A.08, subdivision 13.

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

Kahn and Sarna introduced:

H. F. No. 2446, A bill for an act relating to the city of Minneapolis; requiring the department of finance to refund a bond allocation deposit to the city of Minneapolis; appropriating money.

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

Pugh and Brown introduced:

H. F. No. 2447, A bill for an act relating to occupations and professions; excluding security guards and persons with history of child abuse or criminal sexual behavior from certain protections for criminal offenders; amending Minnesota Statutes 1989 Supplement, section 364.09.

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

Bishop, Gutknecht and Battaglia introduced:

H. F. No. 2448, A bill for an act relating to Olmsted county; permitting the consolidation of the offices of auditor and treasurer.

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

Segal and Greenfield introduced:

H. F. No. 2449, A bill for an act relating to human services; allowing general assistance medical care for a person in a correctional or detention facility if the person is eligible at the time of detention; amending Minnesota Statutes 1989 Supplement, section 256D.03, subdivision 3.

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

Osthoff introduced:

H. F. No. 2450, A bill for an act relating to retirement; local police or fire relief association consolidation process; establishing an annual maximum municipal contribution amount; amending Minnesota Statutes 1988, section 353A.09, subdivision 5.

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

Bauerly, Pelowski, Vanasek, McEachern and Ostrom introduced:

H. F. No. 2451, A bill for an act relating to education; equalizing a portion of the debt service levy; appropriating money; amending Minnesota Statutes 1988, section 275.125, subdivision 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.

Bauerly, Pelowski, Vanasek, McEachern and Ostrom introduced:

H. F. No. 2452, A bill for an act relating to education; equalizing a portion of the referendum levy; 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.

Orenstein introduced:

H. F. No. 2453, A bill for an act relating to human services; establishing a case mix rate and assessment process for provider with an addendum to a provider agreement; amending Minnesota Statutes 1988, section 256B.48, by adding a subdivision.

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

Anderson, G.; Omann; Kinkel; Heap and Vanasek introduced:

H. F. No. 2454, A bill for an act relating to education; requiring a plan to implement a Minnesota legislative school; appropriating money.

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

Jefferson introduced:

H. F. No. 2455, A bill for an act relating to Hennepin county; retirement plans; establishing the Hennepin county professional prehospital emergency services retirement plan; proposing coding for new law as Minnesota Statutes, chapter 353E.

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

Pelowski and Johnson, V., introduced:

H. F. No. 2456, A bill for an act relating to education; establishing a planning committee for the Minnesota World Math and Science School; appropriating money.

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

Rest introduced:

H. F. No. 2457, A bill for an act relating to public financing; allocating authority to issue tax exempt revenue bonds; amending Minnesota Statutes 1988, sections 474A.02, subdivisions 6, 8, and by adding a subdivision; 474A.03; 474A.061, subdivision 3, and by adding subdivisions; 474A.081, as amended; 474A.091, subdivisions 1 and 5; 474A.131, subdivision 2; and 474A.14; Minnesota Statutes Second 1989 Supplement, sections 474A.061, subdivisions 1 and 4; and 474A.091, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 1988, section 474A.091, subdivisions 4 and 4a; repealing Minnesota Statutes Second 1989 Supplement, section 474A.061, subdivision 2.

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

Reding, Ozment and Kelso introduced:

H. F. No. 2458, A bill for an act relating to hazardous materials; directing the commissioner of public safety to plan a system for a regional hazardous materials incident response program; establishing an advisory council; appropriating money.

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

Jaros, Rukavina and Boo introduced:

H. F. No. 2459, A bill for an act relating to Lake Superior; establishing an information, research, and education authority.

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

Ogren, Peterson, Greenfield and Begich introduced:

H. F. No. 2460, A bill for an act relating to health; providing for planning for a surveillance system for occupational diseases; appropriating money.

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

Johnson, V., introduced:

H. F. No. 2461, A bill for an act relating to game and fish; allowing a free deer license under certain circumstances.

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

Gruenes, Pappas, Rodosovich and Blatz introduced:

H. F. No. 2462, A bill for an act relating to state government; regulating administrative procedures; including a statement of purpose; requiring agencies to send the LCRAR copies of statements of need and reasonableness; requiring an agency to provide notice of the hearing to those who requested it; making various technical changes; amending Minnesota Statutes 1988, sections 14.03; 14.131; 14.23; and 14.25; Minnesota Statutes 1989 Supplement, section 14.02, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 14.

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

Ostrom, Hasskamp and Scheid introduced:

H. F. No. 2463, A bill for an act relating to education; authorizing either general fund or community education fund revenues to be used to pay retirement and FICA obligations attributable to community education programs; amending Minnesota Statutes 1989 Supplement, sections 121.912, subdivision 1b; and 124.2713, subdivisions 8 and 9.

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

Hasskamp, Scheid and Brown introduced:

H. F. No. 2464, A bill for an act relating to health; expanding reporting requirements for pregnancy terminations; amending Minnesota Statutes 1988, section 145.413, by adding a subdivision.

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

Hasskamp, Scheid and Brown introduced:

H. F. No. 2465, A bill for an act relating to employment; regulating

parental leave; clarifying requirements for remedies; amending Minnesota Statutes 1988, sections 181.940, by adding a subdivision; 181.941, subdivisions 1, 2, 3, and by adding subdivisions; 181.943; and 181.944.

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

Hasskamp, Scheid and Brown introduced:

H. F. No. 2466, A bill for an act relating to health; abortion; defining informed consent; creating a civil action; providing that a physician is strictly liable for damages arising out of certain abortions; prohibiting the performance of abortions on certain incompetent women; amending Minnesota Statutes 1988, sections 144.343, subdivisions 2 and 6; 145.412, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Hasskamp, Scheid and Bertram introduced:

H. F. No. 2467, A bill for an act relating to health; requiring licensure and regulation of outpatient surgical clinics; proposing coding for new law in Minnesota Statutes, chapter 145; repealing Minnesota Statutes 1988, section 145.416.

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

Hasskamp, Scheid and Bertram introduced:

H. F. No. 2468, A bill for an act relating to health; maternal health; establishing an office in the state planning agency for the coordination of services for pregnant women; 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.

Hasskamp, Kinkel, Munger, McGuire and Kahn introduced:

H. F. No. 2469, A bill for an act relating to public waters; requiring filter strips along wooded areas.

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

Jennings, Stanius, Welle, Pugh and Anderson, R., introduced:

H. F. No. 2470, A bill for an act relating to human services; creating a new chapter establishing a unified process for the handling of civil, criminal, and financial recovery matters in all human service programs; amending Minnesota Statutes 1988, sections 256.73, subdivision 6; and 393.07, subdivision 10; proposing coding for new law as Minnesota Statutes, chapter 256J; repealing Minnesota Statutes 1988, sections 256.98; 256.981; 256.982; and 256D.14.

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

Beard, Trimble and O'Connor introduced:

H. F. No. 2471, A bill for an act relating to occupations and professions; regulating the installation and repair of fuel burner equipment and systems in certain cities; proposing coding for new law as Minnesota Statutes, chapter 325H.

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

Rukavina, McLaughlin and Dawkins introduced:

H. F. No. 2472, A bill for an act relating to taxation; extending the duration of enterprise zones; amending Minnesota Statutes Second 1989 Supplement, section 469.167, subdivision 2.

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

Krueger introduced:

H. F. No. 2473, A bill for an act relating to education; permitting the Clarissa and Eagle Bend school districts, if consolidated, to have two election districts conforming to the territory of the consolidating districts.

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

Skoglund introduced:

H. F. No. 2474, A bill for an act relating to insurance; long-term care; modifying the definition of medically prescribed long-term care; allowing additional licensed health care providers to prepare plans of care; regulating assessments; regulating cancellations; amending Minnesota Statutes 1988, sections 62A.46, subdivisions 2, 4, 5, and 8; 62A.48, subdivision 3, and by adding a subdivision; and 62A.56; Minnesota Statutes 1989 Supplement, section 62A.48, subdivision 1.

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

Welle and Cooper introduced:

H. F. No. 2475, A bill for an act relating to taxation; property; providing an adjustment to the levy limit base for certain county jail or correctional facility costs; providing a special levy for certain per diem correctional costs; amending Minnesota Statutes Second 1989 Supplement, sections 275.50, subdivision 5; and 275.51, subdivision 3f.

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

Segal introduced:

H. F. No. 2476, A bill for an act relating to health; establishing a commission on crisis pregnancies and abortion prevention; 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.

McEachern, Kelso, Hugoson, Bauerly and Tunheim introduced:

H. F. No. 2477, A bill for an act relating to education; changing education district laws; allowing education districts to certify revenue for general education, community education, and early childhood family education; restricting member district withdrawal; delaying common calendar requirements; allowing some school districts to change ECSU membership; changing the education district levy; changing a cooperation and combination levy; amending Minnesota Statutes 1988, sections 122.91, by adding a subdivision; 122.93, by adding a subdivision; 122.94, subdivision 5; 123.58, subdivision 2; 124.195, subdivision 10; 124.26, by adding a subdivision; 124.2711, subdivision 2; and 124A.02, subdivision 1; Minne-

sota Statutes 1989 Supplement, sections 122.91, subdivisions 3 and 5; 122.94, subdivision 6; 122.945, subdivision 2; 124.155, subdivision 2; 124.26, subdivisions 7 and 8; 124.2711, subdivisions 1 and 3; 124.2713; 124.2715; 124.2721; 124.2725, subdivision 8; and 275.125, subdivision 8b; proposing coding for new law in Minnesota Statutes, chapter 122; proposing coding for new law as Minnesota Statutes, chapter 124B.

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

Ogren, Rest, Quinn, McLaughlin and Olson, E., introduced:

H. F. No. 2478, A bill for an act relating to taxation; updating references to the Internal Revenue Code; amending Minnesota Statutes 1989 Supplement, section 290.01, subdivision 19.

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

Munger introduced:

H. F. No. 2479, A bill for an act relating to environmental protection; approving state membership in the Great Lakes Protection Fund.

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

McLaughlin, Rest, Ogren, Quinn and Olson, E., introduced:

H. F. No. 2480, A bill for an act relating to taxation; making technical corrections and administrative changes to sales and use, motor vehicle excise, income, franchise, insurance, petroleum products, pull-tab and tipboard taxes, firefighter state aids, and property tax refunds; including lottery prizes as refunds in the revenue recapture act; providing for posting of certain tax delinquencies; requiring a social security number on certain probate applications; imposing a tax on untaxed pull-tabs and tipboards; recodifying license inquiry provisions; providing for payment and settlement of state elections campaign funds to political party state committees; transferring certain powers and duties; amending Minnesota Statutes 1988, sections 60A.198, by adding a subdivision; 69.771, subdivision 3; 69.772, subdivision 2a; 69.774, subdivision 1; 168A.30, subdivision 1; 270A.03, subdivision 7; 290.17, subdivision 5; 290.39, subdivision 5; 290.49, subdivision 3; 290.92, subdivisions 12 and 23; 290.93, subdivision 1; 290A.03, subdivision 3; 290A.04, subdivision 1; 296.06, subdivision 2; 297A.01, subdivision 8;

297A.14, subdivision 1; 297A.25, subdivision 31; 297A.255, by adding a subdivision; 297B.01, subdivision 8; 297B.035, subdivision 1; 299F.21, subdivision 1; 349.212, by adding a subdivision; and 524.3-301; Minnesota Statutes 1989 Supplement, sections 69.021, subdivision 6; 168A.10, subdivision 1; 270.73, subdivision 1; 270B.07, by adding a subdivision; and 290.39, subdivision 4; Minnesota Statutes Second 1989 Supplement, sections 10A.31, subdivision 5; 60A.15, subdivision 1; 290.17, subdivision 2; 290A.04, subdivisions 2h and 2i; 297A.01, subdivision 3; 349.212, subdivision 4; and Laws 1989, chapter 28, section 24; repealing Minnesota Statutes 1988, sections 290.23, subdivision 15; 290.612; and 297A.431.

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

Peterson and Limmer introduced:

H. F. No. 2481, A bill for an act relating to crimes; making preparation of a written presentence investigation report discretionary with the court when a defendant is convicted of a felony for which the court must impose an executed sentence under the sentencing guidelines; amending Minnesota Statutes 1989 Supplement, section 609.115, subdivision 1.

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

Olsen, S., introduced:

H. F. No. 2482, A bill for an act relating to taxation; property; including additional information on the tax statement; amending Minnesota Statutes Second 1989 Supplement, section 276.04, subdivision 2.

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

Morrison, Simoneau, Seaberg and Welle introduced:

H. F. No. 2483, A bill for an act relating to human services licensing; authorizing special variances for day care providers; amending Minnesota Statutes 1988, section 245A.04, subdivision 9.

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

Bertram introduced:

H. F. No. 2484, A bill for an act relating to public contracts; requiring preference for resident bidders against nonresident bidders from other countries in certain circumstances; defining resident bidder; denying the privilege of transacting business with the department of transportation or local road authorities to persons who have committed contract offenses; defining contract offenses; amending Minnesota Statutes 1988, section 16B.102, subdivisions 1 and 2; and 161.315, subdivisions 1 and 2.

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

Macklin introduced:

H. F. No. 2485, A bill for an act relating to crimes; permitting shock incarceration sentences of six months duration for certain nonviolent offenders; requiring the sentencing guidelines commission to establish shock incarceration guidelines; establishing a shock incarceration program under the administration of the commissioner of corrections; requiring the commissioner to establish correctional camps and adopt rules governing shock incarceration programs; amending Minnesota Statutes 1988, sections 244.01, subdivision 1; and 609.105; and Minnesota Statutes 1989 Supplement, sections 244.04, subdivision 1; and 609.115, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 244 and 609.

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

Osthoff, Kahn, Abrams and Clark introduced:

H. F. No. 2486, A bill for an act relating to metropolitan government; authorizing the payment of systemwide costs of administering the regional recreation open space system; authorizing the acquisition and betterment of regional recreation open space lands by the metropolitan council and metropolitan area local government units; authorizing the issuance of state bonds; appropriating money.

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

Cooper and Greenfield introduced:

H. F. No. 2487, A bill for an act relating to vocational rehabilitation; providing for supported employment programs; amending

Minnesota Statutes 1988, section 129A.01, subdivisions 11, 12, and by adding a subdivision.

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

Rukavina and Begich introduced:

H. F. No. 2488, A bill for an act relating to public employees; defining the term "employee" for the purpose of the public employees labor relations act; amending Minnesota Statutes 1988, section 179A.03, subdivision 14.

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

Simoneau introduced:

H. F. No. 2489, A bill for an act relating to state government; requiring the state board of investment to invest certain assets currently managed by the commerce department; amending Minnesota Statutes 1988, section 79.251, by adding a subdivision.

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

Janezich, Battaglia, O'Connor, Begich and Rukavina introduced:

H. F. No. 2490, A bill for an act relating to occupations and professions; requiring crane operators to be licensed by the state; authorizing rulemaking; establishing a crane operators examining board; providing penalties; amending Minnesota Statutes 1988, section 214.01, 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.

Quinn, Jacobs, Dawkins, Haukoos and Ogren introduced:

H. F. No. 2491, A bill for an act relating to utilities; providing for integrated resource planning for electric utilities; amending Minnesota Statutes 1988, sections 216B.16, subdivisions 6 and 6b; 216B.243, subdivision 3; and 216C.17, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

Price, Vanasek, Reding, Schreiber and Wenzel introduced:

H. F. No. 2492, A bill for an act relating to public safety; providing scholarship fund program for spouse and dependent children of public safety officers killed in the line of duty; increasing death benefit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A; repealing Minnesota Statutes 1988, sections 176B.01, as amended; 176B.02; 176B.03; 176B.04; and 176B.05.

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

Nelson, K.; Otis; Hartle; Kinkel and Kelso introduced:

H. F. No. 2493, A bill for an act relating to education; establishing a state loan program for minority teachers; proposing coding for new law in Minnesota Statutes, chapter 136A.

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

O'Connor, Milbert, McEachern, Janezich and Ozment introduced:

H. F. No. 2494, A bill for an act relating to education; providing for flagging of school records of missing children; 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.

Dille, Wenzel, McPherson, Cooper and Dauner introduced:

H. F. No. 2495, A bill for an act relating to farm safety; providing for a pilot project of comprehensive farm safety audits; extending the availability of a previous appropriation; appropriating money; amending Laws 1989, chapter 350, article 17, section 1, subdivision 5.

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

Kahn; Carlson, D.; Battaglia; Osthoff and Bishop introduced:

H. F. No. 2496, A bill for an act relating to environment and natural resources; authorizing the issuance of state bonds and expenditure of the proceeds to acquire and to better state parks, recreation areas, trails, forests, wildlife management areas, scientific and natural areas, wild, scenic, and recreational rivers, canoe and boating routes, and public water access; to improve fish, wildlife, and native plant habitat; to provide for private critical habitat match program; to provide for construction of wastewater treatment facilities, state independent grants for construction of municipal wastewater treatment facilities, state match to federal revolving loan, and combined sewer overflow grants; for acquisition and enhancement of metropolitan regional parks; for local recreation grants; for waste management; authorizing issuance of state bonds; appropriating money.

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

Ogren and Cooper introduced:

H. F. No. 2497, A bill for an act relating to agriculture; changing certain duties, procedures, and requirements related to organic food; amending Minnesota Statutes 1988, sections 31.94 and 31.95; repealing Minnesota Statutes 1988, section 31.95, subdivision 2.

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

Cooper, Dorn and Simoneau introduced:

H. F. No. 2498, A bill for an act relating to counties; permitting a county board to assign certain duties; proposing coding for new law in Minnesota Statutes, chapter 373.

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

Carruthers and Skoglund introduced:

H. F. No. 2499, A bill for an act relating to insurance; regulating cancellations, reductions, and nonrenewals of commercial property and liability insurance; amending Minnesota Statutes 1988, section 60A.38, by adding a subdivision.

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

Carruthers and Skoglund introduced:

H. F. No. 2500, A bill for an act relating to insurance; modifying the effective date of the statutory notice requirement for cancellation or nonrenewal of individual life policies; amending Laws 1989, chapter 330, section 38.

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

McLaughlin, Kelso, Ogren and Tjornhom introduced:

H. F. No. 2501, A bill for an act relating to health; health maintenance organizations; providing coverage for chiropractic care; amending Minnesota Statutes 1988, sections 62D.02, subdivision 7; 62D.102; and 62D.12, by adding a subdivision.

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

Cooper, Dauner, Ogren, Brown and Hartle introduced:

H. F. No. 2502, A bill for an act relating to taxation; clarifying the application of certain rates of gross premium tax to mutual insurance companies; clarifying exemptions from corporate franchise tax; amending Minnesota Statutes Second 1989 Supplement, sections 60A.15, subdivision 1; and 290.05, subdivision 1.

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

Janezich, O'Connor and Begich introduced:

H. F. No. 2503, A bill for an act relating to motor carriers; deferring enforcement actions against irregular route common carriers pending legislative study.

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

Jefferson and Trimble introduced:

H. F. No. 2504, A bill for an act relating to human rights; creating a commission to recommend measures for eliminating racism in Minnesota.

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

Dorn introduced:

H. F. No. 2505, A bill for an act relating to retirement; permitting participants in the college supplemental retirement plan to designate beneficiaries; amending Minnesota Statutes 1989 Supplement, section 136.82, subdivisions 1 and 2.

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

McLaughlin, Quinn and Jacobs introduced:

H. F. No. 2506, A bill for an act relating to taxation; income; authorizing a tax checkoff for foodshelf programs; appropriating money; amending Minnesota Statutes 1988, section 290.431; proposing coding for new law in Minnesota Statutes, chapter 268.

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

Johnson, A.; Simoneau and Jacobs introduced:

H. F. No. 2507, A bill for an act relating to government operations; authorizing the department of jobs and training to enter a lease for colocation of certain programs.

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

Wagenius introduced:

H. F. No. 2508, A bill for an act relating to education; placing certain positions in special school district No. 1, Minneapolis, in the unclassified service; naming the appointing authority for the positions.

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

Hasskamp and McGuire introduced:

H. F. No. 2509, A bill for an act relating to health; regulating health maintenance organizations; limiting risk-sharing arrange-

ments with providers; amending Minnesota Statutes 1988, section 62D.12, subdivision 9b.

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

Marsh introduced:

H. F. No. 2510, A bill for an act relating to retirement; providing survivor benefits to certain spouses of deceased former state correctional employees.

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

Sparby, Krueger and Solberg introduced:

H. F. No. 2511, A bill for an act relating to international trade; establishing regional international trade centers; appropriating money.

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

Morrison, Simoneau, Pugh and Macklin introduced:

H. F. No. 2512, A bill for an act relating to human services; prohibiting termination of eligible families from the basic child care sliding fee program; adjusting county contribution requirements; amending Minnesota Statutes 1989 Supplement, sections 256H.03, subdivision 2a; and 256H.12, subdivision 1.

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

Jennings introduced:

H. F. No. 2513, A bill for an act relating to the revenue recapture act; expanding the definition of claimant agency; amending Minnesota Statutes 1988, section 270A.03, subdivision 2.

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

Ozment, Milbert, Tompkins and Morrison introduced:

H. F. No. 2514, A bill for an act relating to agriculture; changing certain regional districts of the state agricultural society; amending Minnesota Statutes 1988, section 37.04, subdivision 2.

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

Kelly, Pappas, Trimble, Vellenga and Orenstein introduced:

H. F. No. 2515, A bill for an act relating to elections; independent school district No. 625; requiring the election of board members by an alley system.

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

Milbert, Scheid and Pugh introduced:

H. F. No. 2516, A bill for an act relating to education; permitting a school district levy for chemical abuse prevention; amending Minnesota Statutes 1988, section 275.125, by adding a subdivision.

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

Dauner introduced:

H. F. No. 2517, A bill for an act relating to human services; relating to the powers of the commissioner; amending Minnesota Statutes 1989 Supplement, section 256.045, subdivision 6.

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

Trimble; Dorn; Carlson, L.; Morrison and Steensma introduced:

H. F. No. 2518, A bill for an act relating to education; establishing the state university endowment fund; 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 Education.

Winter, Ogren and Steensma introduced:

H. F. No. 2519, A bill for an act relating to taxation; property; changing the class-rates on certain agricultural property; amending Minnesota Statutes Second 1989 Supplement, section 273.13, subdivision 23.

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

Jacobs, Osthoff, Quinn and Carlson, D., introduced:

H. F. No. 2520, A bill for an act relating to utilities; regulating flexible gas utility rates; repealing sunset provisions relating to flexible gas utility rates; amending Minnesota Statutes 1988, section 216B.163; and Laws 1987, chapter 371, section 4.

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

Ogren, Welle, Vanasek and Anderson, R., introduced:

H. F. No. 2521, A bill for an act relating to health care; increasing the membership of the health care access commission; amending Minnesota Statutes 1989 Supplement, section 62J.02, subdivision 1.

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

McEachern, Wenzel, McGuire, Girard and Winter introduced:

H. F. No. 2522, A bill for an act relating to education; establishing the Minnesota education in agriculture council; 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.

Hasskamp introduced:

H. F. No. 2523, A bill for an act relating to retirement; increasing retirement and survivor benefits for certain retired members of the Brainerd police relief association and surviving spouses and children of deceased members.

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

Onnen and Segal introduced:

H. F. No. 2524, A bill for an act relating to insurance; restricting underwriting practices for group health insurance; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Osthoff introduced:

H. F. No. 2525, A bill for an act relating to occupations and professions; allowing a graduate social work license to be issued without examination to an applicant who was unable to apply before the transition period ended; amending Minnesota Statutes 1988, section 148B.23, by adding a subdivision.

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

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. 9, 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

Long moved that the rules be so far suspended that Senate Concurrent Resolution No. 9 be now considered and be placed upon its adoption. The motion prevailed.

SENATE CONCURRENT RESOLUTION NO. 9

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 Friday, March 9, 1990, and committee reports on bills originating in the other house favorably acted upon by a committee after Friday, March 16, 1990, 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 Friday, April 6, 1990, 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.

Long moved that Senate Concurrent Resolution No. 9 be now adopted. The motion prevailed and Senate Concurrent Resolution No. 9 was adopted.

Mr. Speaker:

I hereby announce that the Senate refuses to adopt the Conference Committee report on House File No. 796, and requests that H. F. No. 796 be returned to the Conference Committee as formerly constituted:

H. F. No. 796, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public waters in Pine county.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Carlson, D., moved that the House accede to the request of the Senate and that H. F. No. 796 be returned to the Conference Committee as formerly constituted. The motion prevailed.

CONSENT CALENDAR

H. F. No. 1893, A bill for an act relating to local government; authorizing certain towns to contribute to economic development organizations.

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:

Abrams	Frerichs	Kostohryz	Onnen	Segal
Anderson, G.	Girard	Krueger	Orenstein	Simoneau
Anderson, R.	Greenfield	Lasley	Osthoff	Skoglund
Battaglia	Gruenes	Lieder	Ostrom	Solberg
Bauerly	Gutknecht	Limmer	Otis	Sparby
Beard	Hartle	Long	Ozment	Stanius
Begich	Hasskamp	Lynch	Pappas	Steensma
Bennett	Haukoos	Macklin	Pauly	Sviggum
Bertram	Hausman	Marsh	Pellow	Swenson
Bishop	Heap	McDonald	Pelowski	Tjornhom
Blatz	Henry	McEachern	Peterson	Tompkins
Boo	Himle	McGuire	Poppenhagen	Trimble
Brown	Hugoson	McLaughlin	Price	Tunheim
Burger	Jacobs	McPherson	Pugh	Uphus
Carlson, D.	Janezich	Milbert	Quinn	Valento
Carlson, L.	Jaros	Miller	Redalen	Vellenga
Carruthers	Jefferson	Morrison	Reding	Wagenius
Clark	Jennings	Munger	Rest	Waltman
Conway	Johnson, A.	Murphy	Richter	Weaver
Cooper	Johnson, R.	Nelson, C.	Rodosovich	Welle
Dauner	Johnson, V.	Neuenschwander	Rukavina	Williams
Dawkins	Kahn	O'Connor	Runbeck	Winter
Dempsey	Kalis	Ogren	Sarna	Spk. Vanasek
Dille	Kelly	Olsen, S.	Schafer	
Dorn	Kelso	Olson, E.	Scheid	
Forsythe	Kinkel	Olson, K.	Schreiber	
Frederick	Knickerbocker	Omann	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 1895, A bill for an act relating to courts; providing an alternative dispute resolution pilot project in the second judicial

district; amending Minnesota Statutes 1989 Supplement, section 484.74, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Onnen	Segal
Anderson, G.	Girard	Krueger	Orenstein	Simoneau
Anderson, R.	Greenfield	Lasley	Osthoff	Skoglund
Battaglia	Gruenes	Lieder	Ostrom	Solberg
Bauerly	Gutknecht	Limmer	Otis	Sparby
Beard	Hartle	Long	Ozment	Stanius
Begich	Hasskamp	Lynch	Pappas	Steenasma
Bennett	Haukoos	Macklin	Pauly	Sviggum
Bertram	Hausman	Marsh	Pellow	Swenson
Bishop	Heap	McDonald	Pelowski	Tjornhom
Blatz	Henry	McEachern	Peterson	Tompkins
Boo	Himle	McGuire	Poppenhagen	Trimble
Brown	Hugoson	McLaughlin	Price	Tunheim
Burger	Jacobs	McPherson	Pugh	Uphus
Carlson, D.	Janezich	Milbert	Quinn	Valento
Carlson, L.	Jaros	Miller	Redalen	Vellenga
Carruthers	Jefferson	Morrison	Reding	Wagenius
Clark	Jennings	Munger	Rest	Waltman
Conway	Johnson, A.	Murphy	Richter	Weaver
Cooper	Johnson, R.	Nelson, C.	Rodosovich	Welle
Dauner	Johnson, V.	Neuenschwander	Rukavina	Wenzel
Dawkins	Kahn	O'Connor	Runbeck	Williams
Dempsey	Kalis	Ogren	Sarna	Winter
Dille	Kelly	Olsen, S.	Schafer	Spk. Vanasek
Dorn	Kelso	Olson, E.	Scheid	
Forsythe	Kinkel	Olson, K.	Schreiber	
Frederick	Knickerbocker	Omann	Seaberg	

The bill was passed and its title agreed to.

GENERAL ORDERS

Long moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Quinn moved that the name of Ogren be stricken and the name of Kelso be added as chief author on H. F. No. 845. The motion prevailed.

Murphy moved that the name of Steensma be added as an author on H. F. No. 1772. The motion prevailed.

Wenzel moved that the names of Dempsey, Steensma, Jacobs and Hasskamp be added as authors on H. F. No. 1834. The motion prevailed.

Begich moved that the names of Beard, Battaglia and Janezich be added as authors on H. F. No. 1928. The motion prevailed.

Pelowski moved that the name of Williams be shown as chief author on H. F. No. 1929. The motion prevailed.

Tompkins moved that the name of Kelso be added as an author on H. F. No. 1992. The motion prevailed.

Jacobs moved that the name of Runbeck be added as an author on H. F. No. 2074. The motion prevailed.

Jacobs moved that the name of Runbeck be added as an author on H. F. No. 2075. The motion prevailed.

Bertram moved that the name of Bauerly be added as an author on H. F. No. 2280. The motion prevailed.

Osthoff moved that the name of Scheid be shown as chief author on H. F. No. 2325. The motion prevailed.

McLaughlin moved that the name of Krueger be added as an author on H. F. No. 2329. The motion prevailed.

Orenstein moved that the name of Weaver be added as an author on H. F. No. 2334. The motion prevailed.

Orenstein moved that the name of Dempsey be added as an author on H. F. No. 2372. The motion prevailed.

Kahn moved that the name of Abrams be added as an author on H. F. No. 2391. The motion prevailed.

Sviggum moved that H. F. No. 1863 be recalled from the Committee on Transportation and be re-referred to the Committee on Education. The motion prevailed.

Kelso moved that H. F. No. 2260 be recalled from the Committee on Taxes and be re-referred to the Committee on Education. The motion prevailed.

Tunheim moved that H. F. No. 2375 be recalled from the Commit-

tee on Transportation and be re-referred to the Committee on Education. The motion prevailed.

Jefferson moved that H. F. No. 2404 be recalled from the Committee on Health and Human Services and be re-referred to the Committee on Judiciary. The motion prevailed.

Hausman moved that H. F. No. 2149 be recalled from the Committee on Economic Development and be re-referred to the Committee on Local Government and Metropolitan Affairs. The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 2:30 p.m., Monday, March 5, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Monday, March 5, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SIXTY-SIXTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 5, 1990

The House of Representatives convened at 2:30 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Gary Gottfried, Newport United Methodist Church, Newport, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abrams	Frerichs	Kostohryz	Omann	Schreiber
Anderson, G.	Girard	Krueger	Onnen	Seaberg
Anderson, R.	Greenfield	Lasley	Orenstein	Segal
Battaglia	Gruenes	Lieder	Osthoff	Simoneau
Bauerly	Gutknecht	Limmer	Ostrom	Skoglund
Beard	Hartle	Long	Otis	Solberg
Begich	Hasskamp	Lynch	Ozment	Sparby
Bennett	Haukoos	Macklin	Pappas	Stanius
Bertram	Hausman	Marsh	Pauly	Steensma
Bishop	Heap	McDonald	Pellow	Sviggun
Blatz	Henry	McEachern	Pelowski	Swenson
Boo	Himle	McGuire	Peterson	Tjornhom
Brown	Hugoson	McLaughlin	Poppenhagen	Tompkins
Burger	Jacobs	McPherson	Price	Trimble
Carlson, D.	Janezich	Milbert	Pugh	Tunheim
Carlson, L.	Jaros	Miller	Quinn	Uphu
Carruthers	Jefferson	Morrison	Redalen	Valento
Clark	Jennings	Munger	Reding	Vellenga
Conway	Johnson, A.	Murphy	Rest	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rice	Waltman
Dauner	Johnson, V.	Nelson, K.	Richter	Weaver
Dawkins	Kahn	Neuenschwander	Rodosovich	Welle
Dempsey	Kalis	O'Connor	Rukavina	Wenzel
Dille	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Frederick	Knickerbocker	Olson, K.	Scheid	

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. Pappas 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. 1878, 1919, 2059, 2212, 984, 1836, 1891, 1913, 1928, 2012, 2063, 2076, 2143, 1981 and 2294 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

McEachern from the Committee on Education to which was referred:

H. F. No. 168, A bill for an act relating to education; requiring post-secondary education administrators and faculty members to take certain coursework; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 135A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [REPORT ON TRAINING OF POST-SECONDARY ADMINISTRATION AND FACULTY.]

Subdivision 1. [LEGISLATIVE INTENT.] The Minnesota legislature recommends that (1) post-secondary administrators have training in administrative skills relevant to their position in areas such as management, affirmative action, human relations, and contract negotiations; and (2) faculty have training in educational psychology, teaching methods, and advising students. Similar training is recommended for students preparing for post-secondary teaching or administrative careers.

Subd. 2. [REPORT.] Each post-secondary governing board shall examine its current programs that provide initial training and continuing education for its administrators and faculty to improve their administrative, teaching, and advising skills. The boards shall report to the education committees on their existing programs and their future plans by January 15, 1991."

Delete the title and insert:

"A bill for an act relating to education; recommending post-

secondary education administrators and faculty members take certain coursework."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 693, A bill for an act relating to animals; requiring landlords to allow elderly tenants to keep certain pets; proposing coding for new law in Minnesota Statutes, chapter 504.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [504.36] [PETS IN RENTAL HOUSING; DEPOSITS.]

A renter who is 55 years of age or older who resides alone in a unit of a building or alone in a building, and where the developer or owner of the building receives financial assistance or the renter receives a rent subsidy or other assistance which directly reduces or eliminates the rental payment, must be allowed by the landlord to keep at least one spayed or neutered dog or one spayed or neutered cat or two birds in the renter's unit. A renter under this section may not keep an animal that constitutes a threat to the health or safety of other individuals, causes substantial physical damage to the property of others, or causes a noise nuisance or noise disturbance to other renters. The landlord may require the renter to pay an additional damage deposit in an amount reasonable to cover damage likely to be caused by the animal. The deposit is refundable at any time the renter leaves the unit of housing to the extent it exceeds the amount of damage actually caused by the animal.

"Financial assistance" means assistance from federal, state, or local units of government that reduces the development, construction, borrowing, or operating costs of a building. Financial assistance includes, but is not limited to, loans, grants, interest subsidies, tax credits, property tax deferments or reductions, property acquisition writedowns, tax abatements, and interest cost savings from tax-exempt bonds or other securities issued by a unit of government on behalf of a person."

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. 1328, A bill for an act relating to water; mandating requirements on certain development; proposing coding for new law in Minnesota Statutes, chapter 110B.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 110B.04, subdivision 6, is amended to read:

Subd. 6. [SCOPE OF PLANS.] Comprehensive water plans must include:

(1) a description of the existing and expected changes to physical environment, land use, and development in the county;

(2) available information about the surface water, groundwater, and related land resources in the county, including existing and potential distribution, availability, quality, and use;

(3) objectives for future development, use, and conservation of water and related land resources, including objectives that concern water quality and quantity, and sensitive areas, wellhead protection areas, and related land use conditions, best management practices for water detention management that local units of government may apply, and a description of actions that will be taken in affected watersheds or groundwater systems to achieve the objectives;

(4) a description of potential changes in state programs, policies, and requirements considered important by the county to management of water resources in the county;

(5) a description of conflicts between the comprehensive water plan and existing plans of other local units of government;

(6) a description of possible conflicts between the comprehensive water plan and existing or proposed comprehensive water plans of other counties in the affected watershed units or groundwater systems;

(7) a program for implementation of the plan that is consistent with the plan's management objectives and includes schedules for amending official controls and water and related land resources plans of local units of government to conform with the comprehensive water plan, and the schedule, components, and expected state and local costs of any projects to implement the comprehensive water plan that may be proposed, although this does not mean that projects are required by this section; and

(8) a procedure for amending the comprehensive water plan.”

Page 1, line 6, delete “Section 1.” and insert “Sec. 2.” and delete “AND FILTRATION”

Page 1, after line 8, insert:

“(a) “Best management practices” has the same meaning as section 115.093, subdivision 3.”

Page 1, line 9, delete “(a)” and insert “(b)”

Page 1, line 14, delete “(b)” and insert “(c)”

Page 1, line 20, delete “No”

Page 1, line 22, delete everything after “surface” and insert “of one acre or more of land”

Page 1, line 23, after “may” insert “not” and delete “and filtration”

Page 1, line 24, delete “on” and insert “for”

Amend the title as follows:

Page 1, line 3, after the semicolon insert “amending Minnesota Statutes 1989 Supplement, section 110B.04, subdivision 6;”

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1555, A bill for an act relating to fees; providing for fees charged by county recorder; amending Minnesota Statutes 1988, section 357.18, subdivision 1.

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. 1730, A bill for an act relating to commerce; requiring seating furniture in public occupancies to meet flammability and labeling standards; proposing coding for new law in Minnesota Statutes, chapter 299F.

Reported the same back with the following amendments:

Page 1, line 19, after "furniture," insert "manufactured on or after January 1, 1992,"

Page 3, line 8, delete "Appendix A,"

Page 3, line 16, after the period insert "New"

Page 3, line 26, after "However," insert "new"

Page 4, after line 3, insert:

"Sec. 10. [EFFECTIVE DATE.]

This act is effective January 1, 1992."

With the recommendation that when so amended the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 1847, A bill for an act relating to health; requiring the licensing of wholesale drug distributors; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 151.06, subdivision 1; and 151.25; proposing coding for new law in Minnesota Statutes, chapter 151.

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. 1857, A bill for an act relating to transportation; providing greater restrictions on eligibility of debarred persons for certain public contracts; allowing regional development commissions to receive state financial assistance for public transit programs; increasing scope of interstate motor carrier registration agreements; amending Minnesota Statutes 1988, sections 161.315, subdivisions 2 and 3; 174.24, subdivision 2; 174.32, subdivision 3; Minnesota Statutes 1989 Supplement, section 221.601, subdivision 1.

Reported the same back with the following amendments:

Page 3, delete sections 3 and 4

Page 4, line 25, delete "5" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete line 5

Page 1, line 6, delete everything before "increasing"

Page 1, line 8, delete "sections" and insert "section"

Page 1, lines 9 and 10, delete "174.24, subdivision 2; 174.32, subdivision 3;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1877, A bill for an act relating to Hennepin county; permitting the issuance of obligations by the county board for a public safety building.

Reported the same back with the recommendation that 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. 1918, A bill for an act relating to the metropolitan waste control commission; providing for criminal and civil penalties for violations of pretreatment standards; proposing coding for new law in Minnesota Statutes, chapter 473.

Reported the same back with the following amendments:

Page 1, line 7, delete "PRETREATMENT" and after "ENFORCEMENT" insert "OF PRETREATMENT STANDARDS AND REQUIREMENTS"

Page 1, line 9, delete everything after "means" and insert "any discharge or action by a person"

Page 1, line 14, delete "A" and insert "Each"

Page 1, delete lines 18 to 20 and insert:

"Subd. 2. [CRIMINAL PENALTIES; DUTIES.] (a) Any person who commits a violation under subdivision 1 may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000, or both."

Page 2, after line 3, insert:

"Sec. 2. Laws 1971, chapter 478, section 17, subdivision 4, is amended to read:

Subd. 4. The board shall have the power to adopt rules and regulations relating to the board's responsibilities and may provide penalties for the violation thereof not exceeding the maximum which may be specified for a misdemeanor of imprisonment for not more than 90 days or the payment of a fine or civil penalty of not more than \$1,000, or both, for each violation. Any rule or regulation prescribing a penalty for violation shall be published at least once in a newspaper having general circulation in the district. Such violations may be prosecuted before any court in the district having jurisdiction of misdemeanors, and every such court shall have jurisdiction of such violations. Any constable or other peace officer of any municipality in the district may make arrests for such violations

committed anywhere in the district in like manner and with like effect as for violations of village ordinances or for statutory misdemeanors. All fines collected in such cases shall be deposited in the treasury of the board, or may be allocated between the board and the municipality in which such prosecution occurs on such basis as the board and the municipality agree."

Page 2, line 4, delete "2" and insert "3"

Page 2, after line 5, insert:

"Section 2 is effective only after its approval by the sanitary board of the Western Lake Superior Sanitary District, and upon compliance with Minnesota Statutes, section 645.021."

Amend the title as follows:

Page 1, line 2, delete "the metropolitan" and delete "control commission"

Page 1, line 4, after "standards" insert "and requirements in the metropolitan area and for violations in the Western Lake Superior Sanitary District" and after the semicolon insert "amending Laws 1971, chapter 478, section 17, 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. 1949, A bill for an act relating to the environment; changing certain requirements for municipal wastewater treatment grants; amending Minnesota Statutes 1988, sections 116.18, subdivision 3c; 446A.07, subdivision 2; and Minnesota Statutes 1989 Supplement, section 116.16, subdivisions 2 and 5.

Reported the same back with the following amendments:

Page 5, after line 23, insert:

"Sec. 5. Minnesota Statutes 1988, section 446A.12, subdivision 1, is amended to read:

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~~ \$300,000,000."

Amend the title as follows:

Page 1, line 5, after "and" insert "446A.12, 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.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 1958, A bill for an act relating to the capitol area; providing for a Roy Wilkins memorial in the capitol area; appropriating money.

Reported the same back with the following amendments:

Page 2, line 28, delete "\$300,000" and insert "\$"

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. 1989, A bill for an act relating to motor vehicles; allowing tax-exempt license plates for vehicles used for driver education programs at nonpublic high schools; amending Minnesota Statutes 1989 Supplement, section 168.012, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 19, after "used" insert "solely"

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. 2007, A bill for an act relating to environment and natural resources; amending provisions relating to water management organizations; providing legislative commission oversight of the metropolitan water management act; providing for appointment of metropolitan watershed district managers from residents within the district; authorizing management and financing of drainage systems under certain laws; exempting certain water planning and implementation costs in the metropolitan area from levy limits; clarifying water management purposes; authorizing counties to remove watershed district managers for just cause; authorizing a technical advisory committee; requiring watershed management organizations to prepare newsletters, annual reports, and audits; providing for preparation of watershed plans and implementation of plan; providing penalties for not implementing plans; authorizing and directing the board of water and soil resources to adopt rules; providing for appeal of plan failures; providing for requests for proposals for certain services; authorizing accumulation of levy proceeds; authorizing establishment of a special tax district in certain areas; requiring a draining system report; amending Minnesota Statutes 1988, sections 110B.28; 110B.30; 112.42, subdivision 3, and by adding a subdivision; 473.875; 473.876, by adding a subdivision; 473.877, subdivision 1; 473.878, subdivisions 1, 1a, 2, 3, 4, 8, and by adding subdivisions; 473.879, subdivision 2; 473.881; 473.882, subdivision 1; and 473.883, subdivisions 3 and 7; Minnesota Statutes 1989 Supplement, section 473.883, subdivision 6; Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 112 and 473.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Local Government and Metropolitan Affairs.

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2018, A bill for an act relating to newspapers; changing filing requirements for qualification as a legal newspaper.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 331A.02, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATION.] No newspaper in this state shall be entitled to any compensation or fee for publishing any public notice unless it is qualified as a medium of official and legal publication. A newspaper that is not qualified must inform a public body that presents a public notice for publication that it is not qualified. To be qualified as a medium of official and legal publication, a newspaper shall:

(a) be printed in the English language in newspaper format and in column and sheet form equivalent in printed space to at least 1,000 square inches;

(b) if a daily, be distributed at least five days each week, or if not a daily, be distributed at least once each week, for 50 weeks each year. In any week in which a legal holiday is included, not more than four issues of a daily paper are necessary;

(c) in at least half of its issues each year, have no more than 75 percent of its printed space comprised of advertising material and paid public notices. In all of its issues each year, have 25 percent, if published more often than weekly, or 50 percent, if weekly, of its news columns devoted to news of local interest to the community which it purports to serve. Not more than 25 percent of its total nonadvertising column inches in any issue may wholly duplicate any other publication unless the duplicated material is from recognized general news services;

(d) be circulated in the local public corporation which it purports to serve, and either have at least 500 copies regularly delivered to paying subscribers, or have at least 500 copies regularly distributed without charge to local residents;

(e) have its known office of issue established in either the county in which lies, in whole or in part, the local public corporation which the newspaper purports to serve, or in an adjoining county;

(f) file a copy of each issue immediately with the state historical society;

(g) be made available at single or subscription prices to any person, corporation, partnership, or other unincorporated association requesting the newspaper and making the applicable payment, or be distributed without charge to local residents;

(h) have complied with all the foregoing conditions of this subdivision for at least one year immediately preceding the date of the notice publication;

(i) the newspaper must between October 1 and December 31 of each year publish and submit to the secretary of state, along with a filing fee of \$25, a sworn United States Post Office second-class statement of ownership and circulation or a statement of ownership and circulation verified by a recognized independent circulation auditing agency covering a period of not less than one year ending no earlier than the June 30 preceding the filing deadline;

(j) a filing published and submitted after December 31 and before July 1 shall be effective from the date of filing through December 31 of that year."

Amend the title as follows:

Page 1, line 3, after "newspaper" insert "; amending Minnesota Statutes 1988, section 331A.02, subdivision 1"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

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

H. F. No. 2021, A bill for an act relating to health; requiring a surcharge fee for hearing instrument sellers; requiring permit systems and ethical codes for occupations regulated by a health-related board; allowing cease and desist orders against a person violating occupation regulations; requiring positive results from a toxicology test of a pregnant woman or infant to be recorded on the birth certificate or fetal death report; amending Minnesota Statutes 1988, sections 214.001, subdivision 3; and 214.11; Minnesota Statutes 1989 Supplement, sections 144.698, subdivision 1; 214.06, subdivision 1; and 626.5562, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 153A.

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

The report was adopted.

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

H. F. No. 2050, A bill for an act relating to human services; authorizing the lease of property to provide state-operated, community-based programs; proposing coding for new law in Minnesota Statutes, chapter 245.

Reported the same back with the following amendments:

Page 1, delete lines 9 to 17, and insert:

“Notwithstanding section 16B.24, subdivision 6, paragraph (a), or any other law to the contrary, the commissioner of administration may lease land or other premises to provide state-operated, community-based programs authorized by sections 252.50, 253.018, and 253.28 for a term of 20 years or less, with a ten year option to renew, subject to cancellation upon 30 days’ notice by the state for any reason, except rental of other land or premises for the same use. The commissioner of administration may lease land or premises to provide state-operated, community-based programs authorized by sections 252.50, 253.018, and 253.28 for no more than 30 years.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2062, A bill for an act relating to public employment; limiting the exclusion of graduate assistants from coverage under the public employment labor relations act; amending Minnesota Statutes 1988, section 179A.03, subdivision 14.

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. 2131, A bill for an act relating to crimes; prohibiting wild land arson fires; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Subdivision 1. [DEFINITION.] "Wildfire" means a fire which is intentionally set and allowed to burn out of control on the land of another containing timber, underbrush, grass, or other vegetative combustible material."

Renumber the remaining subdivisions in sequence

Page 1, line 9, after "landowner" insert "with intent to let it burn uncontrolled as a wildfire"

Page 1, line 11, delete "4" and insert "5"

Page 1, line 15, after "fire" insert "with intent to let it burn uncontrolled as a wildfire"

Page 2, line 2, delete "5" and insert "6"

Page 2, line 7, delete "1" and insert "2" and delete "2" and insert "3"

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

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2135, A bill for an act relating to Anoka county; authorizing the sale or exchange of certain land.

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

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2162, A bill for an act relating to the operation of state government; changing certain procedures and limits for contracts with the state; establishing an advisory task force; authorizing reimbursement of certain expenses; changing certain vehicle marking and color provisions; clarifying certain transfer authority; protecting governments that purchase certain insurance; amending Minnesota Statutes 1988, sections 3.736, subdivision 8; 16B.07, subdivision 3; 16B.09, by adding a subdivision; 16B.17, subdivision 3; 16B.41, subdivision 4; 16B.58, subdivision 7; 16B.85, subdivision 5; and 466.06; and Minnesota Statutes 1989 Supplement, sections 16B.54, subdivision 2; and 40.46, subdivision 1.

Reported the same back with the following amendments:

Page 3, after line 21, insert:

"Sec. 5. Minnesota Statutes 1988, section 16B.17, subdivision 4, is amended to read:

Subd. 4. [REPORTS.] ~~After completion of performance under a consultant or professional and technical services contract, the agency shall evaluate the performance under the contract and the utility of the final product. This evaluation must be delivered to the commissioner, who shall retain all the evaluations for future reference. The commissioner shall submit to the governor and the legislature a monthly listing of all contracts for consultant services and for professional and technical services executed or disapproved in the preceding month. The report must identify the parties and the contract amount, duration, and tasks to be performed. The commissioner shall also issue quarterly reports summarizing the contract review activities of the department during the preceding quarter.~~

Sec. 6. Minnesota Statutes 1988, section 16B.24, subdivision 10, is amended to read:

Subd. 10. [CHILD CARE SERVICES/WORK-PLACE SCHOOL SPACE.] ~~For state office space that is leased, purchased, or substantially remodeled after August 1, 1988, the commissioner shall consider including space usable for child care services or for a work-place school. Child care Space must be included if the commissioner determines that it is needed and that it could be provided at reasonable cost. The commissioner may prepare a day care site sites as a common usage space for the capitol complex.~~

Sec. 7. Minnesota Statutes 1989 Supplement, section 16B.28, subdivision 3, is amended to read:

Subd. 3. [REVOLVING FUND.] (a) [CREATION.] The materials distribution revolving fund is a separate fund 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, and 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 471.59 must be deposited in the fund. Money paid into the materials distribution revolving fund is appropriated to the commissioner for the purposes of the programs and services referred to in this section.

(b) [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 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.

(c) [TRANSFER OR SALE TO OTHER 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 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 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."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, delete "subdivision 3" and insert "subdivisions 3 and 4; 16B.24, subdivision 10"

Page 1, line 14, after "sections" insert "16B.28, subdivision 3;"

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. 2198, A bill for an act relating to the environment; providing assistance to eligible recipients on methods to prevent toxic pollution; providing financial assistance to research and demonstrate alternative means to prevent toxic pollution; requiring facilities to develop plans to prevent toxic pollution; providing penalties; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 115D.

Reported the same back with the following amendments:

Page 2, after line 2, insert:

“Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 14.”

Page 2, line 3, delete “Subdivision 1.” and insert “Subd. 2.”

Page 2, line 5, delete “2” and insert “3”

Page 2, line 7, delete “3” and insert “4”

Page 2, line 9, delete “4” and insert “5”

Page 2, line 12, delete “5” and insert “6”

Page 2, line 18, delete “6” and insert “7”

Page 2, line 20, delete “7” and insert “8”

Page 2, line 24, delete “8” and insert “9”

Page 2, line 34, delete “Subd. 9.” and insert “Subd. 10.”

Page 2, line 36, delete “10” and insert “11”

Pages 8 and 9, delete section 11

Page 8, line 18, before “legislature” insert “environment and natural resources committees of the”

Page 10, line 1, before "legislature" insert "environment and natural resources committees of the"

Page 10, line 6, delete everything after the period

Page 10, delete lines 7 to 9

Page 10, line 12, before "legislature" insert "environment and natural resources committees of the"

Page 10, line 20, delete everything after the period

Page 10, delete lines 21 to 23

Renumber the sections in sequence

Correct internal references

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 Governmental Operations to which was referred:

H. F. No. 2199, A bill for an act relating to retirement; making a variety of technical changes in the laws governing benefits and administration of various statewide and local public pension plans; amending Minnesota Statutes 1988, sections 3A.03, subdivision 2; 352.73, by adding a subdivision; 352B.11, subdivision 4; 352C.09, subdivision 2; 352D.05, subdivision 3; 354.05, subdivision 13; 354.07, subdivision 4; 354.146, subdivision 1; 354.42, subdivisions 2 and 3; 354.46, subdivision 1; 354.52, subdivision 2; 354.55, subdivision 19; 356.302, subdivisions 3 and 4; Minnesota Statutes 1989 Supplement, sections 352.01, subdivision 25; 352.031, subdivisions 2, 3, and by adding a subdivision; 352.115, subdivision 3; 352.116, subdivisions 1, 1a, and by adding a subdivision; 352.93, subdivisions 2a and 3; 352B.08, subdivisions 2a and 3; 352B.11, subdivision 2; 353.01, subdivision 37; 353.29, subdivision 3; 353.30; 353.651, subdivision 4; 354.05, subdivision 38; 354.071, subdivisions 2, 3, and by adding a subdivision; 354.44, subdivision 6; 354.45, subdivision 1a; 354.46, subdivision 2; 354.47, subdivision 1; 354.48, subdivision 3; 354.49, subdivisions 2 and 3; 354.50, subdivision 5; 354.55, subdivision 11; 354.65; 354.66, subdivision 2; 354A.011, subdivision 15a; 354A.31, subdivisions 4, 6, and 7; 354A.32, subdivisions 1 and 1a; 354B.02, subdivisions 2 and 3; 354B.03, subdivisions 1 and 3; 356.371, subdivision 3; 356.86, subdivisions 2, 5, and 6; Laws 1989,

chapter 319, article 19, section 7, subdivision 4; repealing Minnesota Statutes 1988, sections 11A.19, subdivisions 1 to 8; 354.05, subdivisions 23, 24, 33, and 34; 354.146, subdivision 2; and 354.62, subdivisions 1, 3, 4, 5, and 6; Minnesota Statutes 1989 Supplement, sections 11A.19, subdivision 9; 353.87, subdivision 5; 354.44, subdivision 7; and 354.62, subdivisions 2 and 7.

Reported the same back with the following amendments:

Page 35, after line 16, insert:

"Sec. 47. Minnesota Statutes 1989 Supplement, section 354A.095, is amended to read:

354A.095 [MATERNITY LEAVE.]

A Basic or coordinated ~~member~~ members of the St. Paul teachers retirement fund association and ~~old~~ or new coordinated members of the Duluth teachers retirement fund association, who are granted parental or maternity leave of absence by the employing authority, are entitled to obtain service credit not to exceed one year for the period of leave upon payment to the applicable fund by the end of the fiscal year following the fiscal year in which the leave of absence terminated. The amount of the payment must include the total required employee and employer contributions for the period of leave prescribed in section 354A.12. Payment must be based on the member's average monthly salary upon return to teaching service, and is payable without interest. Payment must be accompanied by a certified or otherwise adequate copy of the resolution or action of the employing authority granting or approving the leave."

Page 44, after line 8, insert:

"Sec. 61. Minnesota Statutes 1989 Supplement, section 356.86, subdivision 4, is amended to read:

Subd. 4. [OPTIONAL BENEFIT POSTRETIREMENT ADJUSTMENT PAYMENT SCHEDULE.] Basic plan annuity or benefit recipients receiving adjustments under subdivision 2, paragraph (c), clause (2), and whose adjustment exceeds 20 percent of their Minnesota plan annuity or benefit may elect to have the amount of the benefit adjustment paid in equal monthly amounts instead of receiving a benefit adjustment lump sum payment on December 1 of each year, 1989. Selection of this option must be made by the recipient in writing on forms prepared by the retirement association. This option may be revoked by the recipient in writing prior to November 1 preceding the December 1 lump sum distribution. Upon the death of the annuity or benefit recipient, any remaining unpaid monthly amounts shall be paid to the surviving spouse, or if no

spouse survives, to the annuity or benefit recipient's beneficiary or estate."

Renumber the sections in sequence.

Correct internal references.

Amend the title as follows:

Page 1, line 26, after the second semicolon insert "354A.095;"

Page 1, line 30, after the first comma insert "4,"

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. 2383, A bill for an act relating to education; providing for the environmental education act; creating the office of environmental education; proposing coding for new law as Minnesota Statutes, chapter 126A; repealing Minnesota Statutes 1988, sections 116E.01; 116E.02; 116E.03, subdivisions 2, 3, 4, 5, 6, 7, 7a, 8, and 9; and 116E.04; Minnesota Statutes 1989 Supplement, sections 116E.03, subdivision 1; and 116E.035.

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

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2393, A bill for an act relating to consumer protection; regulating automatic garage door systems in residential buildings; providing standards; prescribing a penalty; amending Minnesota Statutes 1989 Supplement, section 16B.61, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the following amendments:

Page 3, line 28, delete everything after the first comma

Page 3, line 29, delete everything before the period and insert "designed or used for the storage, repair, or keeping of a motor vehicle"

Page 4, line 12, after "of" insert "ANSI" and after the period insert "in effect on January 1, 1991."

Page 4, after line 26, insert:

"Subd. 6. [REMEDIES AND PENALTIES.] A person who is found to have violated this section is subject to the penalties and remedies, including a private right of action, as provided in section 8.31."

Renumber the remaining subdivisions

Amend the title as follows:

Page 1, line 4, delete "prescribing a penalty" and insert "providing penalties and remedies"

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. 2404, A bill for an act relating to human services; establishing requirements, procedures, and incentives for child support and medical support enforcement; appropriating money; amending Minnesota Statutes 1988, sections 171.07, subdivision 1a; 518.551, subdivisions 1 and 5; 518.611, subdivisions 1, 2, 8, 8a, and by adding a subdivision; 518C.02, by adding subdivisions; 518C.03; 518C.05; 518C.09; 518C.12; 518C.27, subdivision 1; and Minnesota Statutes 1989 Supplement, sections 256.74, subdivision 1; 518.551, subdivision 10; 518.611, subdivision 4; 518.613, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 256.

Reported the same back with the following amendments:

Page 9, line 10, delete "expense reimbursement or"

Page 12, line 32, delete "; the account numbers and the"

Page 12, delete line 33

Page 12, line 34, delete "a holder;"

Page 16, line 34, delete everything after "birth"

Page 16, delete line 35

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.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

S. F. No. 1087, A bill for an act relating to landlord and tenant relations; providing standing for certain associations to bring an action for tenant remedies; providing for actions against certain unoccupied buildings; amending Minnesota Statutes 1988, sections 504.23; 566.18, subdivision 7, and by adding a subdivision; 566.19; 566.20, subdivision 1; 566.25; 566.28; and 566.29, subdivisions 1, 3, and 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 504.23, is amended to read:

504.23 [CODE VIOLATIONS, DISCLOSURE.]

All code violation records pertaining to a particular parcel of real property and the buildings, improvements and dwelling units located thereon kept by any state, county or city agency charged by the governing body of the appropriate political subdivision with the responsibility for enforcing a state, county or city health, housing, building, fire prevention or housing maintenance code shall be available to all persons having a reasonable need for the information contained in the records relating to the premises, at reasonable times and upon reasonable notice to the custodian of the records, for inspection, examination, abstracting or copying at the expense of the person obtaining the information. The persons to whom the records shall be available under this section include but are not limited to the following persons and their representatives:

(a) any person having any legal or beneficial interest in the premises, including a tenant;

(b) any person considering in good faith the lease or purchase of the premises; and

(c) any person authorized to request an inspection under section 566.19; and

(d) a party to any action related to the premises, including actions maintained pursuant to sections 504.18 and 566.18 to 566.33.

Sec. 2. Minnesota Statutes 1988, section 566.18, subdivision 7, is amended to read:

Subd. 7. [BUILDING.] "Building" means:

(a) any building used in whole or in part as a dwelling, including single family homes, multiple family units such as apartments, and structures containing both dwelling units and units used for non-dwelling purposes, and also includes a manufactured home park, or

(b) any unoccupied building which was previously used in whole or in part as a dwelling and which constitutes a nuisance under section 561.01.

Sec. 3. Minnesota Statutes 1988, section 566.18, is amended by adding a subdivision to read:

Subd. 9. [NEIGHBORHOOD ORGANIZATION.] "Neighborhood organization" means a nonprofit corporation incorporated under chapter 317 that satisfies clauses (1) and (2).

The corporation shall:

(1) designate in its articles of incorporation or bylaws a specific geographic community to which its activities are limited; and

(2) be formed for the purposes of promoting community safety, crime prevention, and housing quality in a nondiscriminatory manner.

For purposes of this chapter, an action taken by a neighborhood organization with the written permission of a tenant means, with respect to a building with multiple dwelling units, an action taken by the neighborhood organization with the written permission of the tenants of a majority of the units.

Sec. 4. Minnesota Statutes 1988, section 566.19, is amended to read:

566.19 [INSPECTION, NOTICE.]

Subdivision 1. Upon demand by a tenant, neighborhood organization with the written permission of a tenant or, if a building is unoccupied, by a neighborhood organization, an inspection shall be

made by the local authority charged with enforcing the code claimed to be violated.

Subd. 2. After an inspection of a building has been made upon demand by a tenant or neighborhood organization with the written permission of a tenant, the owner or the owner's agent and the complaining tenant or neighborhood organization shall be informed in writing by the inspector of any code violations discovered and a reasonable period of time shall be allowed in which to correct the violations.

Subd. 3. Where an inspection has been made, no action shall be brought pursuant to sections 566.18 to 566.33 except on expiration of the time thus granted without satisfactory repairs being accomplished to remove the code violations unless the tenant or neighborhood organization with the written permission of a tenant shall allege the time is excessive.

Subd. 4. No action may be commenced pursuant to sections 566.18 to 566.33 by a tenant of a building in which a violation as defined in section 566.18, subdivision 6, clauses (b) or (c), is alleged to exist or by a neighborhood organization with the written permission of a tenant of a building in which a violation as defined in section 566.18, subdivision 6, clause (b), is alleged to exist unless the owner is informed in writing of the alleged violation at least 14 days prior to the commencement of the action. The notice requirement may be waived upon a finding by the court that the owner cannot be located despite diligent efforts.

Sec. 5. Minnesota Statutes 1988, section 566.20, subdivision 1, is amended to read:

Subdivision 1. An action may be brought in county district court, or municipal court in the counties of Hennepin, Ramsey or St. Louis, by any tenant of a building in which a violation, as defined in section 566.18, subdivision 6, is alleged to exist, or by any neighborhood organization with the written permission of a tenant of a building in which a violation, as defined in section 566.18, subdivision 6, clause (a) or (b), is alleged to exist, or by a neighborhood organization that has within its geographical area an unoccupied building in which a violation, as defined in section 566.18, subdivision 6, clause (a) or (b), is alleged to exist, or state, county or local department, or authority, charged with the enforcement of codes relating to health, housing, or building maintenance.

Sec. 6. Minnesota Statutes 1988, section 566.25, is amended to read:

566.25 [JUDGMENT.]

Upon finding the complaint proved, the court may, in its discretion, do any or all of the following, either alone or in combination:

(a) Order the owner to remedy the violation or violations found by the court to exist if the court is satisfied that corrective action will be undertaken promptly; or

(b) Order the tenant to remedy the violation or violations found by the court to exist and deduct the cost from the rent subject to the terms as the court determines to be just; or

(c) Appoint an administrator with powers as set out in section 566.29, and

(1) direct that rents due:

(i) on and from the day of entry of judgment, in the case of petitioning tenants or neighborhood organizations, and

(ii) on and from the day of service of the judgment on all other tenants and commercial tenants of the building, if any, shall be deposited with the administrator appointed by the court, and

(2) direct that the administrator use the rents collected for the purpose of remedying the violations found to exist by the court paying the debt service, taxes and insurance, and providing the services necessary to the ordinary operation and maintenance of the building which the owner is obligated to provide but fails or refuses to provide; or

(d) Find the extent to which any uncorrected violations impair the tenants' use and enjoyment of the premises contracted for and order the rent abated accordingly. Should the court choose to enter judgment under this paragraph the parties shall be informed and the court shall find the amount by which the rent shall be abated; and

(e) After termination of administration, continue the jurisdiction of the court over the building for a period of one year and order the owner to maintain the building in compliance with all applicable state, county, and city health, safety, housing, building, fire prevention, and housing maintenance codes; and

(e) (f) Grant any other relief the court deems just and proper, including a judgment against the owner for reasonable attorney fees, not to exceed \$500, in the case of a prevailing tenant or neighborhood organization. The \$500 limitation does not apply to awards made under section 549.21 or other specific statutory authority.

Sec. 7. Minnesota Statutes 1988, section 566.28, is amended to read:

566.28 [EVICITION PROCEEDINGS BY OWNER LIMITED.]

A tenant may not be evicted, nor may the tenant's obligations under a rental agreement be increased nor the services decreased, if the eviction or increase of obligations or decrease of services is intended as a penalty for the tenant's or neighborhood organization's complaint of a violation. The burden of proving otherwise shall be on the owner if said eviction or increase of obligations or decrease of services occurs within 90 days after the filing of the complaint, unless it is found that the complaint was not made in good faith. After 90 days the burden of proof shall be on the tenant.

Sec. 8. Minnesota Statutes 1989 Supplement, section 566.29, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATOR.] The administrator may be a person, local government unit or agency, other than an owner of the building, the inspector, the complaining tenant or any person living in the complaining tenant's dwelling unit. If a state or court agency is authorized by statute, ordinance or regulation to provide persons or neighborhood organizations to act as administrators under this section, the court may appoint such persons or neighborhood organizations as administrators to the extent they are available.

Sec. 9. Minnesota Statutes 1988, section 566.29, subdivision 3, is amended to read:

Subd. 3. The court may allow a reasonable amount for the services of administrators, and the expense of the administration from any rent moneys, or upon termination of administration, may enter judgment against the owner in a reasonable amount for the services and expenses incurred by the administrator.

Sec. 10. Minnesota Statutes 1989 Supplement, section 566.29, subdivision 4, is amended to read:

Subd. 4. [POWERS.] The administrator is authorized to:

(a) Collect rents from tenants and commercial tenants, evict tenants and commercial tenants for nonpayment of rent or other cause, ~~rent enter into leases for vacant dwelling units on a month to month basis, rent vacant commercial units with the consent of the owner and exercise all other powers necessary and appropriate to carry out the purposes of Laws 1973, chapter 611;~~

(b) Contract for the reasonable cost of materials, labor and services necessary to remedy the violation or violations found by the

court to exist and for the rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and make disbursements for payment therefor from funds available for the purpose;

(c) Provide any services to the tenants which the owner is obligated to provide but refuses or fails to provide, and pay for them from funds available for the purpose;

(d) Petition the court, after notice to the parties, for an order allowing the administrator to encumber the premise to secure funds to the extent necessary to cover the cost of materials, labor, and services, including reasonable fees for the administrator's services, necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and to pay for them from funds derived from the encumbrance; and

(e) Petition the court, after notice to the parties, for an order allowing the administrator to receive funds made available for this purpose by the municipality to the extent necessary to cover the cost of materials, labor, and services necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and pay for them from funds derived from the municipal sources. The municipality shall recover disbursements by special assessment on the real estate affected, bearing interest at the rate determined by the municipality, not exceeding the rate established for finance charges for open-end credit sales under section 334.16, subdivision 1, clause (b), with the assessment, interest and any penalties to be collected the same as special assessments made for other purposes under state statute or municipal charter."

Delete the title and insert:

"A bill for an act relating to landlord and tenant relations; providing standing for certain associations to bring an action for tenant remedies; providing for actions against certain unoccupied buildings; amending Minnesota Statutes 1988, sections 504.23; 566.18, subdivision 7, and by adding a subdivision; 566.19; 566.20, subdivision 1; 566.25; 566.28; and 566.29, subdivision 3; Minnesota Statutes 1989 Supplement, section 566.29, subdivisions 1 and 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 168, 693, 1328, 1555, 1730, 1857, 1918, 1989, 2018, 2050, 2062, 2135, 2162, 2199 and 2393 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1087 was read for the second time.

**REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION**

Long, for the Committee on Rules and Legislative Administration, offered the following report and moved its adoption:

Resolved, that the Permanent Rules of the House of Representatives for the 76th Session as adopted on February 2, 1989, and as amended on March 20, 1989, be further amended to read 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 or division (other than a bill in Appropriations) no report has been made upon it by the committee or division, 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 or division shall have ten calendar days thereafter in which to vote upon the bill requested. If the committee or division 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 end 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 12, 1989~~ Monday, March 26, 1990, 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 24, 1989.

In an even-numbered year, notice of intention to move reconsideration shall not be in order after Thursday, March 22, 1990.

(3) Rule 5.8 is amended to read:

5.8 BILLS AFFECTING STATE GOVERNMENT POWERS AND STRUCTURE. Any bill, whether originating in the House or the Senate, which creates or reestablishes any new department, agency, commission, board, task force, advisory committee or council, or bureau, or any other such entity, or which substantially changes or alters the organization of or delegates emergency rulemaking authority to or exempts from rulemaking any department or agency thereof of state government, or substantially changes, alters, vests or divests official rights, powers, or duties of any official, department or agency of the state government or any institution under its control, after being reported to the House, shall be referred, or re-referred, as the

case may be, to the Committee on Governmental Operations for action by that committee. Any committee other than the Committee on Governmental Operations to which such bill is referred shall, in its report, recommend re-referral to the Committee on Governmental Operations.

(4) 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. No later than April 6, 1989 March 19, 1990, 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; 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 Chair of the Committee on Ways and Means or a designee of the Chair 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 Chair of the Committee on Ways and Means or a designee of the Chair.

(5) 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 15, 1989, and in an even-numbered year except after March 28, 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.

(6) 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 14, 1989, and committee reports on bills originating in the other house favorably acted upon by a committee after Wednesday, April 26, 1989, shall be referred in the House of Representatives to the Committee on Rules and Legislative Administration for disposition. In even-numbered years, committee reports on bills favorably acted upon by a committee of the house of origin after Friday, March 9, and committee reports on bills originating in the other house favorably acted upon by a committee after Friday, March 16, 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 Bills in the House Committees on Appropriations and on Taxes, and to the education finance bill in the Committee on Education, are exempt from this rule and need not be re-referred, except as follows: a bill other than an omnibus tax or

appropriation bill that includes provisions that create or reestablish a commission, board, task force, advisory committee or council, or other entity, shall be re-referred to the Committee on Rules and Legislative Administration if it remains in committee after the deadlines set by this rule.

(7) Insert a new article and rule as follows:

ARTICLE X - ETHICS

10.1 SOLICITATIONS DURING LEGISLATIVE SESSION. After March 10, 1990, no member of the House, nor the member's principal campaign committee, nor any other political committee with the member's name or title, nor any committee authorized by the member which would benefit the member, shall solicit or accept a contribution on behalf of the member's principal campaign committee, any other political committee with the member's name or title, or any political committee authorized by the member which would benefit the member, from a registered lobbyist, political committee, or political fund during the regular session of the House.

10.2 ACCEPTANCE OF AN HONORARIUM BY A MEMBER. No member may accept an honorarium for any service performed for an individual or organization which has a direct interest in the business of the House, including, but not limited to, registered lobbyists or any organizations they represent. The term "honorarium" does not include reimbursement for expenses incurred and actually paid by a member in performing any service.

Alleged violations of this rule shall be referred to the Committee on Ethics under Rule 6.10. Upon finding that an honorarium was accepted in violation of this rule, the Committee on Ethics shall direct the return of the funds. If the funds are not returned, the committee may recommend disciplinary action under Rule 6.10.

Long moved to amend the report from the Committee on Rules and Legislative Administration, as follows:

Page 3, line 13, before "any" insert "Prior to the deadline set by Rule 9.3,"

Page 3, line 16, after the period insert "After the deadline set by Rule 9.3, a report shall recommend re-referral to the Committee on Rules and Legislative Administration."

Page 3, after line 16, insert:

“This rule does not apply to the omnibus bill on taxation, the education finance bill, or the omnibus appropriations bills for: state departments; health and human services; education; or agriculture, transportation, and semi-state activities. But, if those bills contain provisions that would create or reestablish a commission, board, task force, advisory committee or council, or other such entity, then the chair of the Committee on Taxes, the chair of the Committee on Education, or the chair of a division of the Committee on Appropriations, as appropriate, must communicate the inclusion of the provision to the chair of the Committee on Rules and Legislative Administration prior to consideration of the matter on the floor.”

All other bills in the House Committees on Appropriations and on Taxes are also exempt from this rule except for bills to create or reestablish a commission, board, task force, advisory committee or council, or other such entity. Prior to the deadline set by Rule 9.3, those bills shall be re-referred to the Committee on Governmental Operations. After that deadline, the bills shall be re-referred to the Committee on Rules and Legislative Administration.”

Page 5, line 28, to page 6, line 1, restore the old language and delete the new language

The motion prevailed and the amendment was adopted.

The question recurred on the Long motion that the report of the Committee on Rules and Legislative Administration, as amended, be now adopted and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Jacobs	Lynch	Olson, K.
Anderson, G.	Dawkins	Janezich	Macklin	Omann
Anderson, R.	Dempsey	Jaros	Marsh	Onnen
Battaglia	Dille	Jefferson	McDonald	Orenstein
Bauerly	Dorn	Jennings	McEachern	Osthoff
Beard	Forsythe	Johnson, A.	McGuire	Ostrom
Begich	Frederick	Johnson, R.	McLaughlin	Otis
Bennett	Frerichs	Johnson, V.	McPherson	Ozment
Bertram	Girard	Kahn	Milbert	Pappas
Bishop	Greenfield	Kalis	Miller	Pauly
Blatz	Gruenes	Kelly	Morrison	Pellow
Boo	Gutknecht	Kelso	Munger	Pelowski
Brown	Hartle	Kinkel	Murphy	Peterson
Burger	Hasskamp	Knickerbocker	Nelson, C.	Poppenhagen
Carlson, D.	Haukoos	Kostohryz	Nelson, K.	Price
Carlson, L.	Hausman	Krueger	Neuenschwander	Pugh
Carruthers	Heap	Lasley	O'Connor	Quinn
Clark	Henry	Lieder	Ogren	Redalen
Conway	Himle	Limmer	Olsen, S.	Reding
Cooper	Hugoson	Long	Olsen, E.	Rest

Rice	Scheid	Sparby	Trimble	Weaver
Richter	Schreiber	Stanius	Tunheim	Welle
Rodosovich	Seaberg	Steensma	Uphus	Wenzel
Rukavina	Segal	Sviggum	Valento	Williams
Runbeck	Simoneau	Swenson	Vellenga	Winter
Sarna	Skoglund	Tjornhom	Wagenius	Spk. Vanasek
Schafer	Solberg	Tompkins	Waltman	

The motion prevailed and the amendment to the Permanent Rules of the House for the 76th Session, as amended, was adopted.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Pauly, Schreiber, Henry, Scheid and Forsythe introduced:

H. F. No. 2526, A resolution memorializing the Congress of the United States to approve H. Con. Res. 173, in support of making birth control and fertility research and development a national priority.

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

Tunheim, Bertram, Bauerly and Steensma introduced:

H. F. No. 2527, A bill for an act relating to state government; regulating hospital and medical benefits for employees and other eligible persons; allowing non-network providers to participate in the plan of coverage; amending Minnesota Statutes 1988, section 43A.23, subdivision 2.

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

Tunheim introduced:

H. F. No. 2528, A bill for an act relating to telephone services; requiring local location identification data bases for 911 systems; classifying data provided for data bases; amending Minnesota Statutes 1988, sections 403.02, by adding a subdivision; and 403.07, by adding subdivisions; Minnesota Statutes 1989 Supplement, section 403.11, subdivision 1.

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

Tunheim introduced:

H. F. No. 2529, A bill for an act relating to natural resources; appropriating money for floodwater retention on the Red Lake River; authorizing the sale of state bonds.

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

Pugh and Kelly introduced:

H. F. No. 2530, A bill for an act relating to courts; conciliation court; permitting collection of conciliation court judgments under the revenue recapture act; permitting certain levies on homestead proceeds; amending Minnesota Statutes 1988, sections 270A.03, subdivisions 2, 4, and 5; 270A.04, subdivision 3; 270A.07, subdivision 2; and 510.07; Minnesota Statutes 1989 Supplement, section 270A.11.

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

Omann and Wenzel introduced:

H. F. No. 2531, A bill for an act relating to agriculture; providing drought relief to Minnesota farmers and small businesses; appropriating money.

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

Carlson, D., introduced:

H. F. No. 2532, A bill for an act relating to environment and natural resources; authority for regional park land acquisition; repealing Laws 1988, chapter 686, article 1, section 26.

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

Carlson, D.; Sarna; Battaglia; Solberg and Stanius introduced:

H. F. No. 2533, A bill for an act relating to finance; rolling back game and fish license increases; reversing transfers and appropriations made from the game and fish fund to the general fund; appropriating money; amending Minnesota Statutes 1989 Supplement, sections 97A.165 and 97A.475, subdivisions 2, 3, 6, 7, 8, 11 to

21, and 23 to 42; amending Laws 1989, chapter 335, article 1, sections 1 and 21, subdivisions 1, 6, and 11; and article 4, section 106, subdivision 3.

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

Otis, Pelowski, Krueger, Dauner and Frerichs introduced:

H. F. No. 2534, A bill for an act relating to economic development; clarifying the appointing authority for the board of the Minnesota Project Outreach Corporation; requiring duties of the Minnesota Project Outreach Corporation; requiring notification under the capital access program; removing the requirement that employees of the Greater Minnesota Corporation file statements of economic interest; amending Minnesota Statutes 1989 Supplement, sections 116J.691, subdivisions 2 and 4; 116J.8766, by adding a subdivision; and 116O.03, subdivision 11.

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

Bertram; Carlson, D.; Carruthers and Simoneau introduced:

H. F. No. 2535, A bill for an act relating to recreational vehicles; regulating registration and operation of off-road motorcycles; setting fees and penalties; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1988, sections 84.91; 84.911; and 85.018, subdivisions 2, 3, and 5; Minnesota Statutes 1989 Supplement, sections 171.03; and 466.03, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 84.

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

Redalen and Munger introduced:

H. F. No. 2536, A bill for an act relating to natural resources; authorizing a matching grant for the development of demonstration forest facilities at the forest resource center, Lanesboro; appropriating money.

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

Girard, Steensma, Richter and Wenzel introduced:

H. F. No. 2537, A bill for an act relating to agriculture; providing compensation for honeybee colonies damaged or destroyed during a program of grasshopper control; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 3.

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

Jaros, Hasskamp, Bauerly, McGuire and Dauner introduced:

H. F. No. 2538, A bill for an act relating to taxation; income; modifying the subtraction for the elderly for federal retirees; amending Minnesota Statutes 1989 Supplement, section 290.0802, subdivision 2; Minnesota Statutes Second 1989 Supplement, section 290.0802, subdivision 1.

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

Bauerly introduced:

H. F. No. 2539, A bill for an act relating to education; providing for aid for courses with independent study when pupils complete the specified hours; making adult high school graduation aid conform to aid for other secondary pupils; amending Minnesota Statutes 1988, section 124.261; Minnesota Statutes 1989 Supplement, section 124.19, subdivision 7.

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

Olson, K.; Ostrom; Wenzel and McEachern introduced:

H. F. No. 2540, A bill for an act relating to education; restricting certain reductions in special education funds; exempting educational cooperative service unit self-insurance pools from certain requirements; amending Minnesota Statutes 1988, section 471.982, subdivision 3; Minnesota Statutes 1989 Supplement, section 124.90, subdivision 2.

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

Beard, Begich, Omann and Uphus introduced:

H. F. No. 2541, A bill for an act relating to unemployment compensation; making various technical changes; regulating eligibility of conservation corps members and entertainers; increasing the income disregard; regulating eligibility for persons receiving holiday pay; regulating administrative hearings; providing for data sharing; appropriating certain federal money; amending Minnesota Statutes 1988, sections 268.08, subdivision 3; 268.10, subdivision 9; and 268.12, subdivision 13; Minnesota Statutes 1989 Supplement, sections 84.965, subdivision 2; 84.98, subdivision 5; 268.04, subdivision 12; 268.07, subdivision 2; 268.12, subdivision 12; 270B.14, subdivisions 2 and 8; and 290.92, subdivision 21.

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

McDonald, Limmer and Redalen introduced:

H. F. No. 2542, A bill for an act relating to horse racing; assigning racing days to more than one breed; amending Minnesota Statutes 1988, section 240.14, subdivision 1.

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

O'Connor, Bertram, Jacobs, Dempsey and Osthoff introduced:

H. F. No. 2543, A bill for an act relating to liquor; requiring public facilities that sell beer to offer a Minnesota produced beer for sale.

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

Dawkins, McLaughlin, Orenstein, Kelly and Clark introduced:

H. F. No. 2544, A bill for an act relating to the capitol area; providing for a Roy Wilkins memorial in the capitol area; appropriating money.

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

Johnson, R.; Simoneau and Trimble introduced:

H. F. No. 2545, A bill for an act relating to appropriations;

authorizing sale of state bonds; appropriating money for tourist facilities at Bemidji.

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

Swenson, Rest, Long, Forsythe and Dempsey introduced:

H. F. No. 2546, A bill for an act relating to crimes; providing for forfeiture of conveyance devices used to commit a drunk driving offense by certain repeat DWI violators; amending Minnesota Statutes 1988, section 609.5312, subdivision 1; Minnesota Statutes 1989 Supplement, section 609.531, subdivision 1.

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

Olsen, S.; Valento; Frederick; Runbeck and Stanius introduced:

H. F. No. 2547, A bill for an act relating to lawful gambling; regulating allowable expenses; requiring posting of pull-tab prizes and winners; requiring an annual certified audit of lawful gambling activities of organizations; requiring an annual report to the legislature; appropriating money; amending Minnesota Statutes 1989 Supplement, sections 349.15; and 349.19, subdivision 9; 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.

Kelly introduced:

H. F. No. 2548, A bill for an act relating to courts; altering the election districts of district judges; providing for the judges to be elected from their assignment district within the judicial district; amending Minnesota Statutes 1988, section 2.722, by adding a subdivision.

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

Bertram and Bauerly introduced:

H. F. No. 2549, A bill for an act relating to veterans affairs; providing for payment of a reward for return of a Vietnam POW/MIA; providing a checkoff for a Vietnam POW/MIA rescue fund;

proposing coding for new law in Minnesota Statutes, chapters 197 and 290.

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

Bertram and Bauerly introduced:

H. F. No. 2550, A bill for an act relating to controlled substances; increasing penalty for possession or sale of a small amount of marijuana without remuneration; amending Minnesota Statutes 1989 Supplement, section 152.027, subdivision 4.

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

Bertram; Beard; Nelson, C., and Bauerly introduced:

H. F. No. 2551, A bill for an act relating to commerce; requiring flags to be made from nonflammable materials or treated and maintained in a flame-resistant condition; amending Minnesota Statutes 1988, section 325F.05; 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.

Olsen, S.; Carlson, D.; Blatz; Ozment and Himle introduced:

H. F. No. 2552, A bill for an act relating to education; increasing parental involvement; expanding eligibility for early childhood family education programs; encouraging the use of elementary school counselors; creating a new state aid; increasing the formula allowance; creating a parental involvement day; requiring a day off from work; requiring the board of teaching to adopt rules; creating tax credits; appropriating money; amending Minnesota Statutes 1988, sections 124.2711, subdivision 2; 124A.29, subdivision 1; 181.940, subdivision 3, and by adding subdivisions; and 290.06, by adding subdivisions; Minnesota Statutes 1989 Supplement, sections 121.882, subdivision 2; 124.2711, subdivision 1; and 124A.22, subdivision 2; Laws 1989, chapter 329, article 1, section 17, subdivision 2, as amended; and article 4, section 19, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 123; 124A; and 181.

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

Frederick; Olsen, S.; Beard; Kostohryz and Kalis introduced:

H. F. No. 2553, A bill for an act relating to taxation; sales and use; exempting materials used and consumed in the production of certain taxable services; amending Minnesota Statutes 1988, section 297A.25, subdivision 9.

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

Ogren introduced:

H. F. No. 2554, A bill for an act relating to retirement; allowing a certain public employees retirement association annuitant to repay amounts received and resume active member status.

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

McPherson and Onnen introduced:

H. F. No. 2555, A bill for an act relating to taxation; authorizing a special levy for the city of Bayport library.

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

Stanius, Swenson, Runbeck and Lynch introduced:

H. F. No. 2556, A bill for an act relating to education; providing equity in revenue for all 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.

Pugh introduced:

H. F. No. 2557, A bill for an act relating to retirement; refund of municipal contributions to police and fire retirement programs after consolidation; amending Minnesota Statutes 1988, section 353A.09, subdivision 5.

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

Waltman; Frederick; Johnson, V.; Haukoos and Richter introduced:

H. F. No. 2558, A bill for an act relating to education; providing equity in revenue for all 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.

Stanius introduced:

H. F. No. 2559, A bill for an act relating to taxation; imposing a sales tax on game fish sold at retail; dedicating revenue; amending Minnesota Statutes 1988, section 297A.25, subdivision 2; Minnesota Statutes Second 1989 Supplement, section 297A.44, subdivision 1.

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

Stanius introduced:

H. F. No. 2560, A bill for an act relating to health; requiring registration for drug outlets; allowing the board of pharmacy to regulate over-the-counter drugs; amending Minnesota Statutes 1988, sections 151.01, by adding a subdivision; 151.19, by adding a subdivision; and 151.26.

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

Richter introduced:

H. F. No. 2561, A bill for an act relating to transportation; directing commissioner of transportation to erect sign.

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

Greenfield introduced:

H. F. No. 2562, A bill for an act relating to human services; allowing for a continued level of reimbursement to a nursing home; amending Minnesota Statutes 1988, 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.

Uphus; Carlson, D.; Lynch; Poppenhagen and Runbeck introduced:

H. F. No. 2563, A bill for an act relating to environment and natural resources; authorizing the issuance of state bonds and expenditure of their proceeds for wastewater treatment grants and the reinvest in Minnesota program; and appropriating money.

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

Brown introduced:

H. F. No. 2564, A bill for an act relating to education; establishing a task force to coordinate educational opportunity on the border between Minnesota and South Dakota.

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

Scheid, Ozment, Jaros, Solberg and McEachern introduced:

H. F. No. 2565, A bill for an act relating to education; providing for the arbitration of disputes concerning the proposed termination or discharge of teachers following the probationary period; amending Minnesota Statutes 1988, sections 125.12, by adding a subdivision; and 125.17, by adding a subdivision; Minnesota Statutes 1989 Supplement, section 179.20, subdivision 4.

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

Wenzel introduced:

H. F. No. 2566, A bill for an act relating to education; appropriating money for a secondary vocational education program.

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

Kelso introduced:

H. F. No. 2567, A bill for an act relating to commerce; requiring

performance bonds of building and construction contractors; proposing coding for new law in Minnesota Statutes, chapter 337.

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

Rest and Vellenga introduced:

H. F. No. 2568, A bill for an act relating to traffic safety; expanding the crime of refusing to submit to an implied consent test; expanding the crime of aggravated driving while intoxicated; amending Minnesota Statutes 1988, section 169.129; Minnesota Statutes 1989 Supplement, section 169.121, subdivision 1a.

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

Segal introduced:

H. F. No. 2569, A bill for an act relating to insurance; accident and health; requiring coverage for mental illness on the same basis as other illnesses; amending Minnesota Statutes 1988, sections 62A.14; and 62D.102; Minnesota Statutes 1989 Supplement, section 62A.152, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Steensma and Kostohryz introduced:

H. F. No. 2570, A bill for an act relating to veterans; requiring post-secondary institutions to let veterans apply for college credit for activities and experience in military service in certain cases; proposing coding for new law in Minnesota Statutes, chapter 135A.

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

Pelowski, Williams and Dorn introduced:

H. F. No. 2571, A bill for an act relating to education; requiring the semester system in state universities; amending Minnesota Statutes 1989 Supplement, section 136.03, by adding a subdivision.

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

Skoglund introduced:

H. F. No. 2572, A bill for an act relating to insurance; life; regulating policies with accelerated benefits; modifying the application of certain provisions; prescribing a penalty; amending Minnesota Statutes 1989 Supplement, section 61A.072, subdivisions 3 and 4.

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

Solberg introduced:

H. F. No. 2573, A bill for an act relating to the Minnesota board on aging; authorizing supplemental funds for congregate meals; appropriating money; amending Minnesota Statutes 1988, section 256.975, by adding a subdivision.

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

Rest introduced:

H. F. No. 2574, A bill for an act relating to real property; providing that certain pre-1984 contract for deed interests may be recorded if the auditor certifies there were no taxes delinquent when the contract was executed; amending Minnesota Statutes 1988, section 272.12.

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

Pelowski and Otis introduced:

H. F. No. 2575, A bill for an act relating to economic development; establishing a government procurement assistance program; appropriating money.

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

McEachern; Tunheim; Schafer; Johnson, A., and Bauerly introduced:

H. F. No. 2576, A bill for an act relating to education; providing for long-range Indian education plans; 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.

Bauerly, McEachern and Ostrom introduced:

H. F. No. 2577, A bill for an act relating to education; establishing a program to improve learning and understanding of other peoples and cultures; appropriating money; 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.

Krueger introduced:

H. F. No. 2578, A bill for an act relating to education; approving a capital loan to the Osakis school district.

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

Johnson, A.; Bauerly; McEachern and Kelso introduced:

H. F. No. 2579, A bill for an act relating to education; requiring all teachers to have the same amount of preparation time and instructional 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.

Cooper; Nelson, C.; Krueger; Dille and Brown introduced:

H. F. No. 2580, A bill for an act relating to county and district agricultural societies; providing supplemental funding for fiscal year 1991; appropriating money.

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

Greenfield introduced:

H. F. No. 2581, A bill for an act relating to crimes; prohibiting abuse and culpable neglect of patients receiving treatment from licensed health care facilities or programs; providing penalties;

amending Minnesota Statutes 1988, sections 609.231; and 626.557, subdivision 19.

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

Greenfield and Welle introduced:

H. F. No. 2582, A bill for an act relating to occupations and professions; specifying requirements for membership of the board of medical examiners; containing procedural requirements for disciplinary actions; applying reporting requirements to other entities that provide professional liability coverage to physicians; amending Minnesota Statutes 1988, sections 147.01, subdivisions 1, 3, and 4; 147.09; 147.111, subdivision 5; repealing Minnesota Statutes 1988, sections 147.171; 147.24; 147.25; 147.26; 147.27; 147.28; 147.29; 147.30; 147.31; 147.32; 147.33; and Laws 1988, chapter 557, section 6.

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

Pelowski and Johnson, V., introduced:

H. F. No. 2583, A bill for an act relating to capital improvements; providing for capital expenses at Winona State University; authorizing sale of state bonds; appropriating money.

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

Pelowski and Johnson, V., introduced:

H. F. No. 2584, A bill for an act relating to capital improvements; providing for capital expenses at Winona Technical College; authorizing sale of state bonds; appropriating money.

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

Pugh introduced:

H. F. No. 2585, A bill for an act relating to data privacy; regulating the collection, classification, and dissemination of data by the department of labor and industry; amending Minnesota Statutes 1988, sections 13.79; 175.24; 175.27; 176.401; and 182.659, subdivision 8, and by adding a subdivision; proposing coding for new law in

Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1988, sections 175.10; and 176.231, subdivision 8; Minnesota Statutes 1989 Supplement, section 176.231, subdivision 9.

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

Jacobs, Janezich, Blatz, Orenstein and O'Connor introduced:

H. F. No. 2586, A bill for an act relating to human services; changing the age requirement for disclosure of certain information to adopted persons; amending Minnesota Statutes 1988, sections 259.253; 259.47, subdivisions 1 and 4; Minnesota Statutes 1989 Supplement, section 259.49, subdivision 1.

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

Otis introduced:

H. F. No. 2587, A bill for an act relating to retirement; providing for purchases of prior service credit from the public employees retirement association.

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

Onnen, Welle, Gruenes, Ogren and Runbeck introduced:

H. F. No. 2588, A bill for an act relating to health; requiring a study of methods of controlling and reducing health care and insurance costs; appropriating money.

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

Lynch, Skoglund, Blatz, Carruthers and Runbeck introduced:

H. F. No. 2589, A bill for an act relating to insurance; promoting availability of automobile insurance for home day care providers; amending Minnesota Statutes 1988, sections 65B.13; 65B.47, subdivision 1; and 65B.49, by adding a subdivision.

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

Otis, Munger and Long introduced:

H. F. No. 2590, A bill for an act relating to recycling; amending Minnesota Statutes Second 1989 Supplement, section 115A.151.

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

Richter, Burger, Jennings and McDonald introduced:

H. F. No. 2591, A bill for an act relating to taxation; sales and use; providing a deduction for postage costs; amending Minnesota Statutes 1988, section 297A.26, by adding a subdivision.

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

Jennings introduced:

H. F. No. 2592, A bill for an act relating to agriculture; establishing an agricultural liming material law; appropriating money; prescribing penalties; proposing coding for new law as Minnesota Statutes, chapter 18F.

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

Bauerly, Sparby, Krueger, Morrison and McEachern introduced:

H. F. No. 2593, A bill for an act relating to education; authorizing a grant for the way to grow/school readiness program; appropriating money.

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

Hausman, Kinkel, Pauly, Greenfield and Orenstein introduced:

H. F. No. 2594, A bill for an act relating to commerce; regulating trade practices; prohibiting contracts from providing an exclusive right to display free newspapers for distribution in any place of public accommodation; 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.

Osthoff introduced:

H. F. No. 2595, A bill for an act relating to housing; requiring the approval of the commissioner of the housing finance agency for housing related grants through the small cities community development block grant program; amending Minnesota Statutes 1988, section 116J.980, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462A.

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

Simoneau, Greenfield, Trimble and Dawkins introduced:

H. F. No. 2596, A bill for an act relating to energy conservation; appropriating oil overcharge money for energy conservation projects that directly serve low-income Minnesotans; amending Minnesota Statutes 1988, section 4.071; and Laws 1989, chapter 338, section 11; repealing Laws 1989, chapter 338, section 11, subdivisions 1 and 3.

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

Lynch introduced:

H. F. No. 2597, A bill for an act relating to utilities; placing position of program administrator of telecommunication access for communication-impaired persons board in the unclassified service; amending Minnesota Statutes 1988, section 237.51, subdivision 5.

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

Simoneau introduced:

H. F. No. 2598, A bill for an act relating to courts; authorizing 12 additional trial court judgeships; correcting references to the number of trial court judgeships provided in law; amending Minnesota Statutes 1988, section 2.722, subdivision 1.

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

Simoneau introduced:

H. F. No. 2599, A bill for an act relating to retirement; Minneapolis municipal employees; consolidating funds within the fund,

excluding CETA employees; removing mandatory retirement age; establishing a bounce-back annuity; increasing survivor benefits; amending Minnesota Statutes 1988, sections 422A.06, subdivisions 1, 3, 5, 6, and 8; 422A.09, subdivision 3; 422A.13, subdivision 2; 422A.17; and 422A.23, subdivisions 2, 6, 9, and 10; proposing coding for new law in Minnesota Statutes, chapter 422A.

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

Waltman introduced:

H. F. No. 2600, A bill for an act relating to Wabasha county; providing for transfer of certain reassessment costs; transferring certain department of revenue funds to the reassessment account in the special revenue fund.

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

Otis, Begich, Ogren and Neuenschwander introduced:

H. F. No. 2601, A bill for an act relating to economic development; requiring a prevailing wage for projects which received economic development related financial assistance from a government agency; requiring certification from the commissioners of the pollution control agency and labor and industry relating to past violations; 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.

Osthoff introduced:

H. F. No. 2602, A bill for an act relating to government operations; regulating interchange of government employees; amending Minnesota Statutes 1988, sections 15.51; 15.52, subdivisions 2 and 3; 15.53, subdivision 1; 15.56, subdivision 5; and 15.59.

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

Janezich, O'Connor and Uphus introduced:

H. F. No. 2603, A bill for an act relating to game and fish; providing a criminal penalty for trespass sign removal; prohibiting possession of firearms while intoxicated; requiring covering of

transported animals; regulating discharge of firearms across highways; altering deer stand restrictions; amending Minnesota Statutes 1988, sections 97A.315, subdivision 1; 97A.421, subdivision 4; 97A.535, subdivision 1; 97B.055, subdivision 1; 97B.065; and 97B.325.

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

Bertram introduced:

H. F. No. 2604, 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.

Wagenius introduced:

H. F. No. 2605, A bill for an act relating to education; making rules governing the use of aversive and deprivation procedures by school district employees conform with department of human services rules; amending Minnesota Statutes 1988, section 127.44.

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

Wagenius introduced:

H. F. No. 2606, A bill for an act relating to state publications; permitting publication of names of authors; amending Minnesota Statutes 1988, section 16B.52, subdivision 2.

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

Janezich, O'Connor, Rukavina, Begich and Beard introduced:

H. F. No. 2607, A bill for an act relating to human services; authorizing demonstration projects involving the purchase of nursing facilities by employees; amending Minnesota Statutes 1988, 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.

Rodosovich introduced:

H. F. No. 2608, A bill for an act relating to highways; substituting new Legislative Route No. 298 in the trunk highway system.

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

Milbert introduced:

H. F. No. 2609, A bill for an act relating to capital improvements; providing for emergency capital expenses at Inver Hills Community College; authorizing sale of state bonds; appropriating money.

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

Scheid introduced:

H. F. No. 2610, A bill for an act relating to commerce; clarifying exceptions to the licensing requirements for real estate brokers; amending Minnesota Statutes 1989 Supplement, section 82.18.

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

Scheid introduced:

H. F. No. 2611, A bill for an act relating to commerce; modifying the regulation of interest rate advertising; amending Minnesota Statutes 1988, section 45.025, subdivisions 1 and 2; repealing Minnesota Statutes 1988, section 45.025, subdivision 7.

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

Kahn, Vellenga, Jaros and Wagenius introduced:

H. F. No. 2612, A bill for an act relating to abortion; providing the manner of authorizing abortion for minors; amending Minnesota Statutes 1988, section 144.343; 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.

Milbert, Tompkins, Morrison, Ozment and Seaberg introduced:

H. F. No. 2613, A bill for an act relating to taxation; property; providing for property tax review in Dakota county; proposing coding for new law in Minnesota Statutes, chapter 383D.

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

Lieder and Carruthers introduced:

H. F. No. 2614, A bill for an act relating to metropolitan airport development; authorizing the metropolitan council to review and approve changes in certain land uses; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Begich introduced:

H. F. No. 2615, A bill for an act relating to workers' compensation; including mentally retarded persons and those with related conditions to the list of registrable conditions for the subsequent disability special fund; amending Minnesota Statutes 1988, section 176.131, subdivision 8.

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

Begich; Carlson, D.; Battaglia and Solberg introduced:

H. F. No. 2616, A bill for an act relating to workers' compensation; providing for loggers; requiring the commissioner of labor and industry to study issues concerning loggers; appropriating money; 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.

Valento introduced:

H. F. No. 2617, A bill for an act relating to liens; providing that a provision on certain liens for improvements to real property is prospective in effect; requiring service of notice on each interested party in certain liens; amending Minnesota Statutes 1988, sections 514.05, subdivision 2; and 514.12, subdivision 3.

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

McGuire introduced:

H. F. No. 2618, A bill for an act relating to education; providing aid for certain nonnative born pupils; 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.

Poppenhagen; Carlson, D.; Kinkel; Omann and Solberg introduced:

H. F. No. 2619, A bill for an act relating to game and fish; authorizing resident fishing licenses for certain nonresident property owners; 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.

Sparby and Tunheim introduced:

H. F. No. 2620, A bill for an act relating to capital improvements; providing for capital expenses at Thief River Falls Technical College; authorizing sale of state bonds; appropriating money.

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

Kalis, Price, Redalen, Munger and McPherson introduced:

H. F. No. 2621, A bill for an act relating to motor vehicles; exempting water well driller vehicles from certain registration and taxation requirements when the vehicles are only incidentally moved over a highway; amending Minnesota Statutes 1989 Supplement, section 168.011, subdivision 22.

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

McEachern, Bauerly and Omann introduced:

H. F. No. 2622, A bill for an act relating to lawful gambling;

allowing as lawful purposes certain expenditures for erection or acquisition of real property; amending Minnesota Statutes Second 1989 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.

Begich introduced:

H. F. No. 2623, A bill for an act relating to workers' compensation; providing for regulation of insurance rates; amending Minnesota Statutes 1988, sections 79.01, subdivision 1; 79.074, by adding subdivisions; 79.50; and 79.59; proposing coding for new law in Minnesota Statutes, chapter 79; repealing Minnesota Statutes 1988, sections 79.51; 79.52, subdivisions 2 and 12; 79.53; 79.54 to 79.58; and 79.60 to 79.62.

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

Schafer, Uphus and Richter introduced:

H. F. No. 2624, A bill for an act relating to agriculture; requiring the commissioner of agriculture to conduct an election of dairy producers to determine continuation of the dairy research and promotion order.

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

Simoneau and Johnson, R., introduced:

H. F. No. 2625, A bill for an act relating to retirement; allowing elected county attorneys to participate in the public employees defined contribution plan at their option; changing the ambulance service plan to the public employees defined contribution plan; amending Minnesota Statutes 1988, sections 353D.01; 353D.02; 353D.03; 353D.04; 353D.05, subdivisions 1 and 3; 353D.06; 353D.07; 353D.08; 353D.09; proposing coding for new law in Minnesota Statutes, chapter 353D.

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

Johnson, R., and Simoneau introduced:

H. F. No. 2626, A bill for an act relating to retirement; making

various changes concerning reserves, coverage, contribution, and administration for the state board of investment, the Minnesota state retirement system, the public employees retirement association, and the Duluth teachers retirement fund association; clarifying certain provisions; changing administrative requirements; amending Minnesota Statutes 1988, sections 11A.18, subdivision 6; 352.01, subdivision 13; 352.029, subdivision 3; 352.03, subdivision 1; 352.115, subdivision 7; 352.96, subdivision 4; 353.03, subdivision 3; 353.15, subdivision 2; 353.27, subdivisions 7 and 10; 353.46, subdivision 4; 353.657, subdivision 1; and 353.83; Minnesota Statutes 1989 Supplement, sections 352.021, subdivision 5; 352.93, subdivision 3; 352.96, subdivision 3; 353.01, subdivisions 2b, 11a, and 16; 353.33, subdivision 6; 353.35; and 353.656, subdivisions 1 and 3; repealing Minnesota Statutes 1989 Supplement, section 353.87, subdivision 5.

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

Limmer introduced:

H. F. No. 2627, A bill for an act relating to corrections; providing for state reimbursement to Hennepin county for the cost of confining felons at the adult correctional facility; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 401.

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

Sparby introduced:

H. F. No. 2628, A bill for an act relating to state government; authorizing the commissioner of jobs and training to establish a position in the unclassified service; amending Minnesota Statutes 1988, section 268.0121, subdivision 3.

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

Skoglund, Long, Rest, Pauly and Bishop introduced:

H. F. No. 2629, A bill for an act relating to taxation; property; requiring equal access to food or beverage services or facilities for golf clubs under open space property tax treatment; amending Minnesota Statutes 1989 Supplement, section 273.112, subdivision 3.

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

Hausman; Munger; Trimble; Johnson, A., and Pauly introduced:

H. F. No. 2630, A bill for an act relating to natural resources; authorizing the commissioner to promulgate rules relating to oil, gas, and other hydrocarbon wells and their spacing, pooling, and unitization; providing enforcement authority; proposing coding for new law in Minnesota Statutes, chapter 93.

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

Hausman, Kahn, Trimble, Pauly and Orenstein introduced:

H. F. No. 2631, A bill for an act relating to human rights; lengthening the statute of limitations for human rights act violations; amending Minnesota Statutes 1988, section 363.06, subdivision 3.

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

Greenfield and Welle introduced:

H. F. No. 2632, A bill for an act relating to human services; clarifying requirements for employment and training programs for recipients of AFDC; allowing county agencies to implement grant diversion programs; clarifying eligibility and payment requirements for general assistance and work readiness; clarifying requirements for child care programs; establishing criteria to certify employment and training service provider; requiring a two-year plan from the local service unit; amending Minnesota Statutes 1988, sections 256.73, subdivision 2; 256.736, subdivisions 1a, 2a, and 3a; 256.7365, subdivision 2; 256D.02, subdivisions 5, 8, and 12; 256D.052, subdivision 5; 256D.06, subdivision 2; 256H.10, subdivisions 1 and 4; 256H.16; 256H.17; 268.673, subdivisions 3 and 5; 268.6751, subdivision 1; 268.676, subdivision 2; 268.677, subdivisions 2 and 3; 268.678; 268.681, subdivisions 1, 2, and 3; 268.86, subdivision 8; 268.871, subdivisions 1, 2, and by adding a subdivision; 268.90, subdivisions 1, 3, and 4; Minnesota Statutes 1989 Supplement, sections 256.73, subdivision 3a; 256.736, subdivisions 3, 3b, 4, 10, 10a, 11, 14, 16, and 18; 256.737, subdivisions 1 and 2; 256D.01, subdivision 1a; 256D.051, subdivisions 1a, 1b, 2, 3, and 8; 256H.01, subdivisions 7, 8, and 12; 256H.03, subdivisions 2, 2a, and 2b; 256H.05, subdivisions 1b, 1c, 2, and 5; 256H.08; 256H.09, subdivision 1; 256H.10, subdivision 3; 256H.11, subdivision 1;

256H.15, subdivisions 1 and 2; 256H.21, subdivision 9; 256H.22, subdivisions 2, 3, and 10; 268.0111, subdivision 4; 268.86, subdivision 2; 268.88; 268.881; Minnesota Statutes Second 1989 Supplement, section 256D.03, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1988, sections 256.736, subdivisions 1b, 8, and 17; 256.7365, subdivision 8; 256D.06, subdivision 1c; 256H.01, subdivision 14; 256H.05, subdivisions 1, 1a, and 3a; 268.672, subdivision 12; 268.86, subdivision 9; and 268.872, subdivision 3.

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

Kelso, McEachern, Tunheim, Ozment and Johnson, A., introduced:

H. F. No. 2633, A bill for an act relating to education; providing for alternative preparation licensing of teachers in certain cases; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 125.

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

Johnson, A.; Johnson, R.; Beard; McEachern and Omann introduced:

H. F. No. 2634, A bill for an act relating to education; providing counseling, referral, assessment, guidance, and other support services for elementary school students; 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.

Carlson, D., introduced:

H. F. No. 2635, A bill for an act relating to health; prohibiting public employees and facilities from being used for abortions; 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.

Pugh, Otis and Milbert introduced:

H. F. No. 2636, A bill for an act relating to economic development;

appropriating money to prepare land in the city of South St. Paul for economic development; authorizing the sale of state bonds.

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

Skoglund introduced:

H. F. No. 2637; A bill for an act relating to insurance; clarifying the law prohibiting insurers from maintaining subrogation actions against insureds; amending Minnesota Statutes 1989 Supplement, section 60A.41.

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

Skoglund introduced:

H. F. No. 2638, A bill for an act relating to insurance; correcting certain errors; removing ambiguities; expanding certain insurers' investment authority; authorizing the commissioner to adopt rules; providing for miscellaneous changes and clarification; amending Minnesota Statutes 1988, sections 60A.11, subdivisions 10, 11, 12, 14, 15, 17, 18, 19, 23, 26, and by adding subdivisions; and 60A.11, subdivisions 27 and 28; repealing Minnesota Statutes 1988, section 60A.12, subdivision 2.

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

Kostohryz and Reding introduced:

H. F. No. 2639, A bill for an act relating to state government; regulating the management compensation plan and certain judicial salaries; amending Minnesota Statutes 1988, sections 15A.083, subdivision 7; and 43A.18, subdivision 3.

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

Wenzel introduced:

H. F. No. 2640, A bill for an act relating to waters and the department of natural resources; prohibiting certain ice blocks upon the surface of frozen waters for reasons of public safety; providing penalties; 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.

Wenzel introduced:

H. F. No. 2641, A bill for an act relating to hunting; amending Minnesota Statutes 1988, section 97A.441, subdivision 6.

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

Wenzel introduced:

H. F. No. 2642; A bill for an act appropriating money for wood-fired boiler heating at St. Cloud State University.

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

Bertram and Wenzel introduced:

H. F. No. 2643, A bill for an act relating to veterans; extending the program for free tuition at technical colleges for certain veterans; requiring a study and a report; amending Minnesota Statutes 1988, section 136C.13, subdivision 4.

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

Bertram and Wenzel introduced:

H. F. No. 2644, A bill for an act relating to the military; providing a cash bonus to active duty military personnel; appropriating money.

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

Skoglund introduced:

H. F. No. 2645, A bill for an act relating to insurance; regulating domestic insurers; providing for domestications and conversions to foreign insurers; proposing coding for new law in Minnesota Statutes, chapter 60A.

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

Greenfield introduced:

H. F. No. 2646, A bill for an act relating to human services; long-term care; establishing methods to determine recommended rates for day training and habilitation services; allowing a waiver for personal care services; clarifying definitions of certain facilities; establishing requirements for home care services; exempting certain persons from preadmission nursing home screening; clarifying allocations for alternative care grants; establishing limits on the investment per bed for newly constructed or established long-term care facilities; clarifying eligibility requirements for continued services; amending Minnesota Statutes 1988, sections 256B.04, subdivision 16; 256B.055, subdivision 12; 256B.091, subdivisions 4 and 6; 256B.48, subdivision 2; 256B.49, by adding a subdivision; 256B.50, subdivisions 1 and 1b; and 256B.501, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 252.46, subdivision 4; 256B.091, subdivision 8; and 256B.495, subdivision 1; Laws 1988, chapter 689, article 2, section 256, subdivision 3; 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.

Price; Carlson, L.; Munger; Poppenhagen and Morrison introduced:

H. F. No. 2647, A bill for an act relating to education; clarifying responsibilities and authority of the higher education coordinating board; amending Minnesota Statutes 1989 Supplement, sections 136A.04 and 136A.08; proposing coding for new law in Minnesota Statutes, chapter 136A.

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

Sarna introduced:

H. F. No. 2648, A bill for an act relating to commerce; regulating mortgage payment services; requiring a license and bond; prescribing the duties of the commissioner; establishing fees; proposing coding for new law as Minnesota Statutes, chapter 82C.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

O'Connor, Dawkins, Pappas, Orenstein and Osthoff introduced:

H. A. No. 36, A proposal to study making the St. Paul school board full time, elected by wards.

The advisory was referred to the Committee on Education.

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. 1663, 1692, 1778, 1366, 1694, 1696 and 1727.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1663, A bill for an act relating to Redwood and Lyon counties; abandoning judicial ditch number 37.

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

S. F. No. 1692, A bill for an act relating to public safety; conforming definition of "family or group family day care home" for purposes of fire code enforcement; abolishing nominal reimbursements for local fire chiefs; abolishing certain regulation of fire extinguishers now regulated under state fire code; abolishing regulation regarding "no smoking" signs which are regulated by state fire code; abolishing regulations relating to fire alarm deactivation requests and notices; abolishing state licensing of, and certain regulation regarding, dry cleaning and dyeing establishments, which are also regulated by state fire code; abolishing certain state licensing and inspection regulations for theaters and halls, which are regulated by the state fire code; amending Minnesota Statutes 1988, section 299F.011, subdivision 4a; repealing Minnesota Statutes 1988, sections

299F.34; 299F.36; 299F.38; 299F.453; 299F.454; 299H.211; 299H.22 to 299H.28; and 299I.01 to 299I.24.

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

S. F. No. 1778, A bill for an act relating to insurance; creating and regulating the life and health insurance guaranty association; prescribing its powers and duties; providing general supervisory duties to the commissioner of commerce; amending Minnesota Statutes 1988, section 60B.25; proposing coding for new law in Minnesota Statutes, chapter 61B; repealing Minnesota Statutes 1988, sections 61B.01; 61B.02; 61B.03, subdivisions 1 to 5 and 7 to 14; 61B.04; 61B.05; 61B.06; 61B.07; 61B.08; 61B.09; 61B.10; 61B.11; 61B.12; 61B.13; 61B.14; 61B.15; and 61B.16; and Minnesota Statutes 1989 Supplement, section 61B.03, subdivision 6.

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

S. F. No. 1366, A bill for an act relating to human rights; making harassment in certain cases an unfair discriminatory practice; amending Minnesota Statutes 1988, section 363.03, by adding a subdivision.

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

S. F. No. 1694, A bill for an act relating to marriage dissolution; regulating child support orders; amending Minnesota Statutes 1988, section 518.551, subdivision 5.

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

S. F. No. 1696, A bill for an act relating to human services; including the commissioners of commerce and health in designing the demonstration project for uninsured low-income persons; clarifying eligibility and enrollee participation requirements for the demonstration project; amending Minnesota Statutes 1988, section 256B.73.

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

S. F. No. 1727, A bill for an act relating to education; repealing the

requirement that the Minnesota state high school league conduct a two-class high school hockey championship; clarifying the status and effect of certain law; removing surplus language; amending Minnesota Statutes 1989 Supplement, section 129.121, subdivision 7.

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

CONSENT CALENDAR

H. F. No. 1919, A bill for an act relating to ethnic Minnesotans; designating Ethnic American Day; proposing coding for new law in Minnesota Statutes, chapter 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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Omann	Schreiber
Anderson, G.	Girard	Krueger	Onnen	Seaberg
Anderson, R.	Greenfield	Lasley	Orenstein	Segal
Battaglia	Gruenes	Lieder	Osthoff	Simoneau
Bauerly	Gutknecht	Limmer	Ostrom	Skoglund
Beard	Hartle	Long	Otis	Solberg
Begich	Hasskamp	Lynch	Ozment	Sparby
Bennett	Haukoos	Macklin	Pappas	Stanius
Bertram	Hausman	Marsh	Pauly	Steensma
Bishop	Heap	McDonald	Pellow	Sviggum
Blatz	Henry	McEachern	Pelowski	Swenson
Boo	Himle	McGuire	Peterson	Tjornhom
Brown	Hugoson	McLaughlin	Poppenhagen	Tompkins
Burger	Jacobs	McPherson	Price	Trimble
Carlson, D.	Janezich	Milbert	Pugh	Tunheim
Carlson, L.	Jaros	Miller	Quinn	Uphus
Carruthers	Jefferson	Morrison	Redalen	Valento
Clark	Jennings	Munger	Reding	Vellenga
Conway	Johnson, A.	Murphy	Rest	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rice	Waltman
Dauner	Johnson, V.	Nelson, K.	Richter	Weaver
Dawkins	Kahn	Neuenschwander	Rodosovich	Welle
Dempsey	Kalis	O'Connor	Rukavina	Wenzel
Dille	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Frederick	Knickerbocker	Olson, K.	Scheid	

The bill was passed and its title agreed to.

H. F. No. 2143, A bill for an act relating to crimes; defining "crime" for purposes of crime victims reparations; amending Minnesota Statutes 1988, section 611A.52, 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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Omann	Seaberg
Anderson, G.	Girard	Krueger	Onnen	Segal
Anderson, R.	Greenfield	Lasley	Orenstein	Simoneau
Battaglia	Gruenes	Lieder	Osthoff	Skoglund
Bauerly	Gutknecht	Limmer	Ostrom	Solberg
Beard	Hartle	Long	Otis	Sparby
Begich	Hasskamp	Lynch	Ozment	Stanius
Bennett	Haukoos	Macklin	Pauly	Steensma
Bertram	Hausman	Marsh	Pellow	Sviggum
Bishop	Heap	McDonald	Pelowski	Swenson
Blatz	Henry	McEachern	Peterson	Tjornhom
Boo	Himle	McGuire	Poppenbagen	Tompkins
Brown	Hugoson	McLaughlin	Price	Trimble
Burger	Jacobs	McPherson	Pugh	Tunheim
Carlson, D.	Janezich	Milbert	Quinn	Uphus
Carlson, L.	Jaros	Miller	Redalen	Valento
Carruthers	Jefferson	Morrison	Reding	Vellenga
Clark	Jennings	Munger	Rest	Wagenius
Conway	Johnson, A.	Murphy	Rice	Waltman
Cooper	Johnson, R.	Nelson, C.	Richter	Weaver
Dauner	Johnson, V.	Nelson, K.	Rodosovich	Welle
Dawkins	Kahn	Neuenschwander	Rukavina	Wenzel
Dempsey	Kalis	O'Connor	Rumbeck	Williams
Dille	Kelly	Ogren	Sarna	Winter
Dorn	Kelso	Olsen, S.	Schafer	Spk. Vanasek
Forsythe	Kinkel	Olson, E.	Scheid	
Frederick	Knickerbocker	Olson, K.	Schreiber	

The bill was passed and its title agreed to.

McPherson was excused at 4:10 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. Quinn 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. Nos. 1754, 1785 and 1830 were recommended to pass.

H. F. No. 1839 was recommended for progress.

H. F. No. 1569, the first engrossment, which it recommended to pass with the following amendments:

Offered by Johnson, A., and Seaberg:

Delete section 5 and insert:

"Sec. 5. Minnesota Statutes 1988, section 162.07, subdivision 5, is amended to read:

Subd. 5. [SCREENING BOARD.] On or before September 1 of each year the county engineer of each county shall forward to the commissioner, on forms prepared by the commissioner, all information relating to the mileage of the county state-aid highway system in the county, and the money needs of the county that the commissioner deems necessary in order to apportion the county state-aid highway fund in accordance with the formula heretofore set forth. Upon receipt of the information the commissioner shall appoint a board consisting of ~~nine county engineers~~. The board shall be so selected that each one county engineer appointed shall be from a ~~different from each state highway construction district~~, plus one county engineer from each county with a population of 175,000 or more according to the most recent decennial census. No county engineer shall be appointed so as to serve consecutively for more than two years. The board shall investigate and review the information submitted by each county and shall on or before the first day of November of each year submit its findings and recommendations in writing as to each county's mileage and money needs to the commissioner on a form prepared by the commissioner. Final determination of the mileage of each system and the money needs of each county shall be made by the commissioner."

Offered by Johnson, A.:

Page 2, line 3, delete everything after the period

Page 2, line 4, delete "such a" and insert "However, the county and city shall enter into good faith negotiations for a period of one year before the commissioner may take action on the referral. If the city and county have not resolved the dispute one year after the referral"

H. F. No. 1846, the first engrossment, which it recommended to pass with the following amendment offered by Bishop:

Page 2, line 7, delete the new language and reinstate the old language

On the motion of Long 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:

Johnson, A., and Seaberg moved to amend H. F. No. 1569, the first engrossment, as follows:

Delete section 5 and insert:

"Sec. 5. Minnesota Statutes 1988, section 162.07, subdivision 5, is amended to read:

Subd. 5. [SCREENING BOARD.] On or before September 1 of each year the county engineer of each county shall forward to the commissioner, on forms prepared by the commissioner, all information relating to the mileage of the county state-aid highway system in the county, and the money needs of the county that the commissioner deems necessary in order to apportion the county state-aid highway fund in accordance with the formula heretofore set forth. Upon receipt of the information the commissioner shall appoint a board consisting of nine county engineers. The board shall be so selected that each one county engineer appointed shall be from a different from each state highway construction district, plus one county engineer from each county with a population of 175,000 or more according to the most recent decennial census. No county engineer shall be appointed so as to serve consecutively for more than two years. The board shall investigate and review the information submitted by each county and shall on or before the first day of November of each year submit its findings and recommendations in writing as to each county's mileage and money needs to the commissioner on a form prepared by the commissioner. Final determination of the mileage of each system and the money needs of each county shall be made by the commissioner."

The question was taken on the Johnson, A., and Seaberg amendment and the roll was called. There were 64 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Limmer	Ozment	Segal
Anderson, G.	Hausman	Long	Pauly	Simoneau
Beard	Heap	Lynch	Pellow	Skoglund
Begich	Henry	Macklin	Price	Stanius
Bennett	Himle	McGuire	Pugh	Swenson
Blatz	Jaros	McLaughlin	Quinn	Tjornhom
Boo	Jefferson	Milbert	Rest	Tompkins
Carlson, L.	Johnson, A.	Morrison	Rice	Trimble
Carruthers	Kahn	Nelson, K.	Rukavina	Valento
Clark	Kelso	Olsen, S.	Runbeck	Vellenga
Conway	Knickerbocker	Orenstein	Scheid	Wagenius
Dawkins	Kostohryz	Osthoff	Schreiber	Weaver
Forsythe	Lasley	Otis	Seaberg	

Those who voted in the negative were:

Anderson, R.	Frederick	Johnson, V.	Olson, E.	Sparby
Battaglia	Frerichs	Kalis	Olson, K.	Steensma
Bauerly	Girard	Kinkel	Omann	Sviggum
Bertram	Gruenes	Krueger	Onnen	Tunheim
Bishop	Gutknecht	Lieder	Ostrom	Uphus
Brown	Hartle	McDonald	Pelowski	Waltman
Burger	Hasskamp	McPherson	Peterson	Welle
Carlson, D.	Haukoos	Miller	Redalen	Wenzel
Cooper	Hugoson	Munger	Reding	Williams
Dauner	Jacobs	Murphy	Richter	Winter
Dempsey	Janezich	Nelson, C.	Rodosovich	Spk. Vanasek
Dille	Jennings	Neuenschwander	Schafer	
Dorn	Johnson, R.	Ogren	Solberg	

The motion prevailed and the amendment was adopted.

MOTION FOR RECONSIDERATION

Anderson, G., moved that the vote whereby the Johnson, A., and Seaberg amendment to H. F. No. 1569, the first engrossment, as amended, which was adopted earlier today be now reconsidered.

The question was taken on the Anderson, G., motion and the roll was called. There were 67 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Kalis	Olson, K.	Sparby
Anderson, R.	Frerichs	Kinkel	Omann	Steensma
Battaglia	Girard	Kostohryz	Onnen	Sviggum
Bauerly	Gruenes	Krueger	Ostrom	Tunheim
Bertram	Gutknecht	Lasley	Pelowski	Uphus
Bishop	Hartle	Lieder	Peterson	Waltman
Brown	Hasskamp	McDonald	Poppenhagen	Welle
Burger	Haukoos	Miller	Quinn	Wenzel
Carlson, D.	Hugoson	Munger	Redalen	Williams
Conway	Jacobs	Murphy	Reding	Winter
Cooper	Janezich	Nelson, C.	Richter	Spk. Vanasek
Dauner	Jennings	Neuenschwander	Rodosovich	
Dempsey	Johnson, R.	Ogren	Schafer	
Dille	Johnson, V.	Olson, E.	Solberg	

Those who voted in the negative were:

Abrams	Hausman	McEachern	Pellow	Stanius
Beard	Heap	McGuire	Price	Swenson
Begich	Henry	McPherson	Pugh	Tjornhom
Bennett	Himle	Milbert	Rice	Tompkins
Blatz	Jaros	Morrison	Rukavina	Trimble
Boo	Jefferson	Nelson, K.	Runbeck	Valento
Carlson, L.	Johnson, A.	Olsen, S.	Sarna	Vellenga
Carruthers	Kelly	Orenstein	Scheid	Wagenius
Clark	Knickerbocker	Osthoff	Schreiber	Weaver
Dawkins	Limmer	Otis	Seaberg	
Forsythe	Long	Ozment	Segal	
Frederick	Lynch	Pappas	Simoneau	
Greenfield	Macklin	Pauly	Skoglund	

The motion prevailed.

The Johnson, A., and Seaberg amendment to H. F. No. 1569, the first engrossment, as amended, was again reported, as follows:

Delete section 5 and insert:

"Sec. 5. Minnesota Statutes 1988, section 162.07, subdivision 5, is amended to read:

Subd. 5. [SCREENING BOARD.] On or before September 1 of each year the county engineer of each county shall forward to the commissioner, on forms prepared by the commissioner, all information relating to the mileage of the county state-aid highway system in the county, and the money needs of the county that the commissioner deems necessary in order to apportion the county state-aid highway fund in accordance with the formula heretofore set forth. Upon receipt of the information the commissioner shall appoint a board consisting of nine county engineers. ~~The board shall be so selected that each one county engineer appointed shall be from a different from each state highway construction district, plus one county engineer from each county with a population of 175,000 or more according to the most recent decennial census.~~ No county engineer shall be appointed so as to serve consecutively for more than two years. The board shall investigate and review the information submitted by each county and shall on or before the first day of November of each year submit its findings and recommendations in writing as to each county's mileage and money needs to the commissioner on a form prepared by the commissioner. Final determination of the mileage of each system and the money needs of each county shall be made by the commissioner."

The question was taken on the Johnson, A., and Seaberg amendment and the roll was called. There were 69 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Abrams	Heap	Long	Ozment	Seaberg
Beard	Henry	Lynch	Pappas	Segal
Begich	Himle	Macklin	Pauly	Simoneau
Bennett	Jacobs	McEachern	Pellow	Skoglund
Bishop	Janezich	McGuire	Price	Stanius
Blatz	Jefferson	McLaughlin	Pugh	Swenson
Boo	Johnson, A.	Milbert	Quinn	Tjornhom
Carlson, L.	Kahn	Morrison	Rest	Tompkins
Carruthers	Kelly	Nelson, K.	Rice	Trimble
Clark	Kelso	O'Connor	Rukavina	Valento
Dawkins	Knickerbocker	Olsen, S.	Runbeck	Vellenga
Forsythe	Kostohryz	Orenstein	Sarna	Wagenius
Greenfield	Lasley	Osthoff	Scheid	Weaver
Hausman	Limmer	Otis	Schreiber	

Those who voted in the negative were:

Anderson, G.	Dorn	Kalis	Olson, E.	Solberg
Anderson, R.	Frederick	Kinkel	Olson, K.	Sparby
Battaglia	Frerichs	Krueger	Omann	Steensma
Bauerly	Girard	Lieder	Onnen	Sviggum
Bertram	Gruenes	Marsh	Ostrom	Tunheim
Brown	Gutknecht	McDonald	Pelowski	Uphus
Burger	Hartle	McPherson	Peterson	Waltman
Carlson, D.	Hasskamp	Miller	Poppenhagen	Welle
Conway	Haukoos	Munger	Redalen	Wenzel
Cooper	Hugoson	Murphy	Reding	Williams
Dauner	Jennings	Nelson, C.	Richter	Winter
Dempsey	Johnson, R.	Neuenschwander	Rodosovich	Spk. Vanasek
Dille	Johnson, V.	Ogren	Schafer	

The motion prevailed and the amendment was adopted.

The question was taken on the motion to recommend passage of H. F. No. 1569, as amended, and the roll was called. There were 82 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Abrams	Heap	Macklin	Pauly	Simoneau
Battaglia	Henry	McEachern	Pellow	Skoglund
Beard	Himle	McGuire	Peterson	Stanius
Begich	Jacobs	McLaughlin	Price	Swenson
Bennett	Janezich	McPherson	Pugh	Tjornhom
Bishop	Jaros	Milbert	Quinn	Tompkins
Blatz	Jefferson	Morrison	Redalen	Trimble
Boo	Johnson, A.	Munger	Rest	Valento
Burger	Kahn	Murphy	Rice	Vellenga
Carlson, L.	Kelly	Nelson, K.	Rodosovich	Wagenius
Carruthers	Kelso	O'Connor	Rukavina	Weaver
Clark	Knickerbocker	Ogren	Runbeck	Welle
Dawkins	Kostohryz	Olsen, S.	Sarna	Williams
Forsythe	Lasley	Orenstein	Scheid	Spk. Vanasek
Greenfield	Limmer	Osthoff	Schreiber	
Gutknecht	Long	Otis	Seaberg	
Hausman	Lynch	Pappas	Segal	

Those who voted in the negative were:

Anderson, G.	Dorn	Johnson, R.	Neuenschwander	Solberg
Anderson, R.	Frederick	Johnson, V.	Olson, E.	Sparby
Bauerly	Frerichs	Kalis	Olson, K.	Steenasma
Bertram	Girard	Kinkel	Omann	Sviggum
Brown	Gruenes	Krueger	Onnen	Tunheim
Carlson, D.	Hartle	Lieder	Ostrom	Uphus
Conway	Hasskamp	Marsh	Pelowski	Waltman
Cooper	Haukoos	McDonald	Poppenhagen	Wenzel
Dauner	Hugoson	Miller	Richter	Winter
Dille	Jennings	Nelson, C.	Schafer	

The motion prevailed.

Bishop moved to amend H. F. No. 1846, the first engrossment, as follows:

Page 2, line 7, delete the new language and reinstate the old language

The question was taken on the Bishop amendment and the roll was called. There were 57 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Lasley	Pelowski	Solberg
Anderson, G.	Gutknecht	Lynch	Peterson	Sparby
Anderson, R.	Hartle	McDonald	Quian	Stanius
Beard	Hasskamp	Milbert	Redalen	Steenasma
Bennett	Jacobs	Miller	Reding	Tjornhom
Bertram	Janezich	Morrison	Richter	Tunheim
Bishop	Jaros	O'Connor	Rukavina	Waltman
Burger	Johnson, R.	Ogren	Sarna	Winter
Dauner	Johnson, V.	Osthoff	Schafer	Spk. Vanasek
Dempsey	Kahn	Ostrom	Scheid	
Dille	Kinkel	Otis	Seaberg	
Forsythe	Krueger	Pellow	Simoneau	

Those who voted in the negative were:

Battaglia	Frederick	Marsh	Price	Valento
Bauerly	Girard	McGuire	Pugh	Vellenga
Begich	Gruenes	McLaughlin	Rest	Wagenius
Blatz	Hausman	Murphy	Rodosovich	Weaver
Boo	Henry	Olsen, S.	Segal	Welle
Carlson, L.	Hugoson	Olson, K.	Skoglund	Wenzel
Carruthers	Johnson, A.	Omann	Sviggum	Williams
Clark	Kalis	Onnen	Swenson	
Cooper	Knickerbocker	Orenstein	Tompkins	
Dawkins	Limmer	Pappas	Trimble	
Dorn	Long	Pauly	Uphus	

The motion prevailed and the amendment was adopted.

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 Files were introduced:

Welle and Greenfield introduced:

H. F. No. 2649, A bill for an act relating to human services; clarifying medical assistance payment rate procedures for hospitals; allowing case management for certain recipients of medical assistance; amending verification of pregnancy requirements for medical assistance eligibility; clarifying eligibility requirements for medical assistance and general assistance medical care; clarifying asset and income allowances for institutionalized spouses; clarifying services to be covered by medical assistance; establishing requirements for a relative's responsibility; expanding the homestead exclusion for medical assistance eligibility; establishing procedures for a vendor's request for a contested case proceeding; establishing requirements for claims against the estate of a recipient; clarifying procedures for enforcement of medical support; amending Minnesota Statutes 1988, sections 13.46, subdivision 5; 256B.04, subdivision 15; 256B.055, subdivisions 3, 5, and 6; 256B.056, subdivisions 2, 7, and by adding a subdivision; 256B.0625, subdivisions 4, 5, 9, and by adding subdivisions; 256B.15; 256B.19, by adding a subdivision; 256B.69, subdivision 3; 256D.03, subdivisions 3 and 7; 518.171, subdivisions 1, 3, 4, and 7; Minnesota Statutes 1989 Supplement, sections 256.969, subdivisions 2c and 6a; 256.9695, subdivisions 1 and 3; 256B.055, subdivision 7; 256B.056, subdivisions 3 and 4; 256B.057, subdivisions 1, 2, and by adding subdivisions; 256B.0575; 256B.059, subdivisions 4 and 5; 256B.0595, subdivisions 1, 2, and 4; 256B.14; 256B.69, subdivision 16; 256D.03, subdivision 4; Laws 1989, chapter 282, article 3, section 98, subdivisions 4 and 5; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 1989 Supplement, section 256B.055, subdivision 8.

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

Waltman introduced:

H. F. No. 2650, A bill for an act relating to cemeteries; allowing transfer of certain cemetery property to a religious corporation; amending Minnesota Statutes 1988, section 306.02, by adding a subdivision.

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

MOTIONS AND RESOLUTIONS

O'Connor moved that the name of Scheid be added as an author on H. F. No. 1730. The motion prevailed.

O'Connor moved that the name of Marsh be added as an author on H. F. No. 1806. The motion prevailed.

Rodosovich moved that the name of Pugh be added as an author on H. F. No. 1872. The motion prevailed.

Rest moved that the name of Ogren be shown as chief author and the name of McLaughlin be added as an author on H. F. No. 1936. The motion prevailed.

Kelly moved that the name of Trimble be shown as chief author on H. F. No. 2085. The motion prevailed.

Gruenes moved that the name of Olsen, S., be added as an author on H. F. No. 2287. The motion prevailed.

Stanius moved that the name of Henry be added as an author on H. F. No. 2303. The motion prevailed.

Frederick moved that the name of Schreiber be added as an author on H. F. No. 2336. The motion prevailed.

McEachern moved that his name be stricken and the name of Nelson, K., be added as chief author on H. F. No. 2383. The motion prevailed.

Dempsey moved that the name of Jacobs be added as an author on H. F. No. 2409. The motion prevailed.

Simoneau moved that the name of Johnson, A., be added as an author on H. F. No. 2412. The motion prevailed.

Segal moved that the name of Clark be added as an author on H. F. No. 2415. The motion prevailed.

Rest moved that the name of Blatz be added as an author on H. F. No. 2420. The motion prevailed.

Hasskamp moved that the names of Carlson, D., and Marsh be added as authors on H. F. No. 2464. The motion prevailed.

Hasskamp moved that the names of Vellenga and McLaughlin be added as authors on H. F. No. 2465. The motion prevailed.

Hasskamp moved that the names of Carlson, D., and Marsh be added as authors on H. F. No. 2466. The motion prevailed.

Hasskamp moved that the names of Carlson, D., and Marsh be added as authors on H. F. No. 2467. The motion prevailed.

Hasskamp moved that the names of Carlson, D., and Marsh be added as authors on H. F. No. 2468. The motion prevailed.

Morrison moved that the name of Pugh be added as an author on H. F. No. 2483. The motion prevailed.

Winter moved that the names of Olson, E., and Uphus be added as authors on H. F. No. 2519. The motion prevailed.

Haukoos moved that H. F. No. 1038 be returned to its author. The motion prevailed.

Kelly moved that H. F. No. 1840 be returned to its author. The motion prevailed.

Quinn moved that H. F. No. 2022 be returned to its author. The motion prevailed.

MOTION TO TAKE FROM THE TABLE

Solberg moved that H. F. No. 1292 be taken from the table and be placed on General Orders. The motion prevailed.

Pursuant to rule 1.15, Tunheim moved that H. F. No. 2025 be recalled from the Committee on Appropriations, be given its second reading and be advanced to General Orders. The motion prevailed.

H. F. No. 2025 was read for the second time.

Rukavina moved that H. F. No. 2488 be recalled from the Committee on Governmental Operations and be re-referred to the Committee on Labor-Management Relations. The motion prevailed.

O'Connor moved that H. F. No. 2170 be recalled from the Committee on Local Government and Metropolitan Affairs and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Begich moved that H. F. No. 2332 be recalled from the Committee on Governmental Operations and be re-referred to the Committee on Labor-Management Relations. The motion prevailed.

Rest moved that H. F. No. 2420 be recalled from the Committee on Transportation and be re-referred to the Committee on Judiciary. The motion prevailed.

Kelly moved that H. F. No. 1891, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Wenzel moved that H. F. No. 2566 be recalled from the Committee on Appropriations and be re-referred to the Committee on Education. The motion prevailed.

McDonald, Miller, Heap, Bertram and Gutknecht introduced:

House Resolution No. 16, A house resolution congratulating the peoples of Eastern Europe and Nicaragua on their advance toward free societies and commending Presidents Bush, Reagan, and Carter on their work to aid that advance.

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

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 2:30 p.m., Thursday, March 8, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Thursday, March 8, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SIXTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 7, 1990

The Senate met on Wednesday, March 7, 1990, which was the Sixty-seventh Legislative Day of the Seventy-sixth Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SIXTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 8, 1990

The House of Representatives convened at 2:30 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:

Abrams	Ferichs	Kostohryz	Omann	Schreiber
Anderson, G.	Girard	Krueger	Onnen	Seaberg
Anderson, R.	Greenfield	Lasley	Orenstein	Segal
Battaglia	Gruenes	Lieder	Osthoff	Simoneau
Bauerly	Gutknecht	Limmer	Ostrom	Skoglund
Beard	Hartle	Long	Otis	Solberg
Begich	Hasskamp	Lynch	Ozment	Sparby
Bennett	Haukoos	Macklin	Pappas	Stanius
Bertram	Hausman	Marsh	Pauly	Steensina
Bishop	Heap	McDonald	Pellow	Sviggum
Blatz	Henry	McEachern	Pelowski	Swenson
Boo	Himle	McGuire	Peterson	Tjornhom
Brown	Hugoson	McLaughlin	Poppenhagen	Trimble
Burger	Jacobs	McPherson	Price	Tunheim
Carlson, D.	Janezich	Milbert	Pugh	Uphus
Carlson, L.	Jaros	Miller	Qunn	Valento
Carruthers	Jefferson	Morrison	Redalen	Vellenga
Clark	Jennings	Munger	Reding	Wagenius
Conway	Johnson, A.	Murphy	Rest	Waltman
Cooper	Johnson, R.	Nelson, C.	Rice	Weaver
Dauner	Johnson, V.	Nelson, K.	Richter	Welle
Dawkins	Kahn	Neuenschwander	Rodosovich	Wenzel
Dempsey	Kalis	O'Connor	Rukavina	Williams
Dille	Kelly	Ogren	Runbeck	Winter
Dorn	Kelso	Olsen, S.	Sarna	Spk. Vanasek
Forsythe	Kinkel	Olson, E.	Schafer	
Frederick	Knickerbocker	Olson, K.	Scheid	

A quorum was present.

Tompkins was excused.

The Chief Clerk proceeded to read the Journals of the preceding days. Tjornhom moved that further reading of the Journals be

dispensed with and that the Journals be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1555, 2062, 2135, 168, 693, 1328, 1730, 1857, 1918, 1989, 2018, 2050, 2162, 2199, 2393, 1569, 1846 and 2025 and S. F. Nos. 1366, 1694, 1696, 1727, 1692, 1778, 1663 and 1087 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 367, A bill for an act relating to employment; providing a medical leave of absence and a leave to care for family members; amending Minnesota Statutes 1988, sections 181.940, subdivisions 1, 3, and by adding subdivisions; 181.942; 181.943; 181.944; proposing coding for new law in Minnesota Statutes, chapter 181.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 181.940, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] For the purposes of sections 181.940 to ~~181.944~~ 181.946, the following terms have the meanings given to them in this section.

Sec. 2. Minnesota Statutes 1988, section 181.940, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER.] For the purposes of leaves of absence under sections 181.941, 181.945, and 181.946, "employer" means a person or entity that employs 21 or more employees at at least one site and except that for purposes of the school leave allowed under section 181.945, subdivision 1, employer means a person or entity that employs one or more employees in Minnesota. Employer includes an individual, corporation, partnership, association, non-profit organization, group of persons, state, county, town, city, school district, or other governmental subdivision.

Sec. 3. Minnesota Statutes 1988, section 181.940, is amended by adding a subdivision to read:

Subd. 4. [CHILD.] "Child" means a natural, adopted, or foster child, a stepchild, or a legal ward who:

(1) is a minor; or

(2) is 18 years of age or older and is a dependent of the employee or employee's spouse because of a physical or mental condition.

Sec. 4. Minnesota Statutes 1988, section 181.940, is amended by adding a subdivision to read:

Subd. 5. [SERIOUS HEALTH CONDITION.] "Serious health condition" means an illness, injury, impairment, or physical or mental condition that involves (1) inpatient care in a hospital, hospice, or residential medical care facility; (2) continuing treatment or continuing supervision by a health care provider or accredited Christian Science practitioner; or (3) a terminally ill patient.

Sec. 5. Minnesota Statutes 1988, section 181.942, is amended to read:

181.942 [REINSTATEMENT AFTER LEAVE.]

Subdivision 1. [COMPARABLE POSITION.] An employee returning from a leave of absence under section 181.941 shall be entitled to return to employment in the employee's former position or in a position of comparable duties, number of hours, and pay. An employee returning from a leave of absence longer than one month must notify a supervisor at least two weeks prior to return from leave. An employee returning from a medical or family care leave under section 181.945 shall be entitled to the employee's former position.

If, during the leave, the employer experiences a layoff and the employee would have lost a position had the employee not been on leave, pursuant to the good faith operation of a bona fide layoff and recall system, including a system under a collective bargaining agreement, the employee is not entitled to reinstatement in the former or comparable position. In such circumstances, the employee retains all rights under the layoff and recall system, including a system under a collective bargaining agreement, as if the employee had not taken the leave.

Subd. 2. [PAY; BENEFITS; ON RETURN.] An employee returning from a leave of absence under section 181.941 or 181.945 shall return to work at the same rate of pay the employee had been receiving when the leave commenced, plus any automatic adjust-

ments in the employee's pay scale that occurred during leave period. The employee returning from a leave shall retain all accrued preleave benefits of employment and seniority, as if there had been no interruption in service; provided that nothing in sections 181.940 to ~~181.943~~ 181.945 prevents the accrual of benefits or seniority during the leave pursuant to a collective bargaining or other agreement between the employer and employees.

Subd. 3. [PART-TIME RETURN.] An employee, by agreement with the employer, may return to work part time during the leave period without forfeiting the right to return to employment at the end of the leave period, as provided in sections 181.940 to ~~181.943~~ 181.945.

Sec. 6. Minnesota Statutes 1988, section 181.943, is amended to read:

181.943 [RELATIONSHIP TO OTHER LEAVE.]

The length of leave provided by sections ~~181.940 to 181.944~~ section 181.941 may be reduced by any period of paid parental or disability leave, but not accrued sick leave, provided by the employer, so that the total leave does not exceed six weeks, unless agreed to by the employer.

Nothing in sections 181.940 to ~~181.943~~ 181.946 prevents any employer from providing ~~parental~~ leave benefits in addition to those provided in sections 181.940 to ~~181.943~~ 181.946 or otherwise affects an employee's rights with respect to any other employment benefit.

Sec. 7. Minnesota Statutes 1988, section 181.944, is amended to read:

181.944 [INDIVIDUAL REMEDIES.]

In addition to any remedies otherwise provided by law, any person injured by a violation of sections 181.940 to ~~181.943~~ 181.946 may bring a civil action to recover any and all damages recoverable at law, together with costs and disbursements, including reasonable attorney's fees, and may receive injunctive and other equitable relief as determined by a court.

Sec. 8. [181.945] [MEDICAL AND FAMILY CARE LEAVE.]

Subdivision 1. [FAMILY LEAVE.] An employer must grant an employee, who has been employed by the employer for at least 12 months, leaves of up to a total of ten work days during any 12-month period:

(1) to care for the employee's child, spouse, or parent, including a parent-in-law, who has a serious health condition;

(2) to attend school conferences or other school events related to the employee's child, provided the conference or events cannot be scheduled during nonwork hours; or

(3) for care necessary for the employee's own serious health condition.

A maximum of three days of the leave required by this subdivision may be used for school events and conferences under clause (2).

Leave under this subdivision need not be taken at one time but may be used more than once until the maximum allowed by this subdivision is used.

Subd. 2. [TIMING; NOTICE.] Where the need for the leave is foreseeable, the employee must (1) provide reasonable prior notice of the leave; and (2) make a reasonable effort to schedule the leave so as not to disrupt unduly the operations of the employer.

Subd. 3. [PAYMENT DURING LEAVE.] (a) Nothing in this section requires that the leave be paid.

(b) An employee may substitute any accrued paid vacation leave, sick leave, or other appropriate paid leave for any part of the leave, except that the employer is not required to provide paid sick leave if the employer would not normally provide paid leave in such circumstances.

Subd. 4. [CONTINUED HEALTH INSURANCE.] During the period of the leave, the employer shall maintain group health insurance coverage under the conditions that applied immediately before the leave began. If the employee continues to make required contributions to the plan, the employer shall continue making group health insurance premium contributions as if the employee had not taken the leave.

Sec. 9. [181.946] [USE OF SICK LEAVE.]

An employee may use sick leave benefits for absences due to the illness of a child, for such reasonable periods as the employee's attendance may be necessary, on the same terms the employee is able to use sick leave benefits for the employee's own illness."

Delete the title and insert:

"A bill for an act relating to employment; providing a medical

leave of absence, a school event leave, and a leave to care for family members; amending Minnesota Statutes 1988, sections 181.940, subdivisions 1, 3, and by adding subdivisions; 181.942; 181.943; and 181.944; proposing coding for new law in Minnesota Statutes, chapter 181."

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. 869, A bill for an act relating to transportation; motor carriers; creating a legislative commission to study the regulation of irregular route carriers; deferring enforcement of Minnesota Statutes, chapter 221, and related rules with respect to irregular route carriers.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [STUDY DIRECTED.]

The chairs of the committees on transportation of the senate and the house of representatives shall appoint a joint subcommittee on motor carrier regulation. The joint subcommittee must consist of an equal number of members of each committee. The joint subcommittee shall oversee those activities of the transportation regulation board which relate to a study by the board, or by a board task force or advisory committee, of current and proposed law and rules on regulated motor carriers. The chair and other members of the transportation regulation board, and the members of any task force or advisory committee of the board, shall cooperate and consult with the joint subcommittee throughout the study. The chair and any person selected by the chair as a facilitator for any of the board's task forces, must report to the joint subcommittee at least once every 60 days until February 1, 1991. The joint subcommittee must report to the chairs of each committee not later than February 1, 1991, on the results of its activities and any recommendations of the joint subcommittee for changes in motor carrier laws.

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 motor carriers; establishing a joint legislative subcommittee on motor carrier regulation and requiring a report.”

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. 1279, A bill for an act relating to criminal procedure; proposing an amendment to the Minnesota Constitution, article I, section 7, to eliminate the right to cash bail; authorizing the pretrial detention of criminal defendants under certain circumstances; providing procedures governing pretrial and postconviction release and detention decisions; providing for appellate review of release and detention orders; imposing penalties for failure to appear in court as required and for commission of a crime while on release; amending Minnesota Statutes 1988, sections 589.16; 629.53; 629.63; and 629.72, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609; proposing coding for new law as Minnesota Statutes, chapter 629A; repealing Minnesota Statutes 1988, sections 609.49; 629.44; 629.45; 629.47; 629.48; 629.49; 629.54; 629.55; 629.58; 629.59; 629.60; 629.61; 629.62; and 629.64.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [PREVENTIVE DETENTION STUDY COMMISSION.]

Subdivision 1. [MEMBERSHIP.] A study commission on preventive detention is created consisting of five members of the house of representatives appointed by the speaker of the house and five members of the senate appointed by the senate committee on subcommittees. The commission shall select from its membership a chair or co-chairs and other officers it considers necessary.

Subd. 2. [STUDY.] The commission shall study whether Minnesota's current laws and rules regarding the pretrial detention of alleged criminal offenders should be changed to permit the preventive detention of certain dangerous offenders without bail.

Subd. 3. [REPORT.] The commission shall report to the legislature on its findings and recommendations no later than February 1, 1991, and ceases to function after that date.

Subd. 4. [COMPENSATION.] Members of the commission must be compensated in the same manner as for other legislative meetings."

Delete the title and insert:

"A bill for an act relating to crime; creating a legislative study commission to study whether the preventive detention of certain dangerous criminal offenders without bail should be authorized."

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

The report was adopted.

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

H. F. No. 1739, A bill for an act relating to human services; requiring a study on methods of providing state assistance for persons with high out-of-pocket expenses for certain prescription drugs; 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.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1816, A bill for an act relating to the environment; changing the collection period of the fee; changing the terms for reimbursement of petroleum tank release costs by the petroleum tank release compensation board; amending Minnesota Statutes 1988, section 115C.08, subdivision 2; and Minnesota Statutes 1989 Supplement, sections 115C.08, subdivision 5; and 115C.09, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 115C.02, is amended by adding a subdivision to read:

Subd. 10a. [PETROLEUM REFINERY.] "Petroleum refinery" means any facility engaged in producing gasoline, kerosene, distillate fuel oils, residual fuel oil, lubricants, or other products through distillation of petroleum or through redistillation, cracking, or reforming of unfinished petroleum derivatives. "Petroleum refinery" includes fluid catalytic cracking unit incinerator-waste heat boilers, fuel gas combustion devices, and all indirect heating equipment associated with the refinery.

Sec. 2. Minnesota Statutes 1988, section 115C.02, is amended by adding a subdivision to read:

Subd. 15. [TANK FACILITY.] "Tank facility" means a contiguous area where tanks are located which are owned or operated by the same person, or by affiliated persons.

Sec. 3. Minnesota Statutes 1988, section 115C.08, subdivision 2, is amended to read:

Subd. 2. [IMPOSITION OF FEE.] The board shall notify the commissioner of revenue if the unexpended unencumbered balance of the fund falls below \$1,000,000 \$2,000,000, and within 60 days of receiving notice from the board, the commissioner of revenue shall impose the fee established in subdivision 3 on the use of a tank for a 30-day period, within 60 days of receiving notice from the board four calendar months, payment to be submitted with each monthly distributor tax return.

Sec. 4. Minnesota Statutes 1989 Supplement, section 115C.08, subdivision 5, is amended to read:

Subd. 5. [FUND TRANSFER.] The board shall authorize the commissioner of finance to transfer to the harmful substance compensation fund the amount requested by the harmful substance compensation board under section 115B.26, subdivision 4. Transfer of the amount must be made at the earliest practical date after authorization by the board. If the unexpended unencumbered balance in the fund is less than \$1,000,000 \$2,000,000 the transfer must be made at the earliest practical date after the unexpended unencumbered balance in the fund exceeds that amount.

Sec. 5. Minnesota Statutes 1989 Supplement, section 115C.09, subdivision 3, is amended to read:

Subd. 3. [REIMBURSEMENT.] (a) The board shall reimburse a responsible person who is eligible under subdivision 2 from the fund for 90 percent of the portion of the total reimbursable costs less than

\$250,000 or \$1,000,000, whichever is less. Not more than \$250,000 \$1,000,000 may be reimbursed for costs associated with a single release, regardless of the number of persons eligible for reimbursement, and not more than \$2,000,000 may be reimbursed for costs associated with a single tank facility.

(b) A reimbursement may not be made from the fund under this subdivision until the board has determined that the costs for which reimbursement is requested were actually incurred and were reasonable.

(c) Money in the fund is appropriated to the board to make reimbursements under this section. Reimbursements to state agencies are appropriated to the state agencies for the fiscal year in which they are received.

Sec. 6. Minnesota Statutes 1989 Supplement, section 115C.09, is amended by adding a subdivision to read:

Subd. 6. [FACILITIES INELIGIBLE FOR REIMBURSEMENT.] Notwithstanding subdivisions 1 to 3b, no reimbursement shall be made under this section for costs associated with a release:

(1) from tanks located at petroleum refineries; or

(2) from tank facilities, including pipeline terminals, where more than 1,000,000 gallons of petroleum are stored. For purposes of this subdivision, the amount stored at the tank facility is calculated as the total capacity of all tanks located at the tank facility.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the environment; changing the collection period of the fee; changing the terms for reimbursement of petroleum tank release costs by the petroleum tank release compensation board; appropriating money reimbursed to state agencies; amending Minnesota Statutes 1988, sections 115C.02, by adding subdivisions; 115C.08, subdivision 2; Minnesota Statutes 1989 Supplement, sections 115C.08, subdivision 5; and 115C.09, subdivision 3, and by adding a subdivision."

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. 1881, A bill for an act relating to highways; designating certain highway within a state wild, scenic, and recreational river corridor as possessing natural, scenic, historical, and aesthetic characteristics; protecting and maintaining these characteristics; allowing commissioner of transportation to provide state-aid funding; amending Minnesota Statutes 1988, section 86A.05, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 21, delete "To" and insert "The county shall make every effort to"

Page 1, line 22, delete the first comma and insert "on"

Page 1, line 23, delete "must be" and insert a period

Page 1, delete line 24

Page 1, line 25, delete "drainage, and maintenance necessary" and insert "The county shall adhere to accepted state-aid highway design and engineering practices in order"

Page 1, line 26; before "traveling" insert "state-aid highway for the"

Page 2, line 6, delete everything after the period

Page 2, delete lines 7 to 11 and insert:

"(c) A road authority with jurisdiction over the right-of-way described in this section, and its officers and employees, is exempt from liability for any tort claim for injury to person or property arising from travel on the highway and related to its maintenance or condition."

Amend the title as follows:

Page 1, line 8, after the semicolon insert "providing for liability;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Transportation.

The report was adopted.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 1897; A bill for an act relating to insurance; regulating liability insurance claim denials; amending Minnesota Statutes 1988, section 72A.201, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 60A.

Reported the same back with the following amendments:

Page 1, line 7, delete "60A.083" and insert "65B.526" and delete "LIABILITY" and insert "NO-FAULT"

Page 1, line 9, delete "a policy of liability" and insert "no-fault coverage"

Page 1, line 10, delete "insurance"

Page 1, line 11, after "insured" insert "the option of obtaining"

Page 1, line 12, delete "to obtain"

Page 1, line 21, after "roster" insert "is an insurance company health care provider and that no provider"

Page 1, line 23, after the period insert "The rules also shall require that the neutral provider is randomly assigned to examine the claimant."

Page 3, line 5, delete "60A.083" and insert "65B.526"

Amend the title as follows:

Page 1, line 2, delete "liability" and insert "no-fault"

Page 1, line 5, delete "60A" and insert "65B"

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. 1927, A bill for an act relating to traffic regulations; regulating approaches of vehicles to certain intersections; amending Minnesota Statutes 1988, section 169.20, subdivision 1.

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. 1948; A bill for an act relating to health; clarifying requirements for water well construction and ownership; amending Minnesota Statutes 1989 Supplement, sections 103I.005, subdivisions 8, 16, and by adding a subdivision; 103I.101, subdivisions 2 and 6; 103I.111, subdivision 5; 103I.205, subdivisions 1, 2, 4, and 8; 103I.208, subdivision 2, and by adding a subdivision; 103I.301, subdivision 3; 103I.325, subdivision 2; 103I.541, subdivision 1, and by adding subdivisions; 103I.681; 103I.685; 103I.691; 103I.705, subdivisions 2 and 3; Laws 1989, chapter 326, article 3, section 49; repealing Minnesota Statutes 1989 Supplement, sections 103I.005, subdivision 19; 103I.211; 103I.301, subdivision 5; 103I.321; 103I.325, subdivision 1; and 103I.533.

Reported the same back with the following amendments:

Page 2, after line 11, insert:

"Sec. 3. Minnesota Statutes 1989 Supplement, section 103I.005, subdivision 9, is amended to read:

Subd. 9. [EXPLORATORY BORING.] "Exploratory boring" means a surface drilling done to explore or prospect for oil, natural gas, kaolin clay, and metallic minerals, including iron, copper, zinc, lead, gold, silver, titanium, vanadium, nickel, cadmium, molybdenum, chromium, manganese, cobalt, zirconium, beryllium, thorium, uranium, aluminum, platinum, palladium, radium, tantalum, tin, and niobium, and a drilling or boring for petroleum."

Page 3, after line 4, insert:

"Sec. 6. Minnesota Statutes 1989 Supplement, section 103I.101, subdivision 5, is amended to read:

Subd. 5. [COMMISSIONER TO ADOPT RULES.] The commissioner shall adopt rules including:

(1) issuance of licenses for:

(i) qualified well contractors, persons modifying or repairing well casings, well screens, or well diameters;

(ii) persons constructing unconventional wells such as drive points or dug wells;

(iii) persons constructing, repairing, and sealing dewatering wells;

(iv) persons sealing wells; and

~~(iv)~~ (v) persons installing well pumps or pumping equipment and excavating holes for installing elevator shafts or hydraulic cylinders;

(2) issuance of registration for monitoring well contractors;

(3) establishment of conditions for examination and review of applications for license and registration;

(4) establishment of conditions for revocation and suspension of license and registration;

(5) establishment of minimum standards for design, location, construction, repair, and sealing of wells to implement the purpose and intent of this chapter;

(6) establishment of a system for reporting on wells drilled and sealed;

(7) modification of fees prescribed in this chapter, according to the procedures for setting fees in section 16A.128;

(8) establishment of standards for the construction, maintenance, sealing, and water quality monitoring of wells in areas of known or suspected contamination, for which the commissioner may adopt emergency rules;

(9) establishment of wellhead protection measures for wells serving public water supplies;

(10) establishment of procedures to coordinate collection of well data with other state and local governmental agencies; and

(11) establishment of criteria and procedures for submission of well logs, formation samples or well cuttings, water samples, or other special information required for geologic and water resource mapping.”

Page 3, after line 13, insert:

“Sec. 8. Minnesota Statutes 1989 Supplement, section 103I.111, is amended by adding a subdivision to read:

Subd. 2a. [FEES.] A board of health under a delegation agreement with the commissioner may charge permit and notification fees in excess of the fees specified in section 1031.208 provided that said fees do not exceed the total direct and indirect costs to administer the delegated duties."

Page 7, after line 29, insert:

"Sec. 16. Minnesota Statutes 1989 Supplement, section 1031.235, is amended to read:

1031.235 [SALE OF PROPERTY WHERE WELLS ARE LOCATED.]

Subdivision 1. [DISCLOSURE OF WELLS TO BUYER.] (a) Before signing an agreement to sell or transfer real property, the seller must disclose in writing to the buyer information about the status and the location of all known wells on the property, including by delivering to the buyer either a statement by the seller that the seller knows of no wells on the property, or a disclosure statement indicating the legal description, and the quartile, section, township, range, and county, and a map drawn from available information showing the location of the wells each well to the extent practicable. In the disclosure statement, the seller must indicate, for each well, whether the well is in use, not in use, or sealed.

(b) At the time of closing of the sale, the disclosure statement information must be provided on a well certificate signed by the seller of the property or a person authorized to act on behalf of the seller. No well certificate need be provided if the seller knows of no well on the property and the deed or other instrument of conveyance contains the statement: "Seller certifies that Seller knows of no well on the real property described herein."

(c) If a the seller fails to provide a required well certificate, a the buyer, or a person authorized to act on behalf of the buyer, may sign a well certificate based on the information provided on the disclosure statement required by this section or based on other available information.

(d) A county recorder or registrar of titles may not record a deed, or other instrument, or writing of conveyance dated after October 31, 1990, for which a certificate of value is required under section 272.115, or any deed or contract for deed other instrument of conveyance dated after October 31, 1990, from a governmental body exempt from the payment of state deed tax, unless such deed or other instrument of conveyance either contains the statement "Seller certifies that Seller knows of no well on the real property described herein," or is accompanied by the well certificate required by this subdivision is filed with the county recorder or registrar of titles and the filing fee paid under section 357.18. The county

recorder or registrar of titles shall note on each deed or other instrument of conveyance accompanied by a well certificate that the well certificate was received. The well certificate shall not be filed or recorded in the records maintained by the county recorder or registrar of titles. The county recorder or registrar of titles shall transmit the well certificate to the commissioner of health within 15 days after receiving the well certificate.

(e) The commissioner in consultation with county recorders shall prescribe the form for a well certificate and provide well certificate forms to county recorders and registrars of titles and other interested persons.

(f) Neither the validity of a deed or other instrument of conveyance as between the parties thereto and as to any other person who otherwise would be bound thereby, nor the record, as notice, of any deed or other instrument of conveyance accepted for filing or recording contrary to the provisions of this section, shall be impaired by failure to comply with any requirement of this section.

Subd. 2. [LIABILITY FOR FAILURE TO DISCLOSE.] Unless the buyer and seller agree to the contrary, in writing, before the closing of the sale, a seller who fails to disclose the existence of a well at the time of sale and knew of or had reason to know of the existence of a the well, is liable to the buyer for costs and reasonable attorney fees relating to the sealing of a the well, provided the action must be is commenced by the buyer within six years after the date the buyer purchased closed the purchase of the real property where the well is located."

Page 8, after line 1, insert:

"Sec. 18. Minnesota Statutes 1989 Supplement, section 103I.311, subdivision 3, is amended to read:

Subd. 3. [PROHIBITION ON STATE LAND PURCHASED WITHOUT WELL IDENTIFICATION.] The state may not purchase or sell real property or an interest in real property without identifying the location of all wells on the property, whether in use, not in use, or sealed on the property, and making provisions to have the wells not in use properly sealed at the cost of the seller as part of the contract. The deed or other instrument of conveyance evidencing the sale may not be recorded with the county recorder or registrar of titles unless this subdivision is complied with, provided the validity of a deed or other instrument of conveyance as between the parties thereto and as to any persons who otherwise would be bound thereby, shall not be affected by failure to comply herewith, nor shall the record, as notice, of a deed or other instrument of conveyance accepted for recording or filing contrary to the provisions hereof, be impaired by failure to comply herewith."

Renumber the sections in sequence

Correct internal references

Delete the title and insert:

"A bill for an act relating to health; clarifying requirements for water well construction and ownership; amending Minnesota Statutes 1989 Supplement, sections 103I.005, subdivisions 8, 9, 16, and by adding a subdivision; 103I.101, subdivisions 2, 5, and 6; 103I.111, subdivision 5, and by adding a subdivision; 103I.205, subdivisions 1, 2, 4, and 8; 103I.208, subdivision 2, and by adding a subdivision; 103I.235; 103I.301, subdivision 3; 103I.311, subdivision 3; 103I.325, subdivision 2; 103I.541, subdivision 1, and by adding subdivisions; 103I.681; 103I.685; 103I.691; 103I.705, subdivisions 2 and 3; Laws 1989, chapter 326, article 3, section 49; repealing Minnesota Statutes 1989 Supplement, sections 103I.005, subdivision 19; 103I.211; 103I.301, subdivision 5; 103I.321; 103I.325, subdivision 1; and 103I.533."

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 1984, A bill for an act relating to insurance; accident and health; providing for coordination of benefits between group and individual contracts; amending Minnesota Statutes 1989 Supplement, section 62A.046.

Reported the same back with the following amendments:

Page 2, after line 29, insert:

"Benefits coordinated under this clause must provide for 100 percent coverage of an insured, subscriber, or enrollee."

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. 1991, A bill for an act relating to natural resources; repealing certain pipeline review authority of the commissioner of natural resources; repealing Minnesota Statutes 1988, section 117.49.

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. 2008, A bill for an act relating to education; establishing a program for the state to match gifts to endowments for certain undergraduate academic programs; directing the higher education coordinating board to administer the program; permitting rulemaking; proposing coding for new law in Minnesota Statutes, chapter 136A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [135A.16] [STATE MATCH OF ENDOWMENT GIFTS FOR UNDERGRADUATE PROGRAMS.]

Subdivision 1. [LIMITATIONS.] The state shall match a gift for an undergraduate academic program made to an endowment fund of a college or university. The state's matching program has the elements, conditions, and financial and legal limits described in sections 1 to 8.

Subd. 2. [ADMINISTRATION.] The higher education coordinating board shall administer the state's matching program. The board may adopt rules as necessary to administer the documentation of gifts and the payment of matching contributions.

Sec. 2. [135A.161] [ELEMENTS OF PROGRAM.]

Subdivision 1. [WHICH GIFTS MATCHED.] The state shall match a gift of money, of income from an asset, or of the proceeds or income from the disposition of an asset.

Subd. 2. [WHEN GIFT "MADE."] (a) A gift of money is made when the money is irrevocably credited to the recipient's endowment fund.

(b) A gift of income from an asset or of income or proceeds from the disposition of an asset is made when the net income or net proceeds are converted to money and credited to the recipient's endowment fund.

Subd. 3. [UNDERGRADUATE ACADEMIC PROGRAM.] An undergraduate academic program is a nonsectarian program leading to a degree from the accredited college or university offering the program.

Subd. 4. [NONSECTARIAN PROGRAM.] (a) A "nonsectarian" program is one that is not specifically for education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

(b) A nonsectarian program may provide for the scholarly study of religion as a discipline of knowledge in a manner similar to that provided for any other field of study.

(c) A nonsectarian program does not require its students:

(1) to take courses that are based on a particular set of religious beliefs;

(2) to receive instruction intended to propagate or promote any religious beliefs;

(3) to participate in religious activities;

(4) to maintain affiliation with a particular church or religious organization; or

(5) to attest to any particular religious beliefs.

Subd. 5. [ACCREDITED.] (a) Accredited means accredited by the north central association of secondary schools and colleges or by a substantially equivalent regional accrediting organization.

(b) An organization that accredits a program primarily for the content of the program in connection with admission of its participants to a profession is not accreditation for purposes of the state's matching program.

Subd. 6. [ENDOWMENT FUND.] (a) An endowment fund is a

fund or account maintained by trustees to benefit one or more colleges and universities described in subdivision 7.

(b) The fund or account must be solely for:

(1) gifts to be matched under sections 1 to 8;

(2) the state's grants matching the gifts in clause (1); and

(3) net income earned by the fund or account.

(c) The University of Minnesota foundations, the state universities' foundations, the community college foundations, the technical college foundations and the Minnesota private college fund and the endowment funds of each college or university that meets the definition in subdivision 7, or accounts within each of them, are endowment funds within the meaning of sections 1 to 8.

Subd. 7. [COLLEGE OR UNIVERSITY.] A college or university for purposes of the matching program is an accredited nonprofit institution of higher education, located and incorporated or chartered in the state, that offers, substantially totally within the state, undergraduate academic programs leading to a degree at the institution.

Sec. 3. [135A.162] [CONDITIONS.]

(a) A gift to be matched under sections 1 to 8 must be restricted by the donor or by the trustees of the endowment fund to use for nonsectarian undergraduate academic programs at one or more colleges or universities. The matching contribution has the same restrictions.

(b) The principal amount of an endowment fund including the principal amount of matching grants from the state may only be invaded in accordance with generally accepted principles of trust law for endowment funds of colleges and universities.

(c) The gift must be made from nonstate money.

Sec. 4. [135A.163] [THE MATCHING CONTRIBUTION.]

The state shall match each dollar of gifts made to an endowment fund under sections 1 to 8 with a dollar of state money, within the amount appropriated for these purposes. The money must be paid in a grant directly to the endowment fund.

Sec. 5. [135A.164] [REPORT ON FUNDS TO BE MATCHED.]

Each gift to be matched shall be reported to the state governing board in the case of the University of Minnesota, the state universities, the community colleges and the technical colleges, or to the Minnesota private college council in the case of a private college or university. By June 30 of each year the governing board or the council shall review all submitted gifts and prioritize them for matching within the available appropriation. By July 15 the governing board or council shall submit its prioritized list to the higher education coordinating board together with any necessary supporting documentation. By August 15 of each year, the higher education coordinating board shall allocate the matching funds to each endowment consistent with the priorities of the governing board or council.

Sec. 6. [135A.166] [INCOME MAY BE USED ONLY FOR ACADEMIC PROGRAMS.]

(a) Net income from gifts to be matched under sections 1 to 8 and from the state's matching contributions may be used by the beneficiary college and university only for its:

- (1) faculty compensation and benefits;
- (2) endowed faculty chairs;
- (3) faculty development;
- (4) library, media center, and laboratory resources if the resources are accessible to undergraduate students;
- (5) collaborative research of undergraduate students and their faculty;
- (6) need-based scholarships, as defined by the appropriate governing board or council;
- (7) scientific, technical, and computer equipment and software accessible for instructional and research purposes to undergraduate students and their faculty; and
- (8) uses related to or consistent with other uses in this paragraph.

(b) Income from gifts to be matched under sections 1 to 8 and from the state's matching contributions must not be used by the beneficiary college or university for its:

- (1) administration;
- (2) admissions;

- (3) public relations;
- (4) fundraising;
- (5) athletics;
- (6) construction, remodeling, repair, and maintenance of buildings and grounds;
- (7) utility payments;
- (8) taxes, government assessments, or voluntary payments in place of taxes or assessments;
- (9) debt service;
- (10) furniture, fixtures, and equipment other than equipment described in paragraph (a), clause (7); and
- (11) other uses not included in paragraph (a).

Sec. 7. [135A.167] [LIMITS TO GRANTS.]

State grants under sections 1 to 8 are limited to the amount appropriated for the purpose. The appropriation shall be divided into four equal parts with one-fourth available to the University of Minnesota, one-fourth available to the state university system, one-fourth available to both the community college system and the technical college system, and one-fourth available to private colleges and universities that are members of the Minnesota private college council. The amounts appropriated in a biennium may be spent in either year of the biennium. Amounts unspent at the end of a biennium do not cancel but carry over into the next biennium. Any funds that are unspent after two years shall be placed in a common pool and be available as matching money to supplement any of the four parts in which the funds have been exhausted.

Sec. 8. [135A.168] [SUBJECT LAW.]

(a) A gift to be matched under sections 1 to 8 is received subject to the law of Minnesota with respect to the state's obligation to make a matching contribution under sections 1 to 8, regardless of the intent of anyone to invoke the law of another jurisdiction on this point.

(b) The state's obligation to make a matching contribution under sections 1 to 8 is subject to the laws of this state, as the laws exist at the time of the gift and as the law may be changed after the gift is made.

(c) No individual, government agency, endowment fund, or higher education institution is authorized to ensure that the state will match any gift under sections 1 to 8.

(d) The state is not liable to a donor, a higher education institution, an endowment fund, or anyone else who relies on the state to match a gift made under sections 1 to 8 if the matching contribution is not made or not fully made for any reason.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective July 1, 1991, to match gifts made after June 30, 1991."

Amend the title accordingly

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. 2011, A bill for an act relating to education; changing state board of vocational technical education powers; amending Minnesota Statutes 1988, section 136C.04, subdivision 12.

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. 2024, A bill for an act relating to education; entering the Midwestern Higher Education Compact; providing the appointment of members; proposing coding for new law in Minnesota Statutes, chapter 135A.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 2031, A bill for an act relating to health; requiring insurers to provide medical malpractice insurance premium discounts to qualifying physicians; requiring the commissioner of health to purchase vaccine for resale to medical providers at discounted prices; declaring the goal of the legislature to achieve full funding for the WIC program by 1993; establishing additional responsibilities of the commissioner of health relating to the WIC program; requiring the commissioner of human services to seek federal approval to eliminate eligibility redeterminations for certain pregnant women and infants; expanding eligibility for the children's health plan to include certain pregnant women and children up to age six; increasing medical assistance income limits for pregnant women and children up to age seven; increasing payment rates for prenatal care and delivery services; requiring a plan to improve utilization rates for prenatal care and preventive care for children; expanding the prenatal care media outreach campaign; requiring the boards of medical examiners and nursing to report on complaints relating to obstetrics, gynecology, prenatal care, and delivery; appropriating money; amending Minnesota Statutes 1988, sections 214.07, subdivision 1, and by adding a subdivision; and 256.936, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 145.894; 256.936, subdivision 1; 256B.04, subdivision 17; and 256B.057, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 60A and 144.

Reported the same back with the following amendments:

Pages 2 to 4, delete sections 3 to 7

Page 12, delete lines 24 to 28

Page 12, line 29, delete everything before "(a)"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2038, A bill for an act relating to human rights; amending definitions of public accommodation, age, and familial status; clarifying medical information obtainable from prospective employees; clarifying protection for pregnant employees; prohibiting threats against home owners and renters; adding familial status as a protected class in employment; prohibiting discriminatory business practices; clarifying the meaning of business necessity and continuing violations; renumbering definitions; amending Minnesota Statutes 1988, sections 363.01, subdivisions 18 and 28; 363.03, subdivisions 2, 8a, and by adding a subdivision; 363.06, subdivision 1, and by adding a subdivision; 363.11; and 363.116; Minnesota Statutes 1989 Supplement, sections 363.01, subdivision 31; 363.02, subdivision 1; and 363.03, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 363.01, subdivision 28, is amended to read:

Subd. 28. [AGE.] "Age" insofar as it refers to any prohibited unfair employment or education practice shall be deemed to protect only those individuals The prohibition against unfair employment or education practices based on age prohibits using a person's age as a basis for a decision if the person is over the age of majority except for section 363.03, subdivision 5 which shall be deemed to protect any individual over the age of 25 years.

Sec. 2. Minnesota Statutes 1989 Supplement, section 363.02, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENT.] The provisions of section 363.03, subdivision 1, shall not apply to:

(1) The employment of any individual

(a) by the individual's parent, grandparent, spouse, child, or grandchild, or

(b) in the domestic service of any person;

(2) A religious or fraternal corporation, association, or society, with respect to qualifications based on religion, when religion shall be a bona fide occupational qualification for employment;

(3) The employment of one person in place of another, standing by itself, shall not be evidence of an unfair discriminatory practice;

(4) The operation of a bona fide seniority system which mandates differences in such things as wages, hiring priorities, layoff priorities, vacation credit, and job assignments based on seniority, so long as the operation of the system is not a subterfuge to evade the provisions of this chapter;

(5) With respect to age discrimination, a practice by which a labor organization or employer offers or supplies varying insurance benefits or other fringe benefits to members or employees of differing ages, so long as the cost to the labor organization or employer for the benefits is reasonably equivalent for all members or employees;

(6) A restriction imposed by state statute, home rule charter, ordinance, or civil service rule, and applied uniformly and without exception to all individuals, which establishes a maximum age for entry into employment as a peace officer or firefighter.

(7) Nothing in this chapter concerning age discrimination shall be construed to validate or permit age requirements which have a disproportionate impact on persons of any class otherwise protected by section 363.03, subdivision 1 or 5.

(8) It is not an unfair employment practice for an employer, employment agency, or labor organization:

(i) to require or request a person to undergo physical examination, which may include a medical history, for the purpose of determining the person's capability to perform available employment, provided

(a) that an offer of employment has been made on condition that the person meets the physical or mental requirements of the job except that a law enforcement agency filling a peace officer position or part-time peace officer position may require or request an applicant to undergo psychological evaluation before a job offer is made provided that the psychological evaluation is for those job-related abilities set forth by the board of peace officer standards and training for psychological evaluations. Nothing in this subdivision authorizes psychological evaluation which would otherwise be prohibited by another law;

(b) that the examination tests only for essential job-related abilities; and

(c) that the examination except for examinations authorized under chapter 176 is required of all persons conditionally offered employment for the same position regardless of disability; or

(ii) with the consent of the employee, after employment has commenced, to obtain additional medical information necessary for the purposes of establishing an employee health record assessing continuing ability to perform the job or employee health insurance eligibility; for purposes mandated by local, state or federal law; for purposes of assessing the need to reasonably accommodate an employee or obtaining information to determine eligibility for the second injury fund under chapter 79A; or pursuant to sections 181.950 to 181.957;

(iii) to administer preemployment tests, provided that the tests (a) measure only essential job-related abilities, (b) are required of all applicants for the same position regardless of disability except for tests authorized under chapter 176, and (c) accurately measure the applicant's aptitude, achievement level, or whatever factors they purport to measure rather than reflecting the applicant's impaired sensory, manual, or speaking skills except when those skills are the factors that the tests purport to measure; or

(iv) to limit receipt of benefits payable under a fringe benefit plan for disabilities to that period of time which a licensed physician reasonably determines a person is unable to work; or

(v) to provide special safety considerations for pregnant women involved in tasks which are potentially hazardous to the health of the unborn child, as determined by medical criteria.

Sec. 3. Minnesota Statutes 1989 Supplement, section 363.03, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENT.] Except when based on a bona fide occupational qualification, it is an unfair employment practice:

(1) For a labor organization, because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age,

(a) to deny full and equal membership rights to a person seeking membership or to a member;

(b) to expel a member from membership;

(c) to discriminate against a person seeking membership or a member with respect to hiring, apprenticeship, tenure, compensation, terms, upgrading, conditions, facilities, or privileges of employment; or

(d) to fail to classify properly, or refer for employment or otherwise to discriminate against a person or member.

(2) For an employer, because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, membership or activity in a local commission, disability, or age,

(a) to refuse to hire or to maintain a system of employment which unreasonably excludes a person seeking employment; or

(b) to discharge an employee; or

(c) to discriminate against a person with respect to hiring, tenure, compensation, terms, upgrading, conditions, facilities, or privileges of employment.

(3) For an employment agency, because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age,

(a) to refuse or fail to accept, register, classify properly, or refer for employment or otherwise to discriminate against a person; or

(b) to comply with a request from an employer for referral of applicants for employment if the request indicates directly or indirectly that the employer fails to comply with the provisions of this chapter.

(4) For an employer, employment agency, or labor organization, before a person is employed by an employer or admitted to membership in a labor organization, to

(a) require or request the person to furnish information that pertains to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age; or, subject to section 363.02, subdivision 1, to require or request a person to undergo physical examination; unless for the sole and exclusive purpose of national security, information pertaining to national origin is required by the United States, this state or a political subdivision or agency of the United States or this state, or for the sole and exclusive purpose of compliance with the public contracts act or any rule, regulation, or laws of the United States or of this state requiring the information or examination. A law enforcement agency may, after notifying an applicant for a peace officer or part-time peace officer position that the law enforcement agency is commencing the background investigation on the applicant, request the applicant's date of birth, gender, and race on a separate form for the sole and exclusive purpose of conducting a criminal history check, a driver's license check, and fingerprint criminal history inquiry. The form shall include a statement indicating why the data is being collected and what its limited use will be. No document which has date of birth, gender, or race information will be included in the information given to or available to any

person who is involved in selecting the person or persons employed other than the background investigator. No person may act both as background investigator and be involved in the selection of an employee except that the background investigator's report about background may be used in that selection as long as no direct or indirect references are made to the applicant's race, age, or gender;
or

(b) seek and obtain for purposes of making a job decision, information from any source that pertains to the person's race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age, unless for the sole and exclusive purpose of compliance with the public contracts act or any rule, regulation, or laws of the United States or of this state requiring the information; or

(c) cause to be printed or published a notice or advertisement that relates to employment or membership and discloses a preference, limitation, specification, or discrimination based on race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age.

Any individual who is required to provide information that is prohibited by this subdivision is an aggrieved party under section 363.06.

(5) For an employer, an employment agency, or a labor organization, with respect to all employment related purposes, including receipt of benefits under fringe benefit programs, not to treat women affected by pregnancy, childbirth, or disabilities related to pregnancy or childbirth, the same as other persons who are not so affected but who are similar in their ability or inability to work.

(6) For an employer with 50 or more permanent, full-time employees, an employment agency, or a labor organization, not to make reasonable accommodation to the known disability of a qualified disabled or pregnant person or job applicant unless the employer, agency, or organization can demonstrate that the accommodation would impose an undue hardship on the business, agency, or organization. "Reasonable accommodation" means steps which must be taken to accommodate the known physical or mental limitations of a qualified disabled person. "Reasonable accommodation" may include but is not limited to, nor does it necessarily require: (a) making facilities readily accessible to and usable by disabled persons; and (b) job restructuring, modified work schedules, acquisition or modification of equipment or devices, and the provision of aides on a temporary or periodic basis.

In determining whether an accommodation would impose an undue hardship on the operation of a business or organization, factors to be considered include:

(a) the overall size of the business or organization with respect to number of employees or members and the number and type of facilities;

(b) the type of the operation, including the composition and structure of the work force, and the number of employees at the location where the employment would occur;

(c) the nature and cost of the needed accommodation;

(d) the reasonable ability to finance the accommodation at each site of business; and

(e) documented good faith efforts to explore less restrictive or less expensive alternatives, including consultation with the disabled person or with knowledgeable disabled persons or organizations.

A prospective employer need not pay for an accommodation for a job applicant if it is available from an alternative source without cost to the employer or applicant.

Sec. 4. Minnesota Statutes 1988, 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, conditions 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 real property values, an increase in criminal or antisocial behavior, or a decline in the quality of schools or other public facilities.

(5) For a person to deny a totally or partially blind, physically handicapped, or deaf person with a service dog full and equal access to real property provided for in this section. The person may not be required to pay extra compensation for the service dog but is liable for damage done to the premises by the service dog.

(6) For a person to coerce, intimidate, threaten, or interfere with a person in the exercise or enjoyment of, or on account of that person having exercised or enjoyed, or on account of that person having aided or encouraged a third person in the exercise or enjoyment of, any right granted or protected by this subdivision.

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.

Sec. 5. Minnesota Statutes 1988, section 363.03, subdivision 8a, is amended to read:

Subd. 8a. [BUSINESS; SEX DISCRIMINATION.] It is an unfair discriminatory practice for a person engaged in a trade or business or in the provision of a service:

(a) to refuse to do business with or provide a service to a woman based on her use of her current or former surname; or

It is an unfair discriminatory practice for a person (b) to impose, as a condition of doing business with or providing a service to a woman, that a woman use her current surname rather than a former surname; or

(c) to refuse to do business with, to refuse to contract with, or to discriminate in the terms, conditions, facilities, privileges, or performance of the business or contract due to a person's race, color, creed, religion, national origin, sex, marital status, disability, or age, unless the failure to contract is because of a legitimate business reason.

Nothing in this subdivision shall prohibit positive action plans.

Sec. 6. Minnesota Statutes 1988, section 363.03, is amended by adding a subdivision to read:

Subd. 11. [DISPARATE IMPACT CASES.] Business necessity may only be raised as an affirmative defense to a prima facie disparate impact case by showing the practice responsible for the disparity is necessary to the business. If a business necessity is established, then the opposing side may rebut it by establishing that a reasonable, less discriminatory alternative is available to achieve the business necessity.

Sec. 7. Minnesota Statutes 1988, 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 setting out a summary of the details of the respondent's position relative 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. 8. Minnesota Statutes 1988, section 363.06, is amended by adding a subdivision to read:

Subd. 3a. For purposes of subdivision 3, each application of an unfair discriminatory practice, employment policy, or seniority system to a new person establishes a basis for the filing of a claim.

Sec. 9. Minnesota Statutes 1988, section 363.11, is amended to read:

363.11 [CONSTRUCTION.]

The provisions of this chapter shall be construed liberally for the accomplishment of the purposes thereof. Nothing contained in this chapter shall be deemed to repeal any of the provisions of the civil rights law or of any other law of this state relating to discrimination because of race, creed, color, religion, sex, age, disability, marital status, status with regard to public assistance or national origin or familial status; but, as to acts declared unfair by sections 363.03 and 363.123, the procedure herein provided shall, while pending, be exclusive.

An employer may not discriminate against an employee due to

disability as defined in section 363.01, subdivision 25, regardless of whether the employee is pursuing or has pursued a claim for compensation under other statutory or common law protections.

Sec. 10. Minnesota Statutes 1988, section 363.14, subdivision 2, is amended to read:

Subd. 2. [DISTRICT COURT JURISDICTION.] Any action brought pursuant to this section shall be filed in the district court of the county wherein the unlawful discriminatory practice is alleged to have been committed or where the respondent resides or has a principal place of business.

~~Any action brought pursuant to this chapter shall be heard and determined by a judge sitting without a jury.~~

In an action brought under this chapter, a party is entitled to a trial by jury of any issue of fact in an action for recovery of amounts owing as a result of a violation of this chapter, regardless of whether equitable relief is sought by a party to the action.

If the court finds that the respondent has engaged in an unfair discriminatory practice, it shall issue an order directing appropriate relief as provided by section 363.071, subdivision 2.

Sec. 11. Minnesota Statutes 1988, section 363.116, is amended to read:

363.116 [TRANSFER TO COMMISSIONER.]

A local commission may refer a matter under its jurisdiction to the commissioner.

The charging party has the option of filing a charge either with a local commission or the department. Notwithstanding the provisions of any ordinance or resolution to the contrary, a charge may be filed with a local commission within ~~300 days~~ one year after the occurrence of the practice. The exercise of such choice in filing a charge with one agency shall preclude the option of filing the same charge with the other agency. At the time a charge comes to the attention of a local agency, the agency or its representative shall inform the charging party of this option, and of the party's rights under Laws 1967, chapter 897.

Where this chapter provides additional protections and remedies not provided for under a local antidiscrimination ordinance, the local commission shall advise a party bringing a charge under a local ordinance of those additional protections and remedies and of the option to file a charge under this chapter.

The term "local commission" as used in this section has the same meaning given the term in section 363.115.

Sec. 12. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall alphabetize the definitions in Minnesota Statutes, section 363.01, and make all appropriate cross-reference changes in Minnesota Statutes and Minnesota Rules.

Sec. 13. [SEVERABILITY.]

If any provision of sections 1 to 12 is found to be unconstitutional and void, the remaining provisions of sections 1 to 12 shall remain valid."

Delete the title and insert:

"A bill for an act relating to human rights; amending the definition of age; clarifying medical information obtainable from prospective employees; clarifying protection for pregnant employees; prohibiting threats against home owners and renters; prohibiting discriminatory business practices; clarifying the meaning of business necessity and continuing violations; renumbering definitions; amending Minnesota Statutes 1988, sections 363.01, subdivision 28; 363.03, subdivisions 2, 8a, and by adding a subdivision; 363.06, subdivision 1, and by adding a subdivision; 363.11; 363.116; and 363.14, subdivision 2; Minnesota Statutes 1989 Supplement, sections 363.02, subdivision 1; and 363.03, subdivision 1."

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. 2042, A bill for an act relating to consumer protection; limiting the locations in which sales of tobacco by vending machine may be made; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2045, A bill for an act relating to human services; clarifying the definition of mentally retarded person in the Minnesota Commitment Act; amending Minnesota Statutes 1988, section 253B.02, subdivision 14.

Reported the same back with the following amendments:

Page 1, after line 19, insert:

"Sec. 2. Minnesota Statutes 1988, section 253B.12, subdivision 4, is amended to read:

Subd. 4. [HEARING; STANDARD OF PROOF] The committing court shall not make a final determination of the need to continue commitment unless a hearing is held and the court finds by clear and convincing evidence that (1) the person continues to be mentally ill, mentally retarded or chemically dependent; (2) involuntary commitment is necessary for the protection of the patient or others; and (3) there is no alternative to involuntary commitment.

In determining whether a person continues to be mentally ill, chemically dependent or mentally retarded, the court need not find that there has been a recent attempt or threat to physically harm self or others, or a recent failure to provide necessary personal food, clothing, shelter, or medical care. Instead, the court must find that the patient is likely to attempt to physically harm self or others, or to fail to provide necessary personal food, clothing, shelter, or medical care unless involuntary commitment is continued.

Sec. 3. Minnesota Statutes 1988, section 253B.23, subdivision 7, is amended to read:

Subd. 7. [APPEAL.] The commissioner or any other aggrieved party may appeal to the court of appeals from any order entered under this chapter as in other civil cases.

Upon perfection of the appeal, the return shall be filed forthwith. The court of appeals shall hear the appeal within ~~45~~ 60 days after service of the notice of appeal. This appeal shall not suspend the operation of the order appealed from until the appeal is determined, unless otherwise ordered by the court of appeals."

Amend the title as follows:

Page 1, line 4, after the semicolon insert "increasing the time limit for a court of appeals decision under the commitment act;"

Page 1, line 5, delete "section" and insert "sections" and after "14" insert "; 253B.12, subdivision 4; and 253B.23, subdivision 7"

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. 2058, A bill for an act relating to education; changing names of state board and state director of vocational technical education and local directors of technical colleges; amending Minnesota Statutes 1988, section 136C.02, subdivisions 4 and 5.

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 Government and Metropolitan Affairs to which was referred:

H. F. No. 2078, A bill for an act relating to Blue Earth county; permitting the appointment of the auditor, recorder, and treasurer; authorizing the reorganization of county offices.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2081, A bill for an act relating to state government; regulating certain employment practices; permitting the transfer of vacation and sick leave for certain gubernatorial appointees; permitting employees on permanent layoff to test into new state positions; authorizing the donation of the value accrued vacation leave to other state employees under certain circumstances; making technical changes in the public employees insurance program; eliminating the authority of the board of medical examiners and the

board of dentistry to set the salaries of their executive directors; eliminating obsolete language; appropriating money; amending Minnesota Statutes 1988, sections 15A.081, by adding a subdivision; 43A.13, subdivisions 2 and 3; and 43A.316, subdivisions 2, 3, 5, 7, and 8; amending Minnesota Statutes 1989 Supplement, sections 43A.316, subdivisions 9 and 10; and 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 43A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 15A.081, is amended by adding a subdivision to read:

Subd. 9. [TRANSFER OF VACATION AND SICK LEAVE; CERTAIN APPOINTEES.] (a) This subdivision governs transfers of accumulated vacation leave and sick leave if the governor appoints the incumbent of a position listed in this section to another position listed in this section.

(b) An appointee moving between positions in the executive branch shall transfer all vacation leave and sick leave hours to the appointee's credit at the time of the new appointment.

(c) The governor may authorize an appointee to transfer accumulated vacation leave and sick leave hours under the following conditions:

(1) an appointee moving to a position in the executive branch from a position outside the executive branch may be permitted to transfer no more than 275 hours of accumulated unliquidated vacation leave and no more than 900 hours of accumulated unliquidated sick leave; and

(2) an appointee moving to a position outside the executive branch from a position within the executive branch may be permitted to transfer accumulated unliquidated vacation leave and sick leave hours up to the maximum accumulations permitted by the personnel policies governing the new position.

The governor shall notify the commissioner of employee relations of any transfers authorized under this paragraph.

Sec. 2. Minnesota Statutes 1988, section 15A.083, subdivision 5, is amended to read:

Subd. 5. [TAX COURT.] Salaries of judges of the tax court shall be

are the same as the base salary for district judges as provided in set under section 15A.082, subdivision 1 3.

Sec. 3. Minnesota Statutes 1988, section 15A.083, subdivision 7, is amended to read:

Subd. 7. [WORKERS' COMPENSATION COURT OF APPEALS AND COMPENSATION JUDGES.] Salaries of judges of the workers' compensation court of appeals ~~shall be~~ are 90 percent of the salary for district judges as provided in set under section 15A.082, subdivision 1 3. Salaries of compensation judges ~~shall be~~ are 75 percent of the salary of district court judges as provided in subdivision 1. 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 greater than the salary of workers' compensation settlement judges at the department of labor and industry.

Sec. 4. Minnesota Statutes 1988, section 43A.04, subdivision 1, is amended to read:

Subdivision 1. [STATEWIDE LEADERSHIP.] (a) The commissioner ~~shall be~~ is the chief personnel and labor relations manager of the civil service in the executive branch.

(a) Whenever any power or responsibility is given to the commissioner by any provision of Laws 1981, chapter 210, unless otherwise expressly provided, the power or authority ~~shall apply~~ applies to all employees of agencies in the executive branch and to employees in classified positions in the office of the legislative auditor, the Minnesota state retirement system, the public employees retirement association, and the teacher's retirement association. Unless otherwise provided by law, the power or authority ~~shall does not~~ applies to unclassified employees in the legislative and judicial branches.

(b) The commissioner shall operate an information system from which personnel data, as defined in section 13.43, concerning employees and applicants for positions in the classified service can be retrieved.

The commissioner ~~shall have~~ has access to all public and private personnel data kept by appointing authorities ~~which~~ that will aid in the discharge of the commissioner's duties.

(c) The commissioner may consider and investigate any matters concerned with the administration of provisions of Laws 1981, chapter 210, and may order any remedial actions consistent with law.

(d) The commissioner has sole authority to settle state employee workers' compensation claims.

(e) The commissioner may assess all state entities for the costs of programs under sections 15.46 and 176.603.

Sec. 5. Minnesota Statutes 1988, section 43A.04, subdivision 3, is amended to read:

Subd. 3. [RULES.] The commissioner shall ~~promulgate~~ adopt rules pursuant to under the administrative procedure act to implement the provisions of this chapter ~~which~~ that directly affect the rights of or processes available to the general public. The rules shall have the force and effect of law and shall may include but are not limited to:

(a) (1) the processes for determining the extent of competition for filling vacancies, for recruiting applicants, for conducting competitive open examinations, for ranking candidates and maintaining competitive open eligible lists, and for certification and appointment of eligibles from competitive open eligible lists;

(b) (2) the process for effecting noncompetitive and qualifying appointments;

(c) (3) the process for temporary designation of positions in the unclassified service and for effecting appointments to the unclassified service;

(d) (4) a statewide affirmative action program to include requirements for agency affirmative action plans, statewide policies and procedures, reporting requirements, accountability and responsibility of employees in the executive branch, and overall objectives of the program;

(e) (5) conditions under which moving and other expenses may be authorized and paid prior to appointment to persons who have accepted state employment;

(f) (6) procedures for administration of the code of ethics for employees of the executive branch; and

(g) (7) examination procedures for candidates with handicaps disabilities as described in section 43A.10, subdivision 8; and

(8) procedures or policies that affect the operation of or participation in the public employees insurance program.

Sec. 6. Minnesota Statutes 1988, section 43A.04, is amended by adding a subdivision to read:

Subd. 9. [EXPERIMENTAL OR RESEARCH PROJECTS.] The commissioner of employee relations may conduct experimental or

research projects designed to improve recruitment, selection, referral, or appointment processes for the filling of state classified positions.

The commissioner shall meet and confer with the affected exclusive bargaining representative of state employees concerning the design and implementation of experimental and research projects under this subdivision.

Any provision in sections 43A.09 to 43A.15, associated personnel rules adopted under section 43A.04, subdivision 3, or administrative procedures established under section 43A.04, subdivision 4, is waived for the purposes of these projects. The number of appointments under this subdivision may not exceed five percent of the total number of appointments in the preceding fiscal year.

The commissioner shall report by September 1 to the legislative commission on employee relations the results of the experimental research projects conducted in the preceding fiscal year.

Sec. 7. Minnesota Statutes 1988, section 43A.10, subdivision 7, is amended to read:

Subd. 7. [EXAMINATION ACCOMMODATIONS.] Upon request, the commissioner shall provide examination accommodations to a candidate with a handicap disability that does not prevent performance of the duties of the class. The accommodations shall must provide an opportunity to fairly examine the ability of the candidate to perform the duties of the class notwithstanding the handicap disability but shall must preserve, to the extent feasible, the validity of the examination process and equitable comparison of examination scores with competitors without handicaps disabilities.

Sec. 8. Minnesota Statutes 1988, section 43A.10, subdivision 8, is amended to read:

Subd. 8. [ELIGIBILITY FOR QUALIFIED HANDICAPPED DISABLED EXAMINATIONS.] The commissioner shall establish examination procedures for candidates whose handicaps disabilities are of such a severe nature that the candidates are unable to demonstrate their abilities in competitive examination processes. The examination procedures shall must consist of up to 700 hours on-the-job trial work experience which will be in lieu of a competitive examination and for which the disabled person has the option of being paid or unpaid. Up to three persons with severe disabilities and their job coach shall may be allowed to demonstrate their job competence as a unit through the on-the-job trial work experience examination procedure. This work experience shall must be limited to candidates for appointment, promotion, or transfer who have a physical or mental impairment for which there is no reasonable accommodation in the examination process. Implementation of

provisions of this subdivision shall may not be deemed a violation of other provisions of Laws 1981, chapter 210 or 363.

Sec. 9. Minnesota Statutes 1988, section 43A.12, subdivision 5, is amended to read:

Subd. 5. [~~QUALIFIED HANDICAPPED DISABLED LISTS.~~] On qualified ~~handicapped~~ disabled lists eligibles ~~shall~~ must be ranked in alphabetical order.

Sec. 10. Minnesota Statutes 1988, section 43A.13, subdivision 2, is amended to read:

Subd. 2. [LAYOFF.] If an agency has a layoff list for the class and employment conditions of the vacancy to be filled, the commissioner shall certify eligibles as provided in collective bargaining agreements, plans established ~~pursuant to~~ under section 43A.18, rules, or procedures implemented ~~pursuant to~~ under section 43A.04, subdivision 4.

The commissioner, in accordance with collective bargaining agreements or plans established under section 43A.18, may also afford employees on permanent layoff from state service the opportunity to be tested for existing competitive open and promotional eligible lists for classes equal to or lower than those from which they are on layoff. Candidates tested under this procedure who obtain passing scores are eligible in accordance with the ranking and certification provisions of section 43A.12 and this section.

Sec. 11. Minnesota Statutes 1988, section 43A.13, subdivision 3, is amended to read:

Subd. 3. [REEMPLOYMENT.] For positions to be filled by reemployment of a former employee, the commissioner may certify any eligible on the reemployment list for the class or approve direct reinstatement of a former classified employee within ~~three~~ four years of separation.

Sec. 12. Minnesota Statutes 1988, section 43A.13, subdivision 4, is amended to read:

Subd. 4. [COMPETITIVE OPEN.] (a) For positions to be filled by competitive open examination, the commissioner shall certify the first 20 eligibles on the list plus those eligibles having the same score as the 20th eligible certified.

(b) When the position to be filled by competitive open examination is in a class for which the initially established eligible list contained the names of more than 200 eligibles and that list has existed for more than 12 months and been referred to more than ten vacancies,

the commissioner shall certify the first 40 eligibles on the list plus those eligibles having the same score as the 40th eligible certified.

Sec. 13. Minnesota Statutes 1988, section 43A.13, subdivision 5, is amended to read:

Subd. 5. [COMPETITIVE PROMOTIONAL.] For positions to be filled by competitive promotional examination limited to employees of one or more agencies or organizational units, the commissioner shall certify the first ten eligibles on the list plus those eligibles having the same score as the tenth eligible certified. For positions to be filled by competitive promotional examination extended to all employees of the civil service, the commissioner shall certify the first 20 eligibles on the list, plus those eligibles having the same score as the 20th eligible certified.

Sec. 14. Minnesota Statutes 1988, section 43A.13, subdivision 6, is amended to read:

Subd. 6. [QUALIFIED HANDICAPPED DISABLED.] For a position to be filled by qualified ~~handicapped disabled~~ examination, the commissioner shall certify only the one eligible who has successfully completed the examination processes provided in section 43A.10, subdivision 8 for the position.

Sec. 15. Minnesota Statutes 1988, section 43A.13, subdivision 7, is amended to read:

Subd. 7. [EXPANDED CERTIFICATION.] When the commissioner determines that a disparity as defined in rules exists between an agency's work force and its affirmative action plan approved in accordance with section 43A.19, the commissioner shall ensure to the extent possible that eligibles who are members of the protected groups for which the disparity exists are certified for appointment. When fewer than two eligibles of each protected group for which a disparity has been determined to exist would be certified under subdivisions 4 and 5, the commissioner shall certify two eligibles from each protected group for which a disparity exists or four from each group for which a disparity exists if the number of names referred has been increased under subdivision 4, paragraph (b). Implementation of this subdivision shall may not be deemed a violation of other provisions of Laws 1981, chapter 210 or 363.

Sec. 16. Minnesota Statutes 1988, section 43A.15, subdivision 10, is amended to read:

Subd. 10. [ROUTINE SERVICE AND ENTRY CLERICAL APPOINTMENTS.] The commissioner may authorize the administration of a qualifying selection process if a class is of a routine, service nature involving unskilled tasks, the performance of which cannot

be directly related to qualifications beyond a minimum competency level. Appointing authorities may consider any candidate found so qualified for probationary appointment to such a position. The commissioner may also authorize the administration of qualifying skill tests for entry level clerical positions as an alternative to certification from an eligible list as provided in section 43A.13.

Sec. 17. Minnesota Statutes 1988, section 43A.17, subdivision 1, is amended to read:

Subdivision 1. [SALARY LIMITS.] As used in subdivisions 1 to 9, "salary" means hourly, monthly, or annual rate of pay including any lump-sum payments and cost-of-living adjustment increases but excluding payments due to overtime worked, shift or equipment differentials, work out of class as required by collective bargaining agreements or plans established under section 43A.18, and back pay on reallocation or other payments related to the hours or conditions under which work is performed rather than to the salary range or rate to which a class is assigned.

The salary, as established in section 15A.081, of the head of a state agency in the executive branch is the upper limit of compensation in the agency. The salary of the commissioner of labor and industry is the upper limit of compensation of employees in the bureau of mediation services. However, if an agency head is assigned a salary that is lower than the current salary of another agency employee, the employee retains the salary, but may not receive an increase in salary as long as the salary is above that of the agency head. The commissioner may grant exemptions from these upper limits as provided in subdivisions 3 and 4.

Sec. 18. Minnesota Statutes 1988, section 43A.17, subdivision 8, is amended to read:

Subd. 8. [ACCUMULATED VACATION LEAVE.] The commissioner of employee relations shall not agree to a collective bargaining agreement or recommend a compensation plan pursuant to section 43A.18, subdivisions 1, 2, 3, and 4, nor shall an arbitrator issue an award under sections 179A.01 to 179A.25, if the compensation plan, agreement, or award permits an employee to convert accumulated vacation leave into cash or deferred compensation before separation from state service.

This section does not prohibit the commissioner from negotiating a collective bargaining agreement or recommending approval of a compensation plan which permits an employee to receive payment for accumulated vacation leave upon beginning an unpaid leave of absence approved for more than one year in duration if the leave of absence is not for the purpose of accepting an unclassified position in state civil service.

Sec. 19. Minnesota Statutes 1988, section 43A.18, subdivision 4, is amended to read:

Subd. 4. [PLANS NOT ESTABLISHED BUT APPROVED BY COMMISSIONER.] Notwithstanding any other law to the contrary, total compensation for employees listed in this subdivision shall must be set by appointing authorities within the limits of compensation plans that have been approved by the commissioner before becoming effective. Compensation plans established under paragraphs (b), (c), and (d) must be approved by the legislature and the legislative commission on employee relations under subdivision 2 before becoming effective.

(a) Total compensation for employees who are not covered by a collective bargaining agreement in the offices of the governor, lieutenant governor, attorney general, secretary of state, state auditor, and state treasurer shall must be determined by the governor, lieutenant governor, attorney general, secretary of state, state auditor and state treasurer, respectively.

(b) Total compensation for unclassified positions pursuant to section 43A.08, subdivision 1, clause (h) (i), ~~in the higher education coordinating board, and in the state board of vocational technical education~~ shall in the state universities and the community colleges not covered by a collective bargaining agreement must be determined by the state university board and the state board for community colleges, ~~the higher education coordinating board, and the state board of vocational technical education,~~ respectively.

(c) Total compensation for classified administrative law judges in the office of administrative hearings shall must be determined by the chief administrative law judge.

(d) Total compensation for unclassified positions not covered by a collective bargaining agreement in the higher education coordinating board and in the state board of vocational technical education must be determined by the higher education coordinating board and the state board of vocational technical education, respectively.

Sec. 20. Minnesota Statutes 1988, section 43A.18, subdivision 5, is amended to read:

Subd. 5. [GOVERNOR TO RECOMMEND CERTAIN SALARIES.] (a) The governor shall, by July 1 of each odd-numbered year, submit to the legislative commission on employee relations recommendations for salaries within the salary range for the positions listed in section 15A.081, subdivisions 1 and 7. The governor may also propose additions or deletions of positions from those listed.

(a) (b) Before submitting the recommendations, the governor shall

consult with the commissioner of administration, the commissioner of finance, and the commissioner of employee relations concerning the recommendations.

(b) (c) In making recommendations, the governor shall consider only the criteria established in subdivision 8 and may not shall take into account performance of individual incumbents. The governor shall establish an objective system for quantifying knowledge, abilities, duties, responsibilities, and accountabilities and in determining recommendations rate each position by this system.

(e) (d) Before the governor's recommended salaries take effect, the recommendations must be reviewed and approved, rejected, or modified by the legislative commission on employee relations and the legislature in the same manner as provided for the commissioner's plan in subdivision 2. The governor may also at any time propose changes in the salary rate of any positions covered by this subdivision, which must be submitted and approved in the same manner as provided in this subdivision.

(d) (e) The governor shall set the initial salary of a head of a new agency or a chair of a new metropolitan board or commission whose salary is not specifically prescribed by law after consultation with the commissioner, whose recommendation is advisory only. The amount of the new salary must be comparable to the salary of an agency head or commission chair having similar duties and responsibilities.

(e) (f) The salary of a newly appointed head of an agency or chair of a metropolitan agency listed in section 15A.081, subdivision 1 or 7, may be increased or decreased by the governor from the salary previously set for that position within 30 days of the new appointment after consultation with the commissioner. If the governor increases a salary under this paragraph, the governor shall submit the new salary to the legislative commission on employee relations and the full legislature for approval, modification, or rejection in the manner provided in section 43A.18, subdivision 2. If the legislature rejects an increased salary or adjourns without action during the following legislative session, the salary for the position reverts to the level in effect before the governor proposed the change.

Sec. 21. [43A.181] [UNREIMBURSED MEDICAL COSTS VACATION DONATION PROGRAM.]

Subdivision 1. [DONATION OF VACATION TIME.] A state employee may donate up to eight hours of accrued vacation time in any fiscal year to the account established by subdivision 2 for the benefit of another state employee. The employee must notify the employee's agency head of the amount of accrued vacation time the employee wishes to donate and the name of the other state employee who is to benefit from the donation. The agency head shall determine the

monetary value of the donated time, using the gross salary of the employee making the donation. The agency head shall transfer that amount, less deductions for applicable taxes and retirement contributions, to the account established by subdivision 2. A donation of accrued vacation time is irrevocable once its monetary value has been transferred to the account.

Subd. 2. [BENEFIT ACCOUNT.] The vacation benefit account, consisting of money transferred under subdivision 1, is administered by the commissioner of employee relations. Money in the account is appropriated to the commissioner for purposes of this section.

Subd. 3. [USE OF ACCOUNT ASSETS.] Expenditures from the account established by subdivision 2 may be made only to pay unreimbursed medical expenses when the total of those expenses is at least \$10,000 and the expenses are incurred because of the illness of or injury to a state employee or the employee's spouse or dependent. Any money remaining after all of the unreimbursed medical expenses incurred by the employee named to benefit from a donation have been paid may be transferred to a general pool. The commissioner may use the pool to pay unreimbursed medical expenses for another state employee named to benefit from donated vacation time but whose unreimbursed expenses exceed the monetary value of the donated time.

Sec. 22. Minnesota Statutes 1988, section 43A.191, subdivision 2, is amended to read:

Subd. 2. [AGENCY AFFIRMATIVE ACTION PLANS.] (a) The head of each agency in the executive branch shall prepare and implement an agency affirmative action plan consistent with this section and rules issued under section 43A.04, subdivision 3.

(b) The agency plan must include a plan for the provision of reasonable accommodation in the hiring and promotion of qualified handicapped disabled persons. The reasonable accommodation plan shall must consist of at least the following:

(1) procedures for compliance with section 363.03 and, where appropriate, regulations implementing United States Code, title 29, section 794, as amended through December 31, 1984, which is section 504 of the Rehabilitation Act of 1973, as amended;

(2) methods and procedures for providing reasonable accommodation for handicapped disabled job applicants, current employees, and employees seeking promotion; and

(3) provisions for funding reasonable accommodations.

(c) The agency plan must be prepared by the agency head with the assistance of the agency affirmative action officer and the director of equal employment opportunity. The council on disability shall provide assistance with the agency reasonable accommodation plan.

(d) An agency affirmative action plan may not be implemented without the commissioner's approval.

Sec. 23. Minnesota Statutes 1988, 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 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, the governmental operations committees of both houses of the legislature, and the legislative commission on employee relations. The report must include noncompetitive appointments made under section 43A.08, subdivision 2a, or 43A.15, subdivisions 3 to 13, and cover 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.

(d) The commissioner shall establish a program to recognize agencies that have made significant and measurable progress toward achieving affirmative action objectives.

Sec. 24. Minnesota Statutes 1988, 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. Contracts entered into with carriers are not subject to the requirements of sections 16B.189 to 16B.22. The commissioner may nego-

tiate 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 must be bid or negotiated separately from contracts to service the benefit plans, which may 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 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, 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. 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. A carrier licensed under chapter 62A is exempt from the tax imposed by section 60A.15 on premiums paid to it by the state.

Sec. 25. Minnesota Statutes 1988, section 43A.27, subdivision 4, is amended to read:

Subd. 4. [RETIRED JUDGES; FORMER LEGISLATORS.] A (a) Retired judge judges or a former legislator legislators may elect to purchase coverage for themselves or their dependents at their own expense as provided below: in paragraphs (b) and (c).

(a) (b) A retired judge of the state supreme court, the court of appeals, a district court, a county court, a county municipal court, or a probate court may elect to purchase coverage provided persons listed in section 43A.24, subdivision 2, clause (c); provided that the retired judge exercises this option within 30 days of the effective date of retirement; or. The commissioner shall notify judges no later than the effective date of their retirement of their right to exercise the option provided in this subdivision. A retired judge must notify the commissioner or designee of the commissioner within 30 days after the effective date of retirement if the judge intends to exercise the option.

(b) (c) A former member of the legislature may elect to purchase coverage provided persons listed in section 43A.24, subdivision 2, clause (a).

Sec. 26. Minnesota Statutes 1988, 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) an elected public official of an eligible employer who is insurance eligible; or

(3) 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, so long as the plan meets the requirements of a governmental plan under United States Code, title 29, section 1002(32).

(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. 27. Minnesota Statutes 1988, section 43A.316, subdivision 3, is amended to read:

Subd. 3. [PUBLIC EMPLOYEE INSURANCE PLAN.] There is created the "public employee insurance plan." The commissioner shall be the administrator of the public employee insurance plan and may determine its funding arrangements. The commissioner shall model the plan after the plan established in section 43A.18, subdivision 2, but may modify that plan, in consultation with the labor-management committee.

Sec. 28. Minnesota Statutes 1988, section 43A.316, subdivision 5, is amended to read:

Subd. 5. [PUBLIC EMPLOYEE PARTICIPATION.] (a) Participation in the plan is subject to the conditions in this subdivision.

~~(a)~~ (b) Each exclusive representative for an eligible employer determines whether the employees it represents shall will participate in the plan. The exclusive representative ~~must~~ shall give the employer notice of intent to participate at least 90 days before the expiration date of the collective bargaining agreement preceding the collective bargaining agreement that covers the date of entry into the plan. The exclusive representative and the eligible employer shall give notice to the commissioner of the determination to participate in the plan at least 90 days ~~prior to~~ before entry into the plan. Entry into the plan ~~shall be according to~~ is governed by a schedule established by the commissioner.

~~(b)~~ (c) Employees not represented by exclusive representatives may become members of the plan upon a determination of an eligible employer to include these employees in the plan. Either all or none of the employer's unrepresented employees must participate. The eligible employer shall give at least 90 days' notice to the commissioner ~~prior to~~ before entering the plan. Entry into the plan ~~shall be according to~~ is governed by a schedule established by the commissioner.

~~(e)~~ (d) Participation in the plan shall be ~~is~~ for a ~~three-year~~ two-year term if coverage begins in an ~~even-numbered~~ odd-numbered year and a ~~four-year~~ two-year term if coverage begins in an ~~odd-numbered~~ even-numbered year. Participation is automatically renewed for an additional ~~four-year~~ two-year term unless the exclusive representative, or the employer for unrepresented employees, gives the commissioner notice of withdrawal at least 90 days ~~prior to~~ before expiration of the participation period. A group that withdraws ~~must~~ wait two years before rejoining. An exclusive representative, or employer for unrepresented employees, may also withdraw if premiums increase 50 percent or more from one insurance year to the next.

~~(d)~~ (e) The exclusive representative shall give the employer notice

of intent to withdraw to the commissioner at least 90 days before the expiration date of a collective bargaining agreement that includes the date on which the term of participation expires.

(e) (f) Each participating eligible employer shall notify the commissioner of names of individuals who will be participating within two weeks of the commissioner receiving notice of the parties' intent to participate. The employer must shall also submit other information as required by the commissioner for administration of the plan.

Sec. 29. Minnesota Statutes 1988, section 43A.316, subdivision 7, is amended to read:

Subd. 7. [PREMIUMS.] The proportion of premium paid by the employer and employee is subject to collective bargaining or personnel policies. If, at the beginning of the coverage period, no collective bargaining agreement has been finalized, the increased dollar costs, if any, from the previous year is the sole responsibility of the individual participant until a collective bargaining agreement states otherwise. Premiums, including an administration fee, shall be established by the commissioner. Each eligible employer shall pay monthly the amounts due for employee benefits including the amounts under subdivision 8 to the commissioner on or before no later than the dates established by the commissioner. Failure to pay may result in cancellation of the If an employer fails to make the payments as required, the commissioner may cancel plan benefits and pursue other civil remedies.

Sec. 30. Minnesota Statutes 1988, 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 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 must 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, 353C, 354, 354A, 356, 422A, 423, 423A, or 424, or 490 is eligible to continue participation in the plan. 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 or personnel policy provides otherwise. Premiums for these participants must 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.

(e) (b) The spouse of a deceased, active, or retired employee may purchase the benefits provided at premiums established by the commissioner if the spouse was a dependent under the active or retired employee's coverage under this section at the time of the death. These participants are eligible to participate as long as the group which included their spouse participates. Coverage under this clause must be coordinated with relevant insurance benefits provided through the federally sponsored Medicare program.

(d) (c) The plan benefits must 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.

(e) (d) A person who desires to participate under paragraphs (a) to (d) (c) 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 begins 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. 31. Minnesota Statutes 1989 Supplement, section 43A.316, subdivision 9, is amended to read:

Subd. 9. [INSURANCE TRUST FUND.] An The insurance trust fund is established in the state treasury. The consists of deposits consist of the premiums received from employers participating in the plan and transfers from the public employees insurance reserve holding account established by section 353.65, subdivision 7. All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs. Premiums are exempt from the tax imposed by sections 60A.15 and 60A.198. The commissioner shall reserve an amount of money to cover the estimated costs of claims incurred but unpaid. The state board of investment shall invest the money according to section 11A.24. Investment income and losses attributable to the fund shall must be credited to the fund.

Sec. 32. Minnesota Statutes 1989 Supplement, section 43A.316, subdivision 10, is amended to read:

Subd. 10. [BIDDING REQUIREMENT EXEMPTION.] The public employee insurance plan is and, where applicable, the employers participating in it are exempt from chapter 62H, section 471.617, subdivisions 2 and 3, and the bidding requirements imposed by of section 471.6161.

Sec. 33. Minnesota Statutes 1988, section 43A.37, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATION.] Neither the commissioner of finance nor any other fiscal officer of this state ~~shall~~ may draw, sign, or issue, or authorize the drawing, signing, or issuing of any warrant on the treasurer or other disbursing officer of the state, nor ~~shall~~ may the treasurer or other disbursing officer of the state pay any salary or compensation to any person in the civil service, unless a payroll register for the salary or compensation containing the name of every person to be paid ~~shall bear~~ bears the certificate of the commissioner that the persons named in the payroll register have been appointed, as required by law, rules, or administrative procedures and that the salary or compensation is within the compensation plan fixed ~~pursuant to~~ by law. The appointing authority shall certify that all employees named in the payroll register are performing service as required by law. This provision ~~shall~~ does not apply to positions defined in section 43A.08, subdivision 1, clauses ~~(g)~~, (h), (i), (j), and ~~(k)~~ (l). Employees to whom this subdivision does not apply may be paid on the state's payroll system, and the appointing authority or fiscal officer submitting their payroll register ~~shall be~~ is responsible for the accuracy and legality of the payments.

Salary or compensation claims presented against existing appropriations, which have been deemed in violation of the provisions of this subdivision, may be certified for payment if, upon investigation, the commissioner determines the personal services for which payment is claimed actually have been rendered in good faith without collusion and without intent to defraud.

Sec. 34. Minnesota Statutes 1988, section 176.421, is amended by adding a subdivision to read:

Subd. 6a. [TIME LIMIT FOR DECISION.] The court shall issue a decision in each case within 90 days after certification of the record to the court by the chief administrative law judge, the filing of a cross-appeal, oral argument, or a final submission of briefs or memoranda by the parties, whichever is latest. No part of the salary of a workers' compensation court of appeals judge may be paid unless the judge, upon accepting the payment, certifies that decisions in cases in which the judge has participated have been issued within the time limits prescribed by this subdivision.

Sec. 35. Minnesota Statutes 1988, section 176B.02, is amended to read:

176B.02 [PEACE OFFICERS BENEFIT FUND.]

~~There is hereby created in~~ The police officers benefit fund is an account in the state treasury an account to be known as peace officers benefit fund. Funds in the peace officers benefit fund shall consist consisting of money appropriated to that fund. The administrator of the fund is the commissioner of employee relations public safety, who shall follow the procedures specified in section 176.541, subdivisions 2, 3, and 4.

Sec. 36. Minnesota Statutes 1989 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; and
- (15) 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. The board of dentistry shall set the salary of its executive director, which may not exceed 80 percent of the top of the salary range set for the commissioner of health in section 15A.081, subdivision 1. The board shall submit a proposed salary increase to the legislative commission on employee relations and the full legislature for approval, modification, or rejection in the manner provided in section 43A.18, subdivision 2.

The executive secretaries serving the remaining boards are hired by those boards and are in the unclassified civil service, except for part-time executive secretaries, who are not required to be in the unclassified service. Boards not requiring full-time executive secretaries may employ them 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, are 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. 37. Minnesota Statutes 1988, section 473.405, subdivision 12, is amended to read:

Subd. 12. [MANAGEMENT CONTRACTS.] Notwithstanding any of the other provisions of sections 473.404 to 473.449, the commission may, in lieu of directly operating any public transit system or any part thereof, enter into contracts for management services. The contracts may provide for compensation, incentive fees, the employment of personnel, the services provided, and other terms and conditions that the commission deems proper. The contracts must provide that the compensation of personnel who work full time or substantially full time providing management or other services for the commission is public data under chapter 13.

The commission may not permit a contract manager to supervise or manage internal audit activities. Internal audit activity must be

supervised and managed directly by the commission. The commission shall advertise for bids and select contracts for management services through competitive bidding. The term of the contract may not be longer than two years. The contract must include clear operating objectives, stating the service policies and goals of the commission in terms of the movement of various passenger groups, and performance criteria, by means of which success in achieving the operating objectives can be measured. The commission shall consider and determine the feasibility and desirability of having all its transit management services provided internally by employees of the commission.

The employees of any public transit system operated pursuant to the provisions of this subdivision for the purpose of resolving any dispute arising under any existing or new collective bargaining agreement relating to the terms or conditions of their employment, may either engage in a concerted refusal to work or to invoke the processes of final and binding arbitration as provided by chapter 572, subject to any applicable provisions of the agreement not inconsistent with law.

Sec. 38. [RETIRED JUDGES; OPTION TO PURCHASE INSURANCE.]

The following judges may exercise the option provided in section 24 within 30 days after the effective date of that section:

(1) judges who retired before July 1, 1981; and

(2) judges who retired after July 1, 1981, but who were not notified of the option available under Minnesota Statutes, section 43A.27, subdivision 4.

Sec. 39. [RATIFICATIONS.]

Subdivision 1. [COUNCIL 6.] 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 26, 1989, is ratified.

Subd. 2. [PROFESSIONAL EMPLOYEES.] The labor agreement between the state of Minnesota and the Minnesota Association of Professional Employees, approved by the legislative commission on employee relations on September 6, 1989, is ratified.

Subd. 3. [SPECIAL TEACHERS.] The labor agreement between the state of Minnesota and the State Residential Schools Education Association, approved by the legislative commission on employee relations on September 6, 1989, is ratified.

Subd. 4. [LAW ENFORCEMENT.] The 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 September 6, 1989, is ratified.

Subd. 5. [MIDDLE MANAGERS.] The labor agreement between the state of Minnesota and the Middle Management Association, approved by the legislative commission on employee relations on September 6, 1989, is ratified.

Subd. 6. [ENGINEERS.] The labor agreement between the state of Minnesota and the Minnesota Government Engineers Council, approved by the legislative commission on employee relations on September 6, 1989, is ratified.

Subd. 7. [COMMUNITY COLLEGE FACULTY.] The labor agreement between the state of Minnesota and the Minnesota Community College Faculty Association, approved by the legislative commission on employee relations on November 7, 1989, is ratified.

Subd. 8. [NURSES.] The labor agreement between the state of Minnesota and the Minnesota Nurses Association, approved by the legislative commission on employee relations on December 18, 1989, is ratified.

Subd. 9. [STATE UNIVERSITY FACULTY.] The labor agreement between the state of Minnesota and the State University Inter-Faculty Organization, approved by the legislative commission on employee relations on December 18, 1989, is ratified.

Subd. 10. [STATE UNIVERSITY ADMINISTRATORS.] The labor agreement between the state of Minnesota and the State University Administrative Unit, approved by the legislative commission on employee relations on December 18, 1989, is ratified.

Subd. 11. [MANAGERIAL PLANS.] The commissioner of employee relations' plan for managerial employees, approved by the legislative commission on employee relations on September 6, 1989, is ratified.

Subd. 12. [COMMISSIONER'S PLAN.] The commissioner of employee relations' plan for unrepresented employees, approved by the legislative commission on employee relations on September 6, 1989, is ratified.

Subd. 13. [AGENCY HEADS.] The salary plan for positions listed in Minnesota Statutes, section 15A.081, approved by the legislative commission on employee relations on November 7, 1989, is ratified.

Subd. 14. [BOARD OF MEDICAL EXAMINERS.] The salary for the executive director of the board of medical examiners, approved by the legislative commission on employee relations on July 26, 1989, is ratified.

Subd. 15. [CHANCELLOR, STATE UNIVERSITY SYSTEM.] The salary for the chancellor of the Minnesota state university system, approved by the legislative commission on employee relations on December 18, 1989, is ratified.

Subd. 16. [CHANCELLOR, COMMUNITY COLLEGE SYSTEM.] The salary for the chancellor of the Minnesota community college system, approved by the legislative commission on employee relations on December 18, 1989, is ratified.

Subd. 17. [DIRECTOR, HIGHER EDUCATION COORDINATING BOARD.] The salary for the executive director of the Minnesota higher education coordinating board, approved by the legislative commission on employee relations on January 23, 1990, is ratified.

Subd. 18. [BOARD OF DENTISTRY.] The salary for the executive director of the board of dentistry, approved by the legislative commission on employee relations on January 23, 1990, is ratified.

Sec. 40. [INTERIM APPROVAL.]

After adjournment of the 1990 session but before the 1991 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. 41. [APPLICABILITY.]

Section 37 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 42. [REPEALER.]

Minnesota Statutes 1988, section 43A.081, subdivisions 1, 2, and 5, are repealed.

Sec. 43. [EFFECTIVE DATE.]

Section 1 is effective retroactive to July 1, 1989, and applies to appointments that take effect on or after July 1, 1989.

Sections 2, 3, 17, 20, and 24 are effective July 1, 1990. Sections 25 and 38 are effective the day following final enactment. Section 34 is effective August 1, 1991.

Section 37 is effective the day following final enactment and applies to all contracts entered into or extended at the option of the commission after that date."

Delete the title and insert:

"A bill for an act relating to state government; regulating certain employment practices; permitting the transfer of vacation and sick leave for certain gubernatorial appointees; permitting employees on permanent layoff to test into new state positions; authorizing the donation of the value accrued vacation leave to other state employees under certain circumstances; making technical changes in the public employees insurance program; eliminating the authority of the board of medical examiners and the board of dentistry to set the salaries of their executive directors; eliminating obsolete language; appropriating money; amending Minnesota Statutes 1988, sections 15A.081, by adding a subdivision; 15A.083, subdivisions 5 and 7; 43A.04, subdivisions 1 and 3, and by adding a subdivision; 43A.10, subdivisions 7 and 8; 43A.12, subdivision 5; 43A.13, subdivisions 2, 3, 4, 5, 6, and 7; 43A.15, subdivision 10; 43A.17, subdivisions 1 and 8; 43.18, subdivisions 4 and 5; 43A.191, subdivisions 2 and 3; 43A.23, subdivision 1; 43A.27, subdivision 4; 43A.316, subdivisions 2, 3, 5, 7, and 8; 43A.37, subdivision 1; 176.421, by adding a subdivision; 176B.02; 473.405, subdivision 12; Minnesota Statutes 1989 Supplement, section 43A.316, subdivisions 9 and 10; 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 43A; repealing Minnesota Statutes 1988, section 43A.081, subdivisions 1, 2, and 5."

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. 2084, 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 1988, chapters 367, as amended; and 368, 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. 2085, A bill for an act relating to the environment; placing restrictions on use of water for once-through cooling systems; changing water use processing fees for once-through cooling systems; appropriating money; amending Minnesota Statutes 1988, section 105.41, by adding a subdivision; and Minnesota Statutes 1989 Supplement, section 105.41, subdivisions 1c and 5a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 105.37, is amended by adding a subdivision to read:

Subd. 19. [ONCE-THROUGH SYSTEM.] “Once-through system” means any heating, ventilating, air conditioning (HVAC), or refrigeration system used for any type of temperature or humidity control application, utilizing groundwater, which circulates through the system and is then discharged without recirculating the majority of the water in the system components.

Sec. 2. Minnesota Statutes 1989 Supplement, section 105.41, subdivision 1c, is amended to read:

Subd. 1c. [CERTAIN COOLING SYSTEM PERMITS PROHIBITED PROHIBITION ON ONCE-THROUGH WATER USE PERMITS.] (a) The commissioner may shall not, after December 31, 1990, issue a water use permit to increase the volume of appropriation from a groundwater source for a once-through cooling system using in excess of five million gallons annually.

(b) For purposes of this subdivision, a once-through cooling system means a cooling or heating system for human comfort that draws a continuous stream of water from a groundwater source to remove or add heat for cooling, heating, or refrigeration. The commissioner may issue no new or renewal water use permits for once-through cooling systems after December 31, 1995.

Sec. 3. Minnesota Statutes 1988, section 105.41, is amended by adding a subdivision to read:

Subd. 1d. [MT. SIMON-HINCKLEY AQUIFER.] (a) The commissioner shall not issue new water use permits that will appropriate water from the Mt. Simon-Hinckley aquifer within the seven-county metropolitan area unless the appropriation is for potable water use, there are no feasible or practical alternatives to using the aquifer, and a water conservation plan is incorporated with the permit.

(b) The commissioner shall terminate all permits authorizing appropriation and use of water from the Mt. Simon-Hinckley aquifer for once-through systems in the seven-county metropolitan area by December 31, 1992.

Sec. 4. Minnesota Statutes 1988, section 105.41, subdivision 4, is amended to read:

Subd. 4. [MEASURING AND RECORDING QUANTITIES USED.] It is unlawful for the state, a person, partnership, or association, private or public corporation, county, municipality, or other political subdivision of the state to appropriate or use waters of the state, surface or underground, without measuring and keeping a record of the quantity of water used or appropriated as provided in this section. Each installation for appropriating or using water must be equipped with a device or employ a method flow meter to measure the quantity of water appropriated with reasonable within the degree of accuracy required by rule. ~~The commissioner's determination of the method~~ commissioner can determine other methods to be used for measuring water quantity must be based on the quantity of water appropriated or used, the source of water, the method of appropriating or using water, and any other facts supplied to the commissioner.

Sec. 5. Minnesota Statutes 1989 Supplement, section 105.41, subdivision 5a, is amended to read:

Subd. 5a. [WATER USE PROCESSING FEE.] (a) Except as provided in paragraph (b), a water use processing fee not to exceed \$2,000 must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:

(1) 0.05 cent per 1,000 gallons for the first 50 million gallons per year; and

(2) 0.1 cents per 1,000 gallons for the amounts greater than 50 million gallons per year.

(b) For once-through cooling systems as defined in subdivision 1c, a water use processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:

- (1) ~~5.0~~ 15.0 cents per 1,000 gallons until ~~December 31, 1991~~ 1990;
- (2) annual increments of 10.0 cents for per 1,000 gallons from January 1, 1992 1991, until December 31, 1996 1995; and
- (3) ~~15.0~~ 65.0 cents per 1,000 gallons after ~~January 1, 1997~~ December 31, 1995.

(c) The commissioner shall assess a holder of a water use permit double the amount in paragraph (b) if the commissioner finds that the holder has appropriated more water than authorized by the permit. The assessment must be made in the year following the finding of an excessive appropriation.

(d) The fee is payable based on the amount of water permitted appropriated during the year or the amount of water authorized by permit, whichever is greater, and in no case may the fee be less than \$25 \$150.

(e) Failure to pay the fee is sufficient cause for revoking a permit.

The commissioner shall notify all permittees of the fee changes authorized by this law by July 1, 1990. Permittees shall have until November 1, 1990, to amend permits to accurately reflect historic water use. The commissioner is authorized to refund 1989 water use report processing fees based on amendments under this subdivision.

Sec. 6. Minnesota Statutes 1988, section 105.41, is amended by adding a subdivision to read:

Subd. 7. [REPORTS TO LEGISLATURE.] The commissioner shall construct monitoring wells necessary to study aquifer behavior and report annually to the appropriate committees of the senate and the house of representatives on the results of the study.

Sec. 7. [APPROPRIATION.]

\$ is appropriated to the commissioner of natural resources for the purposes of section 6, to be available for the biennium ending June 30, 1991.

Sec. 8. [EFFECTIVE DATE.]

Section 3 is effective the day after final enactment."

Delete the title and insert:

“A bill for an act relating to the environment; placing restrictions on use of water for once-through cooling systems; changing water use processing fees for once-through cooling systems; prohibiting the issuance of water use permits for the Mt. Simon-Hinckley aquifer; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1988, sections 105.37, by adding a subdivision; 105.41, subdivision 4, and by adding subdivisions; Minnesota Statutes 1989 Supplement, section 105.41, subdivisions 1c and 5a.”

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. 2086, A bill for an act relating to crime; imposing penalties on persons who commit a crime while wearing or possessing soft body armor; permitting summary forfeiture of weapons used to commit a controlled substance offense; permitting summary forfeiture of soft body armor worn or possessed during the commission of a crime; amending Minnesota Statutes 1988, section 609.5316, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 609.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [609.486] [COMMISSION OF CRIME WHILE WEARING OR POSSESSING A BULLET-RESISTANT VEST.]

A person who commits or attempts to commit a gross misdemeanor or felony while wearing or possessing a bullet-resistant vest is guilty of a felony and, upon conviction, shall be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both. Notwithstanding section 609.035 or 609.04, a prosecution for or conviction under this section is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

As used in this section, “bullet-resistant vest” means a bullet-resistant garment that provides ballistic and trauma protection.

Sec. 2. Minnesota Statutes 1988, section 609.5316, subdivision 3, is amended to read:

Subd. 3. [WEAPONS AND BULLET-RESISTANT VESTS.] Weapons used are contraband and must be summarily forfeited to the appropriate agency upon conviction of the weapon's owner or possessor for a controlled substance crime or for any offense of this chapter. Bullet-resistant vests, as defined in section 1, worn or possessed during the commission or attempted commission of a crime is contraband and must be summarily forfeited to the appropriate agency upon conviction of the owner or possessor for a controlled substance crime or for any offense of this chapter. Notwithstanding this subdivision, weapons used and bullet-resistant vests worn or possessed may be forfeited without a conviction under sections 609.531 to 609.5315.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective August 1, 1990, and apply to crimes committed on or after that date.

Amend the title as follows:

Page 1, line 3, delete everything after "a" and insert "gross misdemeanor or felony while wearing or possessing a bullet-resistant vest"

Page 1, line 4, delete "armor"

Page 1, line 6, delete "soft body armor" and insert "bullet-resistant vests"

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. 2087, A bill for an act relating to agriculture; providing that checkoff fees from certain potato producers are not refundable; amending Minnesota Statutes 1988, section 17.63.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2103. A bill for an act relating to public employee retirement plans; requiring the regular reporting of investment performance results calculated on a time-weighted total rate of return basis; proposing coding for new law in Minnesota Statutes, chapter 356.

Reported the same back with the following amendments:

Page 1, line 15, delete "September 15" and insert "December 31"

Page 2, line 2, delete everything after "auditor"

Page 2, line 3, delete everything before the period

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. 2108. A bill for an act relating to waste management; making several technical changes to the waste management act; establishing a time period for local decision-making on siting of solid waste facilities; establishing time periods for state and metropolitan council approval of county solid waste management plans; clarifying jurisdiction of county plans; clarifying order of funding priority for grants for solid waste management projects; adjusting procedures for the creation of solid waste management districts; increasing the authority of the districts; authorizing counties to set civil penalties by ordinance for violation of designation ordinances; adding procedures and requirements for cities to meet when they organize solid waste collection; requiring a supplementary incinerator ash report; reducing time for metropolitan review of local government solid waste facility siting decisions; repealing the requirement that government agencies use degradable polyethylene bags; changing references; amending Minnesota Statutes 1988, sections 16B.61, subdivision 3a; 115A.03, subdivision 23; 115A.06, subdivisions 2, 5, 5a, 6, 8, 10, 11, 12, and 13; 115A.07, subdivisions 1 and 2; 115A.075; 115A.10; 115A.11, subdivision 1a; 115A.158, subdivision 2; 115A.191, subdivisions 1 and 2; 115A.192, subdivisions 1 and 2; 115A.193; 115A.194, subdivision 2; 115A.411, subdivision 1; 115A.46, subdivision 1, and by adding a subdivision; 115A.49; 115A.53; 115A.54, subdivision 3; 115A.64, subdivisions 2, 4, and 6; 115A.66, subdivision 3; 115A.67; 115A.86, by adding a

subdivision; 115A.914; 115A.94, subdivisions 3 and 4; 115A.97, subdivision 5; 325E.045, subdivision 1; 473.823, subdivision 5, and by adding a subdivision; 473.845, subdivision 4; 473.846; Minnesota Statutes 1989 Supplement, sections 115A.14, subdivision 4; 115A.195; 115A.54, subdivision 2a; 115A.84, subdivision 2; 115A.86, subdivision 5; 115B.04, subdivision 4; 116C.69, subdivision 3; Minnesota Statutes Second 1989 Supplement, sections 115A.072, subdivisions 1 and 4; 115A.55, subdivision 3; 115A.551, subdivisions 4 and 7; 115A.558; 115A.961, subdivisions 2 and 4; Laws 1988, chapter 685, section 42; Laws 1989, chapter 325, section 79; and chapter 335, article 1, sections 23, subdivision 4, and 269; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1988, sections 115A.09, subdivision 5; 115A.90, subdivision 2; 325E.045, subdivisions 3 and 4; and Laws 1987, chapter 348, section 51, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1988, section 16B.61, subdivision 3a, is amended 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 less than ~~12~~ four dwelling units are exempt from this subdivision.

Sec. 2. Minnesota Statutes 1988, section 115A.06, subdivision 2, is amended to read:

Subd. 2. [RULES.] Unless otherwise provided, the ~~board~~ director shall promulgate rules in accordance with chapter 15 to govern its activities and implement ~~sections 115A.01 to 115A.72~~ chapter 115A.

Sec. 3. Minnesota Statutes 1989 Supplement, section 115A.14, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) The commission shall oversee the activities of the ~~board~~ director and agency 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 director and agency as it deems fit.

(b) The commission shall make recommendations to the standing legislative committees on finance and appropriations for appropriations from:

(1) the environmental response, compensation, and compliance account in the environmental fund under section 115B.20, subdivision 5;

(2) the metropolitan landfill abatement account under section 473.844; and

(3) the metropolitan landfill contingency action trust fund under section 473.845.

(c) 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. 4. [115A.31] [LOCAL GOVERNMENT DECISIONS; TIME-LINES.]

When a county applies for or requests approval of establishment of a solid waste facility within the boundaries of a local government unit, the local government unit shall make a final decision on the application or request within 120 days following the delivery by the county to the local government unit of the application or request completed in accordance with the requirements of applicable local ordinances. When the proposed facility is one for which an environmental impact statement or environmental assessment worksheet is required under section 116D.04, the local government unit shall make a final decision on the application or request within 90 days after the final determination of adequacy of the environmental impact statement or environmental assessment worksheet.

Sec. 5. Minnesota Statutes 1988, section 115A.411, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY; PURPOSE.] The board and director with assistance from the agency, shall jointly prepare and adopt a report on solid waste management policy excluding the metropolitan area. The report must be adopted by November 15 of each even-numbered year beginning in 1988. The report must be submitted by the board and the agency jointly director to the legislative

commission on waste management by November 15 of each even-numbered year.

Sec. 6. Minnesota Statutes 1988, section 115A.46, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] (a) Plans shall address the state policies and purposes expressed in section 115A.02 and may not be inconsistent with state law.

(b) Plans for the location, establishment, operation, maintenance, and postclosure use of facilities and facility sites, for ordinances, and for licensing, permit, and enforcement activities shall be consistent with the rules adopted by the agency pursuant to chapter 116.

(c) Plans shall address:

(1) the resolution of conflicting, duplicative, or overlapping local management efforts. Plans shall address;

(2) the establishment of joint powers management programs or waste management districts where appropriate. Plans shall address; and

(3) other matters as the rules of the board office of waste management may require consistent with the purposes of sections 115A.42 to 115A.46.

(d) Political subdivisions preparing plans under sections 115A.42 to 115A.46 shall consult with persons presently providing solid waste collection, processing, and disposal services.

(e) Plans shall must be approved by submitted to the board director, or the metropolitan council pursuant to section 473.803, for approval. When a county board is ready to have a final plan approved, the county board shall submit a resolution requesting review and approval by the director or the metropolitan council. After receiving the resolution, the director or the metropolitan council must notify the county within 45 days whether the plan as submitted is complete and, if not complete, the specific items that need to be submitted to make the plan as submitted complete. By 90 days after a complete plan has been submitted, the director or the metropolitan council must approve or disapprove the plan. If the plan is disapproved, reasons for the disapproval must be provided.

(f) After initial approval, each plan shall be updated and submitted for approval every five years and. The plan shall be revised as necessary for further approval so that it is not inconsistent with state law.

Sec. 7. Minnesota Statutes 1988, section 115A.46, is amended by adding a subdivision to read:

Subd. 5. [JURISDICTION OF PLAN.] (a) After a county plan has been submitted for approval under subdivision 1, another political subdivision within the county may not enter into a binding agreement governing a solid waste management activity that is inconsistent with the county plan without the consent of the county.

(b) After a county plan has been approved under subdivision 1, the plan governs all solid waste management in the county and another political subdivision within the county may not develop or implement a solid waste management activity, other than an activity to reduce waste generation or reuse waste materials, that is inconsistent with the county plan that the county is actively implementing without the consent of the county.

Sec. 8. [115A.47] [GRANT PRIORITY FOR DISTRICT AND COOPERATIVE AGREEMENTS.]

In making grants and awarding other financial assistance for solid waste management projects under chapters 115A and 473, the director and the metropolitan council may give priority to proposals submitted by waste management districts and counties acting cooperatively through joint agreement.

Sec. 9. Minnesota Statutes 1988, section 115A.49, is amended to read:

115A.49 [ESTABLISHMENT; PURPOSES AND PRIORITIES.]

There is established a program to encourage and assist cities, counties, solid waste management districts, and sanitary districts in the development and implementation of solid waste management projects and to transfer the knowledge and experience gained from such projects to other communities in the state. The program must be administered to encourage local communities to develop feasible and prudent alternatives to disposal, including waste reduction; waste separation by generators, collectors, and other persons; and waste processing. The program must be administered by the board director in accordance with the requirements of sections 115A.49 to 115A.54 and rules promulgated by the board director pursuant to chapter 14. In administering the program, the board director shall give priority to projects in the order of preference of the waste management practices listed in section 115A.02, areas where natural geologic and soil conditions are especially unsuitable for land disposal of solid waste; and areas where the capacity of existing solid waste disposal facilities is determined by the board director to be less than five years; and projects serving more than one local government unit.

Sec. 10. Minnesota Statutes 1988, section 115A.53, is amended to read:

115A.53 [WASTE REDUCTION AND SEPARATION PROJECTS.]

The ~~board~~ director shall provide grants to develop and implement projects for ~~waste reduction~~; waste separation by generators, collectors, and other persons; and collection systems for separated waste. Activities eligible for assistance under this section include legal, financial, economic, educational, marketing, social, governmental, and administrative activities related to the development and implementation of the project. Preliminary planning and development, feasibility study, and conceptual design costs are eligible activities, but no more than 20 percent of program funds shall be used to fund those activities. Projects may include the management of household hazardous waste, as defined in section 115A.96. The director shall give priority to innovative methods for waste separation for reuse or recycling. ~~The rules of the board director shall prescribe by rule the level or levels of local funding required for grants under this section.~~

Sec. 11. Minnesota Statutes 1988, section 115A.64, subdivision 2, is amended to read:

Subd. 2. [PETITION CONTENTS.] (a) A petition requesting establishment or alteration of a waste district shall contain the information the ~~board~~ director may require, including at least the following:

(a) (1) the name of the proposed district;

(b) (2) a description of the territory and political subdivisions within and the boundaries of the proposed district or alteration thereto, along with a map showing the district or alteration;

(c) (3) resolutions of support for the district, as proposed ~~to the board~~, from the governing body of each of the petitioning counties;

(d) (4) a statement of the reason, necessity, and purpose for the district, plus a general description of the solid waste management improvements and facilities contemplated for the district showing how its activities will accomplish the purpose of the district and the purposes for waste resource districts stated in sections 115A.62 to 115A.72; and

(e) (5) articles of incorporation stating:

(i) the powers of the district consistent with sections 115A.62 to 115A.72, including a statement of powers proposed pursuant to sections 115A.70 ~~and~~, 115A.71, and section 13; and

(ii) provisions for representation and election of the board of directors of the district.

(b) After the petition has been filed, no petitioner may withdraw from it except with the written consent of all other petitioners filed with the board.

Sec. 12. Minnesota Statutes 1988, section 115A.67, is amended to read:

115A.67 [ORGANIZATION OF DISTRICT.]

The governing body of each county wholly or partly within the district shall appoint two persons to serve on the first board of directors of the district, except that in the case of a district having territory within only two counties each county may appoint three persons. At least one person appointed by each county shall be an elected official of a local government unit having territory within the district. The first chair of the board of directors shall be appointed from outside the first board of directors by the chair of the waste management board. The first chair shall serve for a term of two years. Thereafter The chair shall be elected from outside the board of directors by majority vote of the board of directors. The first chair shall serve for a term of two years. Members of the board of directors shall be residents of the district. The first meeting of the board of directors shall be held at the call of the chair, after notice, for the purpose of proposing the bylaws, electing officers and for any other business that comes before the meeting. The bylaws of the district, and amendments thereto, shall be adopted by a majority vote of the board of directors unless the certificate of incorporation requires a greater vote. The bylaws shall state:

(a) the manner and time of calling regular meetings of the representatives and the board of directors, not less than once annually;

(b) the title, manner of selection, and term of office of officers of the district;

(c) the term of office of members of the board of directors, the manner of their removal, and the manner of filling vacancies on the board of directors;

(d) the powers and duties of the board of directors consistent with the order and articles of incorporation establishing the district;

(e) the definition of a quorum for meetings of the board of directors, which shall be not less than a majority of the members;

(f) the compensation and reimbursement for expenses for mem-

bers of the board of directors, which shall not exceed that provided for in section 15.0575, subdivision 3; and

(g) such other provisions for regulating the affairs of the district as the board of directors shall determine to be necessary.

Sec. 13. [115A.715] [SOLID WASTE AUTHORITY.]

A district has all the authority of a county for solid waste management purposes that is given to counties under this chapter, chapter 400, and chapter 473, except the authority to issue general obligation bonds or to levy property taxes. A district has the authority of a county to issue general obligation bonds and to levy property taxes only if and only to the extent that the governing body of each county that is a member of the district agrees to delegate the authority to the district. The delegation of the authority is irrevocable unless the governing body of each county that is a member of the district agrees to the revocation.

Sec. 14. Minnesota Statutes 1989 Supplement, section 115A.84, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION; PLAN CONTENTS.] (a) The designation plan must evaluate:

(1) the benefits of the designation, including the public purposes achieved by the conservation and recovery of resources, the furtherance of local and any district or regional waste management plans and policies, and the furtherance of the state policies and purposes expressed in section 115A.02; and

(2) the estimated costs of the designation, including the direct capital, operating, and maintenance costs of the facility designated, the indirect costs, and the long-term effects of the designation.

(b) In particular the designation plan must evaluate:

(1) whether the designation will result in the recovery of resources or energy from materials which would otherwise be wasted;

(2) whether the designation will lessen the demand for and use of indiscriminate land disposal;

(3) whether the designation is necessary for the financial support of the facility;

(4) whether less restrictive methods for ensuring an adequate solid waste supply are available;

(5) other feasible and prudent waste management alternatives for accomplishing the purposes of the proposed designation, the direct and indirect costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators; and

(6) whether the designation takes into account and promotes local, regional, and state waste management goals.

(c) When the plan proposes designation to disposal facilities, the designation plan must also evaluate:

(1) whether the disposal facility is part of an integrated waste management system involving a processing facility and the designation is necessary for the financial support of the processing facility;

(2) whether the designation will better serve to protect public health and safety;

(3) the impacts on other disposal facilities inside and outside the area;

(4) whether the designation is necessary to promote regional waste management programs and cooperation; and

(5) the extent to which the design and operation of the disposal facility protects the environment including whether it is permitted under current agency rules and whether any portion of the facility's site is listed under section 115B.17, subdivision 13.

(d) When the plan proposes designation to a disposal facility, mixed municipal solid waste that is subject to a contract between a hauler and a different facility that is in effect on the date notice is given under section 115A.85, subdivision 2, is not subject to the designation during the contract period or for one year after the date notice is given, whichever period is shorter.

Sec. 15. Minnesota Statutes 1989 Supplement, section 115A.86, subdivision 5, is amended to read:

Subd. 5. [AMENDMENTS.] (a) Except as provided in section 16, amendments to a designation ordinance must be submitted to the reviewing authority for approval. The reviewing authority shall approve the amendment if the amendment is in the public interest and in furtherance of the state policies and purposes expressed in section 115A.02. If the reviewing authority finds that the proposed amendment is a substantive change from the existing designation plan, the reviewing authority may require that the county or solid waste management district submit a revised designation plan to the

reviewing authority for approval. After receiving approval for the designation plan amendment from the reviewing authority, the county or district shall follow the procedure outlined in section 115A.85 prior to submitting the amended designation ordinance to the reviewing authority for approval. If the reviewing authority does not act within 90 days after receiving the proposed amendment to the designation ordinance, the amendment is approved.

(b) Except as provided in section 16, prior to amending an ordinance to designate solid waste to a disposal facility, a county or district shall submit an amended designation plan to the reviewing authority for approval, and shall follow the procedures outlined in section 115A.85.

Sec. 16. Minnesota Statutes 1988, section 115A.86, is amended by adding a subdivision to read:

Subd. 6. [PENALTIES.] (a) A county may include in its designation ordinance civil and criminal penalties for violation of the ordinance. A civil penalty adopted by the county may not exceed a fine of \$10,000 per day of violation plus the cost of mitigating any damages caused by the violation and the attorney fees and court costs incurred by the county to enforce the ordinance.

(b) Subdivision 5 does not govern a designation ordinance amendment adopted under this subdivision.

Sec. 17. Minnesota Statutes 1989 Supplement, section 115A.919, is amended to read:

115A.919 [COUNTY FEE AUTHORITY.]

Subdivision 1. [FEE.] 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 or construction debris located within the county, except a facility permitted solely for disposal of an industrial waste generated by the owner of the facility, or ash resulting from the combustion of solid waste. 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. When the county makes expenditures of funds generated by the fee, it shall prioritize the expenditures based on the types of facilities from which the fees were generated.

Any fee imposed under this section must be the same for all facilities within the county that accept the same type of waste.

Waste residue from recycling facilities at which recyclable mate-

rials are separated or processed for the purpose of recycling, or 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 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.

A facility permitted for the disposal of construction debris is exempt from 50 percent of a fee imposed under this section if the facility has implemented a recycling program that has been approved by the county.

Subd. 2. [ADDITIONAL FEE.] A county may impose a fee, by cubic yard or the equivalent of waste collected outside the county, in addition to a fee imposed under subdivision 1, on operators of mixed municipal solid waste disposal facilities located within the county. Revenue generated from the additional fee shall be credited to the county general fund and shall be used only for the purposes listed in subdivision 1, except it shall not be used for landfill abatement purposes.

Sec. 18. Minnesota Statutes 1989 Supplement, section 115A.921, is amended to read:

115A.921 [CITY OR TOWN FEE AUTHORITY.]

(a) A city or town may impose a fee, not to exceed \$1 per cubic yard of waste, or its equivalent, on operators of facilities for the disposal of mixed municipal solid waste or construction debris, or facilities that are exempt from the payment of property taxes for the processing of refuse derived fuel or the direct incineration of solid waste located within the city or town, except a facility permitted solely for disposal of an industrial waste generated by the owner of the facility. The revenue from the fees must be credited to the city or town general fund. Revenue produced by ~~25 cents~~ of the fee must be used only for purposes of new landfill abatement programs or for purposes of mitigating and compensating for the local risks, costs, and other adverse effects of facilities. Revenue produced by the balance of the fee may be used for any general fund purpose.

(b) Waste residue from recycling facilities at which recyclable materials are separated or processed for the purpose of recycling, or 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 the fee imposed by a city or town 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 proce-

dures of section 473.843, subdivision 1, paragraph (c), must be followed and submitted to the appropriate city or town.

Sec. 19. Minnesota Statutes 1988, section 115A.94, subdivision 3, is amended to read:

Subd. 3. [GENERAL PROVISIONS.] (a) The local government unit may organize collection as a municipal service or by ordinance, franchise, license, negotiated or bidded contract, or other means, using one or more collectors or an organization of collectors.

(b) The local government unit may not establish or administer organized collection in a manner that impairs the preservation and development of recycling and markets for recyclable materials. The local government unit shall exempt recyclable materials from organized collection upon a showing by the generator or collector that the materials are or will be separated from mixed municipal solid waste by the generator, separately collected, and delivered for reuse in their original form or for use in a manufacturing process.

(c) The local government unit ~~may~~ shall invite and employ the assistance of interested persons, including persons operating solid waste collection services, in developing plans and proposals for organized collection and in establishing the organized collection system.

(d) Organized collection accomplished by contract or as a municipal service may include a requirement that all or any portion of the solid waste, except (1) recyclable materials and (2) materials that are processed at a resource recovery facility at the capacity in operation at the time that the requirement is imposed, be delivered to a waste facility identified by the local government unit. In a district or county where a resource recovery facility has been designated by ordinance under section 115A.86, organized collection must conform to the requirements of the designation ordinance.

Sec. 20. Minnesota Statutes 1988, section 115A.94, subdivision 4, is amended to read:

Subd. 4. [CITIES AND TOWNS; NOTICE; PLANNING.] (a) At least 90 180 days before ~~proposing~~ implementing an ordinance, franchise, license, contract or other means of organizing collection, a city or town, by resolution of the governing body, shall announce its intent to organize collection and invite the participation of interested persons in planning and establishing the organized collection system.

(b) The resolution of intent must be adopted after a public hearing. The hearing must be held at least two weeks after public notice and mailed notice to persons known by the city or town to be

operating solid waste collection services in the city or town. The failure to give mailed notice to persons or defect in the notice does not invalidate the proceedings, provided a bona fide effort to comply with notice requirements has been made.

(c) During the a 90-day period following the resolution of intent, and before proposing a method of organizing collection, the city or town shall develop or supervise the development of plans or proposals for organized collection. During this 90-day planning period, the city or town shall invite and employ the assistance of persons licensed as of the date of the resolution of intent to operate solid waste collection services in the city or town. Failure of a licensed collector to participate in the 90-day planning period, when the city or town has made a bona fide effort to provide the person the opportunity to participate, does not invalidate the planning process.

(d) For 90 days from the date ending the planning period required under paragraph (c), the city or town shall discuss possible organized collection arrangements with all licensed collectors operating in the city or town who have expressed interest. If the city or town is unable to agree on an organized collection arrangement with a majority of the licensed collectors who have expressed interest, it may then propose implementation of an alternate method of organizing collection as authorized in subdivision 3.

(e) The city or town shall make specific findings that:

(1) describe in detail the procedures it used to plan and to attempt implementation of organized collection through an arrangement with collectors who expressed interest; and

(2) evaluate the proposed organized collection method in light of at least the following standards: achieving the stated organized collection goals of the city or town; minimizing displacement of collectors; ensuring participation of all interested parties in the decision making process; and maximizing efficiency in solid waste collection.

(d) (f) Upon request, the city or town shall provide mailed notice of subsequent all proceedings on the organization of collection in the city or town.

Sec. 21. Minnesota Statutes 1988, section 115A.97, subdivision 5, is amended to read:

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 1 of reducing the toxicity and quantity of incinerator ash and of reducing the quantity of processing residuals that require

disposal. The ~~board~~ director, 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~~ director, 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~~ director shall report to the legislative commission on waste management on the proposal goals and timetables with recommendations for their implementation and, by November 15, 1991, shall submit to the legislative commission on waste management a supplementary report that, at a minimum, assesses the nature of the incinerator ash produced in the state and progress made in removal of problem materials and noncombustibles from the waste stream.

Sec. 22. Minnesota Statutes 1989 Supplement, section 115B.04, subdivision 4, is amended to read:

Subd. 4. [LIABILITY OF POLITICAL SUBDIVISIONS.] (a) The liability of a political subdivision under this section is subject to the limits imposed under section 466.04, subdivision 1, except when the political subdivision is liable under this section as the owner or operator of a disposal facility as defined in section 115A.03, subdivision 10.

(b) When a political subdivision is liable as an owner or operator of a disposal facility, the liability of each political subdivision is limited to \$400,000 at each facility unless the facility was owned or operated under a valid joint powers agreement by three or more political subdivisions, in which case the aggregate liability of all political subdivisions that are parties to the joint powers agreement is limited to \$1,200,000.

(c) The limits on the liability of a political subdivision for ownership or operation of a disposal facility apply to the costs of remedial response action incurred between the date a request for response action is issued by the agency and the date one year after the construction certificate of completion is approved by the commissioner, excluding the costs incurred during of negotiation of a consent order agreement.

(d) When a political subdivision takes remedial response action as the owner or operator of a disposal facility between the dates in paragraph (c), it may receive, after approval by the agency, reimbursement of any amount spent pursuant to an approved work plan that exceeds the applicable liability limit specified in this subdivision.

Sec. 23. Minnesota Statutes 1988, section 116.36, subdivision 1, is amended to read:

Subdivision 1. For the purposes of ~~this section and section 116.37~~ sections 116.36 to 116.38, the following terms shall have the meanings given.

Sec. 24. [116.38] [PCB BURNING.]

Subdivision 1. [STATE POLICY.] The legislature finds that risks to human health must be adequately evaluated before a facility may burn wastes containing 50 parts per million (ppm) or greater polychlorinated biphenyls (PCBs). The legislature also finds that if there is a risk to human health, all human health must be treated with equal concern, and facilities that cause risks to human health must not be allowed to operate in sparsely populated areas if they would not be allowed to operate in heavily populated areas.

Subd. 2. [ENVIRONMENTAL IMPACT STATEMENT REQUIRED.] A state agency may not allow burning of wastes containing 50 ppm or greater PCBs by permit or otherwise unless an environmental impact statement is completed. This section does not apply to experimental burning of small quantities of waste containing 50 ppm or greater PCBs.

Sec. 25. Minnesota Statutes 1989 Supplement, section 116.41, subdivision 2, is amended to read:

Subd. 2. [TRAINING AND CERTIFICATION PROGRAMS.] The agency shall may develop standards of competence for persons operating and inspecting various classes of disposal waste management facilities. The agency shall conduct training programs for persons operating waste management facilities for the disposal of waste and for inspectors of such facilities, and may charge such fees as are necessary to cover the actual costs of the training programs. All fees received shall be paid into the state treasury and credited to the pollution control agency training account and are appropriated to the agency to pay expenses relating to the training of disposal waste management facility personnel.

The agency shall require operators and inspectors of such facilities to obtain from the agency a certificate of competence. The agency shall conduct examinations to test the competence of applicants for certification, and shall require that certificates be renewed at reasonable intervals. The agency may charge such fees as are necessary to cover the actual costs of receiving and processing applications, conducting examinations, and issuing and renewing certificates. Certificates shall not be required for a private individual for landspreading and associated interim and temporary storage of sewage sludge on property owned or farmed by that individual.

Sec. 26. Minnesota Statutes 1989 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 water commission on 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. 27. Minnesota Statutes 1988, section 325E.045, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Degradable" means capable of being decomposed by natural biological processes, including exposure to ultraviolet rays of the sun, within five years after the date of disposal.

(b) "Person" means an individual, partnership, corporation, sole proprietorship, association, or other for-profit or nonprofit organization, including the state and its political subdivisions.

(c) "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 in section 115A.03.

(d) "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.

(e) "Public agency" means the state, an office, agency, or institution of the state, a county, a statutory or home rule charter city, a town, a school district, or another special taxing district.

Sec. 28. Minnesota Statutes 1988, section 400.08, subdivision 3, is amended to read:

Subd. 3. [SERVICE CHARGES.] The county may establish by ordinance, revise when deemed advisable, and collect just and reasonable rates and charges for solid waste management services provided by the county or by others under contract with the county. The ordinance may obligate the owners, lessees, or occupants of property, or any or all of them, to pay charges for solid waste management services to their properties or for disposal at a facility and may obligate the user of any facility to pay a reasonable charge for the use of the facility. Rates and charges may take into account the character, kind, and quality of the service and of the solid waste, the method of disposition, the number of people served at each place of collection, and all other factors that enter into the cost of the service, including but not limited to depreciation and payment of principal and interest on money borrowed by the county for the acquisition or betterment of facilities. A notice of intention to enact an ordinance, published pursuant to section 375.51, subdivision 2, shall provide for a public hearing prior to the meeting at which the ordinance is to be considered.

Sec. 29. Minnesota Statutes 1988, section 473.823, subdivision 5, is amended to read:

Subd. 5. [REVIEW OF WASTE PROCESSING FACILITIES.] (a) A metropolitan county may establish a waste processing facility within the county without complying with local ordinances, if the action is approved by the council in accordance with the review process established by this subdivision. A county requesting review by the council shall show that:

(1) the required permits for the proposed facility have been or will be issued by the agency; ~~that;~~

(2) the facility is consistent with the council's policy plan and the approved county master plan; and ~~that~~

(3) a local government unit has refused to approve the establishment or operation of the facility, has failed to deny or approve establishment or operation of the facility within the time period required in section 4, or has approved the application or request with conditions that are unreasonable or impossible for the county to meet.

(b) The council shall meet to commence the review within 90 days of the submission of a request determined by the council to satisfy the requirements for review under this subdivision. At the meeting commencing the review the chair shall recommend and the council establish a scope and procedure, including criteria, for its review and final decision on the proposed facility. The procedure shall require the council to make a final decision on the proposed facility within 120 days following the commencement of review. For facilities other than waste incineration and mixed municipal solid waste composting facilities, the council shall meet to commence the review within 45 days of submission of the request and shall make a final decision within 75 days following commencement of review.

(c) The council shall conduct at least one public hearing in the city or town within which the proposed facility would be located. Notice of the hearing shall be published in a newspaper or newspapers of general circulation in the area for two successive weeks ending at least 15 days before the date of the hearing. The notice shall describe the proposed facility, its location, the proposed permits, and the council's scope and procedure, and criteria for review. The notice shall identify a location or locations within the local government unit and county where the permit applications and the council's scope and, procedure, and criteria for review are available for review and where copies may be obtained.

(d) In its review and final decision on the proposed facility, the council shall consider at least the following matters:

(a) (1) the risk and effect of the proposed facility on local residents, units of government, and the local public health, safety, and welfare, and the degree to which the risk or effect may be alleviated;

(b) (2) the consistency of the proposed facility with, and its effect on, existing and planned local land use and development; local laws, ordinances, and permits; and local public facilities and services;

(c) (3) the adverse effects of the facility on agriculture and natural resources and opportunities to mitigate or eliminate such adverse effects by additional stipulations, conditions, and requirements respecting the design and operation of the proposed facility at the proposed site;

(d) (4) the need for the proposed facility and the availability of alternative sites;

(e) (5) the consistency of the proposed facility with the county master plan adopted pursuant to section 473.803 and the council's policy plan adopted pursuant to section 473.149;

(f) (6) transportation facilities and distance to points of waste generation.

(e) In its final decision in the review, the council may either approve or disapprove the proposed facility at the proposed site. The council's approval shall embody all terms, conditions, and requirements of the permitting state agencies, provided that the council may require more stringent permit terms, conditions, and requirements respecting the design, construction, operation, inspection, monitoring, and maintenance of the proposed facility at the proposed site.

Sec. 30. Minnesota Statutes 1988, section 473.833, is amended by adding a subdivision to read:

Subd. 2c. [BUFFER AREA.] The buffer area must ensure, at a minimum, protection of surrounding land uses from adverse or incompatible impacts due to landfill operations and related activities. Related activities that the buffer area must protect against include but are not limited to stockpiling of materials, soil modification operations, and landfill borrow operations.

Sec. 31. Minnesota Statutes 1988, section 473.845, subdivision 4, is amended to read:

Subd. 4. [COMMISSION RECOMMENDATION.] The commissioner shall notify the chair and the director of the legislative commission on waste management prior to making expenditures from the fund. The legislative commission on waste management shall make recommendations to the standing legislative committees on finance and appropriations about appropriations from the fund.

Sec. 32. Minnesota Statutes 1988, section 473.846, is amended to read:

473.846 [REPORT TO LEGISLATURE.]

By November 1, 1986, and each year thereafter, of each year, the commissioner of health, the commissioner of the agency and the chair of the metropolitan council shall submit to the senate finance committee, the house appropriations committee, and the legislative commission on waste management separate reports describing the activities for which money from the landfill abatement and contingency action funds has been spent during the previous fiscal year. The council may incorporate its report in the report required by section 473.149. In its 1988 report, the council shall make recommendations to the legislature on the future management and use of the metropolitan landfill abatement fund.

Sec. 33. Laws 1989, chapter 325, section 79, is amended to read:

Sec. 79. [EFFECTIVE DATE; APPLICATION.]

Section 6 is effective January 1, 1990.

Sections 20 and 22 to 25 are effective August 1, 1989.

Section 21 is effective January 1, 1990, except that, with respect to nonhazardous solid waste from metal casting facilities, section 21 is effective January 1, 1991.

Section 8 is effective August 1, 1990.

Section 28 is effective June 30, 1989.

Sections 29 and 50 are effective the day following final enactment and apply to all response actions initiated or pending on or after that date.

Section 31 is effective the day following final enactment and section 31, paragraph (1), applies to expenditures resulting from emergencies that occur after January 1, 1988.

Sections 51 to 66 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington and are effective August, 1989; except sections 60 to 63 are effective January 1, 1990; and section 59 is effective the day following final enactment.

Section 69 is effective the day following final enactment.

Sec. 34. Laws 1989, chapter 335, article 1, section 23, subdivision 4, is amended to read:

Subd. 4. Groundwater and Solid
Waste Pollution Control

\$7,813,000 \$8,313,000

Summary by Fund

General	\$2,553,000	\$3,053,000
Environmental Response	\$2,890,000	\$2,890,000
Metro Landfill Abatement	\$1,700,000	\$1,700,000
Metro Landfill Contingency	\$ 670,000	\$ 670,000

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, paragraphs (a), (b), (c), and (d). This appropriation is available until June 30, 1991.

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.

\$1,000,000 the first year and \$1,500,000 the second year are appropriated from the general fund for transfer to the environmental response, compensation, and compliance fund.

Any unencumbered balance from the metropolitan landfill contingency fund remaining in fiscal year 1990 does not cancel but is available for fiscal year 1991.

Sec. 35. Laws 1988, chapter 685, section 42, is amended to read:

Sec. 42. 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

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 established pursuant to section 115A.081, subdivision 1.

(b) Evaluation, Development, and Acquisition of Sites and Buffer Areas for Hazardous Waste Stabilization and Containment

Facilities

6,200,000

This appropriation is from the state waste management fund, to be spent pursuant to article II, section 3 Minnesota Statutes, section 115A.06, subdivision 4, 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

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.

The commissioner of administration shall amend the state building code to incorporate the requirements of section 1 no later than January 1, 1991.

Sec. 37. [USE OF THE GREATER MINNESOTA LANDFILL CLEANUP FEE UNTIL JULY 1, 1991.]

The operator of a facility shall pay the fee required under section 115A.923, subdivision 1, to the county or sanitary district where the facility is located until July 1, 1991.

By October 1, 1990, each county or sanitary district that collects the required fee shall pay three percent out of the revenue generated by the fee during the first quarter of collection to the department of revenue for deposit in the general fund of the state.

The remainder of the fees received by the county or sanitary district may not be spent but must be held in trust by the county or sanitary district until July 1, 1991, after which date the county or sanitary district may spend the funds generated by the fee for the purposes specified in section 115A.919.

Sec. 38. [STUDY; FINANCIAL ASSURANCE ASSISTANCE MECHANISM.]

The legislative commission on waste management, in coordination with counties, organizations of counties, state agencies, and other interested parties, shall develop and evaluate a possible mechanism or mechanisms to assist public and private landfill owners and operators to comply with the contingency action requirements of the financial assurance rules adopted under Minnesota Statutes, section 116.07, subdivision 4h. The assistance mechanisms identified may include use of the fees collected under section 37.

Development and evaluation of possible assistance mechanisms must include at least:

(1) how each mechanism should be structured;

(2) what facilities and costs should be assisted by each mechanism;

(3) how each mechanism should be funded and administered;

(4) how each mechanism should be coordinated with the environmental response and liability act, Minnesota Statutes, chapter 115B; and

(5) how and to what extent each mechanism would assist owners and operators of landfills to comply with the financial assurance rules.

The commission shall report its findings and make any applicable recommendations for legislative action by December 31, 1990.

Sec. 39. [REPEALER.]

Minnesota Statutes 1988, sections 115A.09, subdivision 5; and 325E.045, subdivisions 3 and 4; Minnesota Statutes 1989 Supplement, sections 115A.922; 115A.923, subdivisions 2, 3, 4, and 5; 115A.924; 115A.925; 115A.927; and 115A.928; and Laws 1987, chapter 348, section 51, subdivision 5, are repealed.

Sec. 40. [APPROPRIATION.]

\$ is appropriated from the general fund to the legislative commission on waste management for the purposes of conducting the study required in section 38.

Sec. 41. [COMPLEMENT.]

The complement of the pollution control agency is increased by two full-time permanent positions to assist in administering Minnesota Statutes, section 115B.17, subdivision 14.

Sec. 42. [EFFECTIVE DATES.]

Sections 2, 4, 6, 9, 14 to 16, 22 to 29, 33 to 36, 38, and 39, are effective the day following final enactment. Section 7 is effective the day following final enactment and applies to only those activities, circumstances, or disputes that are undertaken or arise after that date. Section 7 does not apply to activities, circumstances, or disputes that have been undertaken or have arisen prior to its effective date. Section 37 is effective July 1, 1990.

ARTICLE 2

Section 1. Minnesota Statutes 1988, section 115A.03, subdivision 23, is amended to read:

Subd. 23. "Person" has the meaning given it in section 116.06, but does not include the board office or director.

Sec. 2. Minnesota Statutes 1988, section 115A.06, subdivision 5, is amended to read:

Subd. 5. [RIGHT OF ACCESS.] Whenever the ~~board or the chair acting on behalf of the board~~ director deems it necessary to the accomplishment of ~~its the~~ the purposes of the office, the ~~board director~~ or any member, employee, or agent thereof of the office, when authorized by ~~it or the chair~~ the director, may enter upon any property, public or private, for the purpose of obtaining information or conducting surveys or investigations, provided that the entrance and activity is undertaken after reasonable notice and during normal business hours and provided that compensation is made for any damages to the property caused by the entrance and activity. The ~~board director~~ may pay a reasonable estimate of the damages it believes will be caused by the entrance and activity before entering any property.

Sec. 3. Minnesota Statutes 1988, section 115A.06, subdivision 5a, is amended to read:

Subd. 5a. [ACQUISITION OF EASEMENTS.] If the ~~board director~~ determines that any activity deemed necessary to accomplish its the purposes under of subdivision 5 constitutes a substantial interference with the possession, enjoyment, or value of the property where the activity will take place, the board director may acquire a temporary easement interest in the property that permits the board director to carry out the activity and other activities incidental to the accomplishment of the same purposes. The board director may acquire temporary easement interests under this subdivision by purchase, gift, or condemnation. The right of the board director to acquire a temporary easement is subject to the same requirements and may be exercised with the same authority as provided for acquisition of property interests by the commissioner of administration under subdivision 4.

Sec. 4. Minnesota Statutes 1988, section 115A.06, subdivision 6, is amended to read:

Subd. 6. [GIFTS AND GRANTS.] The ~~board director, or the chair or commissioner of administration on behalf of the board director,~~ may apply for and accept gifts, loans, or other property from the United States, the state, or any person for any of the purposes of the board the office, may enter into any agreement required in connection therewith, and may hold, use, and dispose of the money or property in accordance with the terms of the gift, grant, loan or agreement.

Sec. 5. Minnesota Statutes 1988, section 115A.06, subdivision 8, is amended to read:

Subd. 8. [CONTRACTS.] The ~~board or the chair acting on behalf of the board~~ director may enter into any contract necessary or proper

for the exercise of its the powers or the accomplishment of its the purposes of the office.

Sec. 6. Minnesota Statutes 1988, section 115A.06, subdivision 10, is amended to read:

Subd. 10. [RESEARCH.] ~~The board or the chair acting on behalf of the board~~ director may conduct research studies and programs, collect and analyze data, prepare reports, maps, charts, and tables, and order all necessary hearings and investigations in connection with its work and may advise and assist other government units on planning matters within the scope of its the powers, duties, and objectives of the office.

Sec. 7. Minnesota Statutes 1988, section 115A.06, subdivision 11, is amended to read:

Subd. 11. [EMPLOYEES; CONTRACTS FOR SERVICES.] ~~The board through its chair~~ director may employ persons and contract for services to perform research, engineering, legal, or other services necessary to carry out its the functions of the office.

Sec. 8. Minnesota Statutes 1988, section 115A.06, subdivision 12, is amended to read:

Subd. 12. [INSURANCE.] ~~The board through its chair~~ director may require any employee to obtain and file with it an individual bond or fidelity insurance policy. ~~It~~ The director may procure insurance in amounts ~~it~~ the director deems necessary to insure against liability of the ~~board~~ director, office, and employees ~~or both,~~ for personal injury or death and property damage or destruction, with the force and effect stated in chapter 466, and against risks of damage to or destruction of ~~any of its property as it deems necessary.~~

Sec. 9. Minnesota Statutes 1988, section 115A.06, subdivision 13, is amended to read:

Subd. 13. [PRIVATE AND NONPUBLIC DATA.] Any data held by the ~~board which~~ director that consists of trade secret information as defined by section 13.37, subdivision 1, clause (b), or sales information, ~~shall be~~ is classified as private or nonpublic data as defined in section 13.02, subdivisions 9 and 12. When data is classified private or nonpublic pursuant to this subdivision the ~~board~~ director may:

(a) Use the data to compile and publish analyses or summaries and to carry out its the director's statutory responsibilities in a manner which does not identify the subject of the data; or

(b) Disclose the data when ~~it is~~ obligated to disclose it to comply

with federal law or regulation but only to the extent required by the federal law or regulation.

The subject of data classified as private or nonpublic pursuant to this subdivision may authorize the disclosure of some or all of that data by the board director.

Sec. 10. Minnesota Statutes 1988, section 115A.07, subdivision 1, is amended to read:

Subdivision 1. [INTERAGENCY COORDINATION.] The chair of the board director shall inform the commissioner of trade and economic development of the board's director's activities, solicit the advice and recommendations of the agency, and coordinate its the work of the office with the regulatory and enforcement activities of the agency.

Sec. 11. Minnesota Statutes 1988, section 115A.07, subdivision 2, is amended to read:

Subd. 2. [BIENNIAL REPORT.] Before November 15 of each even-numbered year the board through its chair director shall prepare and submit to the legislative commission a report of the board's office's operations and activities pursuant to sections 115A.01 to 115A.72 and any recommendations for legislative action. The report shall include a proposed work plan for the following biennium.

Sec. 12. Minnesota Statutes Second 1989 Supplement, section 115A.072, subdivision 1, is amended to read:

Subdivision 1. [WASTE EDUCATION COALITION.] (a) The office director shall provide for the development and implementation of a program of general public education on waste management in cooperation and coordination with the pollution control agency, metropolitan council, department of education, department of agriculture, state planning agency, environmental quality board, environmental education board, educational institutions, other public agencies with responsibility for waste management or public education, and three other persons who represent private industry and who have knowledge of or expertise in recycling and solid waste management issues. The objectives of the program are to: develop increased public awareness of and interest in environmentally sound waste management methods; encourage better informed decisions on waste management issues by business, industry, local governments, and the public; and disseminate practical information about ways in which households and other institutions and organizations can improve the management of waste.

(b) The office director shall appoint an advisory task force, to be

called the waste education coalition, of up to 18 members to advise the office director in carrying out ~~its~~ the director's responsibilities under this section and whose membership represents the agencies and entities listed in this subdivision.

Sec. 13. Minnesota Statutes Second 1989 Supplement, section 115A.072, subdivision 4, is amended to read:

Subd. 4. [EDUCATION, PROMOTION, AND PROCUREMENT.] The office director shall include waste reduction as an element of its the program of public education on waste management required under this section. The waste reduction education program must include dissemination of information and may include an award program for model waste reduction efforts. Waste reduction educational efforts must also include provision of information about and promotion of the model procurement program developed by the commissioner of administration under section 115A.15, subdivision 7, or any other model procurement program that results in significant waste reduction.

Sec. 14. Minnesota Statutes 1988, section 115A.075, is amended to read:

115A.075 [LEGISLATIVE POLICY AGAINST DISPOSAL OF HAZARDOUS WASTE.]

The legislature finds that hazardous waste must be managed in a manner that protects the health, safety, and welfare of the citizens of the state and protects and conserves the state's natural resources and environment; that reduction of the amount of waste generated and processing, treatment, separation, and resource recovery are the preferred methods to manage hazardous waste; and that disposal of hazardous waste should be used only as a last resort when all other management methods are ineffective, and then only if an environmentally suitable site can be identified in the state.

The board director, in its planning, facility approval, and other activities related to hazardous waste shall give first priority to eliminating the generation of hazardous waste and eliminating or reducing the hazardous character of the waste generated in the state through processing, treatment, separation, and resource recovery.

Sec. 15. Minnesota Statutes 1988, section 115A.10, is amended to read:

115A.10 [DUTIES OF THE BOARD DIRECTOR; HAZARDOUS WASTE FACILITIES; ENCOURAGEMENT OF PRIVATE ENTERPRISE.]

The board and the chair on behalf of the board director shall

encourage the development and operation of hazardous waste facilities by private enterprise to the extent practicable and consistent with the purposes of sections 115A.01 to 115A.72 this chapter and the board's hazardous waste management plan adopted pursuant to section 115A.11. In preparing the reports under section 115A.08 and the inventory of processing facility sites under section 115A.09, In adopting the management plan, and in its actions and decisions under sections 115A.18 to 115A.30 and 115A.32 to 115A.39, the board and the chair on behalf of the board director shall solicit the active participation of private waste management firms and shall so conduct its activities as to encourage private permit applications for facilities needed in the state. The board director shall promulgate rules for accepting and evaluating applications for permits for the construction and operation of facilities at sites preferred by the board pursuant to section 115A.09. The rules shall include standards and procedures for making determinations on the minimum qualifications, including technical competence and financial capability, of permit applicants.

Sec. 16. Minnesota Statutes 1988, section 115A.11, subdivision 1a, is amended to read:

Subd. 1a. [POLICY.] In developing and implementing the plan, the director shall place highest priority of the board must be placed upon alternatives to land disposal of hazardous wastes including: technologies to modify industrial processes or introduce new processes that will reduce or eliminate hazardous waste generation; recycling, reuse, and recovery methods to reduce or eliminate hazardous waste disposal; and conversion and treatment technologies to reduce the degree of environmental risk from hazardous waste. The board director shall also consider technologies for retrievable storage of hazardous wastes for later recycling, reuse, recovery, conversion, or treatment.

Sec. 17. Minnesota Statutes 1989 Supplement, section 115A.14, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) The commission shall oversee the activities of the board office 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 director and agency as it deems fit.

(b) The commission shall make recommendations to the standing legislative committees on finance and appropriations for appropriations from:

- (1) the environmental response, compensation, and compliance

account in the environmental fund under section 115B.20, subdivision 5;

(2) the metropolitan landfill abatement account under section 473.844; and

(3) the metropolitan landfill contingency action trust fund under section 473.845.

(c) 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. 18. Minnesota Statutes 1988, section 115A.158, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE; EVALUATION; REPORT.] In requesting proposals, the board director shall inform potential developers of the assistance available to them in siting and establishing hazardous waste processing and collection facilities and services in the state and improved industrial waste management in the state, including the availability of sites listed on the board's inventory of preferred areas for hazardous waste processing facilities, the authority of the board director to acquire sites and order the establishment of facilities in those areas, the policies and objectives of the hazardous waste management plan, and the availability of information developed by the board director on hazardous or industrial waste generation and management in the state.

The board director shall evaluate the proposals received in response to its request and determine the extent to which the proposals demonstrate the qualifications of the developers, the technical and economic feasibility of the proposed facility or service, and the extent to which the proposed facility or service will contribute in a significant way to the achievement of the policies and objectives of the hazardous waste management plan.

The board director shall report to the legislative commission on the proposals that it has received and evaluated, and on the legislative, regulatory, and other actions needed to develop and operate the proposed facilities or services.

Sec. 19. Minnesota Statutes 1988, section 115A.191, subdivision 1, is amended to read:

Subdivision 1. [~~BOARD~~ DIRECTOR TO SEEK CONTRACTS.]

The waste management board director and any eligible county board may enter a contract as provided in this section expressing their voluntary and mutually satisfactory agreement concerning the location and development of a stabilization and containment facility. The chair director shall negotiate and enter into contracts with eligible counties and shall present drafts of the negotiated contracts to the board for its approval. The chair director shall actively solicit, encourage, and assist counties, together with developers, landowners, the local business community, and other interested parties, in developing resolutions of interest. The county shall provide affected political subdivisions and other interested persons with an opportunity to suggest contract terms.

Sec. 20. Minnesota Statutes 1988, section 115A.191, subdivision 2, is amended to read:

Subd. 2. [RESOLUTION OF INTEREST IN NEGOTIATING; ELIGIBILITY.] A county is eligible to negotiate a contract under this section if the county board files with the waste management board director and the board director accepts a resolution adopted by the county board that expresses the county board's interest in negotiations and its willingness to accept the preliminary evaluation of one or more study areas in the county for consideration as a location of a stabilization and containment facility. The county board resolution expressing interest in negotiations must provide for county cooperation with the board director, as necessary to facilitate the evaluation of study areas in the county, and for the appointment of a member of the county board or an officer or employee of the county as official liaison with the board director with respect to the matters provided in the resolution and future negotiations with the board. A county board by resolution may withdraw a resolution of interest, and the waste management board director may withdraw its acceptance of such a resolution, at any time before the parties execute a contract under this section. A county that is eligible to negotiate a contract shall receive the benefits as provided in section 477A.012.

Sec. 21. Minnesota Statutes 1988, section 115A.192, subdivision 1, is amended to read:

Subdivision 1. [REQUEST FOR PROPOSALS.] The chair director shall issue requests for proposals for the development and operation of a stabilization and containment facility. The request must be designed to obtain detailed information about the qualifications of a respondent to develop and operate the facility; the capital and operating costs of the facility and the sources and methods by which the respondent plans to finance the facility; the technical specifications of the proposed facility and the technologies to be employed for processing, stabilization, containment, and monitoring; the requirements of the site for the proposed facility; the schedule for developing and commencing operation of the facility; and other matters

which that the chair director deems necessary for the board to evaluate and select a developer and operator for the facility. Before issuing the requests, the chair director shall prepare a draft of clauses (a) to (e) of the report required by section 115A.193. The draft must accompany the requests for proposals.

Sec. 22. Minnesota Statutes 1988, section 115A.192, subdivision 2, is amended to read:

Subd. 2. [SELECTION OF DEVELOPER; PROCEDURE.] After evaluating responses to the request for proposals and before selecting a site as provided in section 115A.194, the board director shall decide whether to select a developer for a stabilization and containment facility. If the board director selects a developer ~~at the director~~ shall proceed as provided in section 115A.194 to select a site for the development of a facility. If the board director decides not to select a developer, the board director shall proceed as provided in section 115A.194 to select and acquire a site for potential future development of a facility.

Sec. 23. Minnesota Statutes 1988, section 115A.193, is amended to read:

115A.193 [REPORT ON FACILITY DEVELOPMENT.]

The chair director shall prepare a report concerning the development of a stabilization and containment facility. The report must include:

(a) a conceptual plan that describes and evaluates the proposed design and operation of the facility, including an evaluation of technical feasibility, a description and evaluation of the types and quantities of hazardous waste and nonhazardous residual waste from hazardous waste processing that the facility would be designed to accept, and a description and evaluation of technologies needed or desired at the facility for processing, stabilization, and containment, including above grade containment;

(b) procedures and standards for the operation of the facility that require the use of reduction, recycling, and recovery of any hazardous waste before the waste is accepted for stabilization when the alternative or additional management method is feasible and prudent and would materially reduce adverse impact on human health and the environment;

(c) evaluation of the design and use of the facility for processing, stabilization, or containment of industrial waste, including technical and regulatory issues and alternative management methods;

(d) evaluation of feasible and prudent technologies that may

substantially reduce the possibility of migration of any hazardous constituents of wastes that the facility would be designed to accept;

(e) a general analysis of the necessary and desirable physical, locational, and other characteristics of a site for the facility;

(f) an evaluation of the prospects of and conditions required for the regulatory delisting of residual waste from hazardous waste processing;

(g) an evaluation of the feasibility of an interstate, regional approach to the management of hazardous waste; and

(h) an economic feasibility analysis of the development and operation of the facility, including the anticipated use of the facility by Minnesota generators from within and outside the state, and sources of private and public financing that may be available or necessary for development or operation.

The ~~chair~~ director shall submit a draft of the report to the ~~board~~ and the legislative commission on waste management by ~~July 1, 1988, and~~ before executing contracts under section 115A.191.

Sec. 24. Minnesota Statutes 1988, section 115A.194, subdivision 2, is amended to read:

Subd. 2. [~~BOARD DIRECTOR; REQUIREMENTS BEFORE DECISIONS.~~] Before the ~~board~~ director makes decisions under subdivision 4:

(a) the ~~board~~ director shall complete environmental impact statements on the environmental effects of the decisions, in the manner provided in chapter 116D and the rules issued under that chapter; and

(b) the ~~chair~~ director shall present to the ~~board~~ legislative commission the report on facility development prepared as provided in section 115A.193.

Sec. 25. Minnesota Statutes 1989 Supplement, section 115A.195, is amended to read:

115A.195 [PUBLIC PARTICIPATION IN OWNERSHIP AND MANAGEMENT OF FACILITY.]

The stabilization and containment facility developed under sections 115A.18 to 115A.30 may be wholly owned by the state or jointly owned by the state and a developer selected by the ~~board~~ director under section 115A.192. The ~~board~~ chair director may negotiate and ~~the board may enter into~~ agreements with a selected

developer providing terms and conditions for the development and operation of the facility. If the agreements provide for capital improvements or equipment, or for payment of state money, the agreements may be implemented only if funds are appropriated and available to the board director for those purposes.

Sec. 26. Minnesota Statutes 1989 Supplement, section 115A.54, subdivision 2a, is amended to read:

Subd. 2a. [SOLID WASTE MANAGEMENT PROJECTS.] (a) The board director shall provide technical and financial assistance for the acquisition and betterment of solid waste management projects as provided in this subdivision and section 115A.52. Money appropriated for the purposes of this subdivision must be distributed as grants.

(b) Except as provided in paragraph (c), a project may receive grant assistance up to 25 percent of the capital cost of the project or \$2,000,000, whichever is less.

(c) A recycling project or a project to compost or co-compost waste may receive grant assistance up to 50 percent of the capital cost of the project or \$2,000,000, whichever is less.

(d) Notwithstanding paragraph (e), the agency director may award grants for transfer stations that will initially transfer waste to landfills if the transfer stations are part of a planned resource recovery project, the county where the planned resource recovery facility will be located has a comprehensive solid waste management plan approved by the agency director, and the solid waste management plan proposes the development of the resource recovery facility. If the proposed resource recovery facility is not in place and operating within five years of the date of the grant award, the recipient shall repay the grant amount to the state.

(e) Projects without resource recovery are not eligible for assistance.

(f) In addition to any assistance received under clause (b) or (c), a project may receive grant assistance for the cost of tests necessary to determine the appropriate pollution control equipment for the project or the environmental effects of the use of any product or material produced by the project.

(g) In addition to the application requirements of section 115A.51, an application for a project serving eligible jurisdictions in only a single county must demonstrate that cooperation with jurisdictions in other counties to develop the project is not needed or not feasible. Each application must also demonstrate that the project is not financially prudent without the state assistance, because of the

applicant's financial capacity and the problems inherent in the waste management situation in the area, particularly transportation distances and limited waste supply and markets for resources recovered.

(h) For the purposes of this subdivision, a "project" means a processing facility, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the processing facility. The board director shall adopt rules for the program by July 1, 1985.

Sec. 27. Minnesota Statutes 1988, section 115A.54, subdivision 3, is amended to read:

Subd. 3. [OBLIGATIONS OF RECIPIENT.] No grant or loan for any project shall be disbursed until the governing body of the recipient has made an irrevocable undertaking, by resolution, to use all funds made available exclusively for the capital cost of the project and to pay any additional amount by which the cost of the project exceeds the estimate by appropriation to the construction fund of additional funds or proceeds of additional bonds of the recipient. The resolution shall also indicate that any subsequent withdrawal of allocated or additional funds of the recipient will impair the obligation of contract between the state of Minnesota, the recipient, and the bondholders. The resolution shall pledge payment to the debt service account of all revenues of the project to the extent that they exceed costs and shall also obligate the recipient to levy a tax sufficient to make timely payments under the loan agreement, if a deficiency occurs in the amount of user charges, taxes, special assessments, or other money pledged for payment under the loan agreement. Each loan made to a recipient shall be secured by the director and by resolutions adopted by the board and the governing body of the recipient, obligating the recipient to repay the loan to the state treasurer in annual installments including both principal and interest. Installments shall be in an amount sufficient to pay the principal amount within the period required by the board. The interest on the loan shall be calculated on the declining balance at a rate not less than the average annual interest rate on the state bonds of the issue from which proceeds of the loan were made. The resolution shall obligate the recipient to provide money for the repayment from user charges, taxes, special assessments or any other funds available to it.

Sec. 28. Minnesota Statutes Second 1989 Supplement, section 115A.55, subdivision 3, is amended to read:

Subd. 3. [FINANCIAL ASSISTANCE.] (a) The office director shall make loans and grants to any person for the purpose of developing and implementing projects or practices to prevent or reduce the generation of solid waste including those that involve reuse of items in their original form or in manufacturing processes that do not

cause the destruction of recyclable materials in a manner that precludes further use, or involve procuring, using, or producing products with long useful lives. Grants may be used to fund studies needed to determine the technical and financial feasibility of a waste reduction project or practice or for the cost of implementation of a waste reduction project or practice that the office has determined is technically and financially feasible.

(b) In making grants or loans, the office director shall give priority to waste reduction projects or practices that have broad application in the state and that have the potential for significant reduction of the amount of waste generated.

(c) All information developed as a result of a grant or loan shall be made available to other solid waste generators through the public information program established in subdivision 2.

(d) The office director shall adopt rules for the administration of this program. Office The rules must prescribe the level or levels of matching funds required for grants or loans under this subdivision.

Sec. 29. Minnesota Statutes Second 1989 Supplement, section 115A.551, subdivision 4, is amended to read:

Subd. 4. [INTERIM MONITORING.] The office director, for counties outside of the metropolitan area, and the metropolitan council, for counties within the metropolitan area, shall monitor the progress of each county toward meeting the recycling goal in subdivision 2 and shall report to the legislative commission on waste management on the progress of the counties by November 1 of each year. If the office director or the council finds that a county is not progressing toward the goal in subdivision 2, ~~it~~ the director or council shall negotiate with the county to develop and implement solid waste management techniques designed to assist the county in meeting the goal, such as organized collection, curbside collection of source-separated materials, and volume-based pricing.

Sec. 30. Minnesota Statutes Second 1989 Supplement, section 115A.551, subdivision 7, is amended to read:

Subd. 7. [RECYCLING IMPLEMENTATION STRATEGY.] Within one year of office approval by the director of the portion of the plan required in subdivision 6, each nonmetropolitan county shall submit for office approval by the director a local recycling implementation strategy. The local recycling implementation strategy must:

(1) be consistent with the approved county solid waste management plan;

(2) identify the materials that are being and will be recycled in the

county to meet the goals under this section and the parties responsible and methods for recycling the material; and

(3) define the need for funds to ensure continuation of local recycling, methods of raising and allocating such funds, and permanent sources and levels of local funding for recycling.

Sec. 31. Minnesota Statutes Second 1989 Supplement, section 115A.558, is amended to read:

115A.558 [SAFETY GUIDE.]

The ~~pollution control agency commissioner~~, in cooperation with the office of waste management director and the metropolitan council, shall prepare and distribute to all interested persons a guide for operation of a recycling or yard waste composting facility to protect the environment and public health.

Sec. 32. Minnesota Statutes 1988, section 115A.64, subdivision 4, is amended to read:

Subd. 4. [REVIEW PROCEDURES.] Upon receipt of the petition, the ~~chair of the board~~ director shall determine whether the petition conforms in form and substance to the requirements of law and rule. If the petition does not conform to the requirements, the ~~chair director~~ shall return it immediately to the petitioners with a statement describing the deficiencies and the amendments necessary to rectify them. If the petition does conform to the requirements, and if comments have been received objecting to the establishment or alteration of the district as proposed, the ~~chair director~~ shall request the office of administrative hearings to conduct a hearing on the petition. The hearing shall be conducted in the proposed district in the manner provided in chapter 14 for contested cases. If no comments have been received objecting to the establishment of the district as proposed, the ~~board director~~ may proceed to grant or deny the petition without the necessity of conducting a contested case hearing. If the petition conforms to the requirements of law and rule, the ~~chair director~~ shall also immediately submit the petition to the solid waste ~~and the technical management advisory councils of the board council~~ for review and recommendation and shall forward the petition to the commissioner of the agency, who shall prepare and submit to the ~~board director~~ a report containing recommendations on the disposition of the petition. The commissioner's report shall contain at least the commissioner's findings and conclusions on whether the proposed boundaries, purposes, powers, and management plans of the district or alteration thereto serve the purposes of waste resource districts, are appropriately related to the waste generation, collection, processing, and disposal patterns in the area, and are generally consistent with the purposes of the agency's regulatory program.

Sec. 33. Minnesota Statutes 1988, section 115A.64, subdivision 6, is amended to read:

Subd. 6. [BOARD ORDER DIRECTOR'S ORDERS.] After considering the reports of the administrative law judge, if a contested case hearing has been held, and the recommendations of the solid waste management advisory ~~councils~~ council and the commissioner of the agency, the board director shall make a final decision on the petition. If the board director finds and determines that the establishment or alteration of a district as proposed in the petition would not be in the public interest and would not serve the purposes of sections 115A.62 to 115A.72, it the director shall give notice to the petitioners of its the director's intent to deny the petition. If a contested case hearing has not been held, the petitioners may request a hearing within 30 days of the notice of intent to deny the petition. The request shall be granted. Following the hearing and the report of the administrative law judge, the board director shall make a final decision on the petition and mail a copy of its decision to the governing body of each affected political subdivision. If the board director finds and determines that the establishment or alteration of a district as proposed in the petition would be in the public interest and would serve the purposes of sections 115A.62 to 115A.72, it the director shall, by order, establish the district, define its boundaries, and give it a corporate name by which, in all proceedings, it shall thereafter be known. The order shall include articles of incorporation stating the powers of the district and the location of its registered office. Upon the filing of a certified copy of the order of the board director with the secretary of state, the district shall become a political subdivision of the state and a public corporation, with the authority, power, and duties prescribed in sections 115A.62 to 115A.72 and the order of the board director. At the time of filing, a copy of the order shall be mailed by the board director to the governing body of each political subdivision wholly or partly within the district or affected by the alteration of the district.

Sec. 34. Minnesota Statutes 1988, section 115A.66, subdivision 3, is amended to read:

Subd. 3. [HEARING; DECISION.] If objection is made to the board director against the petition for termination, a contested case hearing on the petition shall be held in the waste district pursuant to chapter 14. If the board director determines that the termination of the district as proposed in the petition would not be in the public interest, the board director shall give notice to the petitioner of its the director's intent to deny the petition. If a contested case hearing has not been held, the petitioner may request a hearing within 30 days of the notice of intent to deny the petition. The request shall be granted. Following the hearing and the report of the administrative law judge, the board director shall make a final decision on the petition. If the petition is dismissed all costs of the proceeding shall be assessed against the petitioner. If the board director determines

that the existence of the district is no longer in the public interest, the board director shall by its findings and order terminate the district. Upon the filing of a certified copy of the findings and order with the secretary of state the district shall cease to be a public corporation and a political subdivision of the state.

Sec. 35. Minnesota Statutes 1988, section 115A.914, is amended to read:

115A.914 [ADMINISTRATION; COUNTY PLANNING AND ORDINANCES.]

Subdivision 1. [REGULATORY AND ENFORCEMENT POWERS.] For purposes of implementing and enforcing the waste tire programs in sections 115A.90 to 115A.914, the board commissioner may exercise the regulatory and enforcement powers of the agency under chapters 115 and 116.

Subd. 2. [BOARD RULES.] The board commissioner shall adopt rules for administration of waste tire collector and processor permits, waste tire nuisance abatement, and waste tire collection.

Subd. 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, board agency rules.

Sec. 36. Minnesota Statutes Second 1989 Supplement, section 115A.961, subdivision 2, is amended to read:

Subd. 2. [PROGRAM.] (a) The office director, in consultation with other state agencies, political subdivisions, and representatives of the household battery industry, may develop household battery programs. The office director must coordinate ~~its~~ the programs with the legislative commission on Minnesota resources study on batteries.

(b) The office director shall investigate options and develop guidelines for collection, processing, and disposal of household batteries. The options the office director may investigate include:

(1) establishing a grant program for counties to plan and implement household battery collection, processing, and disposal projects;

(2) establishing collection and transportation systems;

(3) developing and disseminating educational materials regarding environmentally sound battery management; and

(4) developing markets for materials recovered from the batteries.

(c) The ~~office~~ director may also distribute funds to political subdivisions to develop battery management plans and implement those plans.

Sec. 37. Minnesota Statutes Second 1989 Supplement, section 115A.961, subdivision 4, is amended to read:

Subd. 4. [REPORT.] By November 1, 1991, the ~~office~~ director shall report to the legislative commission on waste management on ~~its~~ the activities of the office under this section with recommendations for legislation necessary to address management of household batteries.

Sec. 38. Laws 1989, chapter 335, article 1, section 269, is amended to read:

Sec. 269. [INSTRUCTION TO THE REVISOR.]

(a) The revisor shall change references to "Minnesota future resources commission" to "legislative commission on Minnesota resources" wherever they appear in the 1990 edition of Minnesota Statutes and subsequent editions of the statutes.

(b) If legislation is enacted in the 1989 legislature to change section numbers of provisions governing watercraft licensing or to recodify those provisions into chapter 361A, the revisor of statutes shall correct cross-references to those provisions in this act and renumber the sections of Minnesota Statutes in this act consistent with those changes.

(c) The revisor shall change references to "waste management board" to "office of waste management," "board" where it means waste management board to "office," "chair" where it means chair of the waste management board to "director," "chair of the board" where it means chair of the waste management board to "director," and "board, through its chair" where it means waste management board through its chair to "director" in Minnesota Statutes 1990 and subsequent editions of the statutes. Wherever a reference to "waste management board" or "board" where it refers to the waste management board was changed to another board or agency in laws enacted in the 1989 regular session as a result of reorganization order number 155, the revisor shall change the reference to "office of waste management" or "office."

Sec. 39. [INSTRUCTION TO THE REVISOR.]

Except as specifically provided in article 1 and this article, in

Minnesota Statutes 1990 and subsequent editions of the statutes, the revisor of statutes shall change references as follows:

(i) in chapter 115A, except for sections 115A.08, 115A.09, 115A.159, 115A.201 to 115A.30, 115A.32 to 115A.39, and 115A.90 to 115A.914, the revisor shall change the words "waste management board," "board," "board or the chair acting on behalf of the board," "board and the chair acting on behalf of the board," "chair of the waste management board," "chair of the board," "board through its chair," "chair," and "board chair," where those words mean waste management board or chair of the waste management board; and "office of waste management," where it means director of the office of waste management, and "office," where it means director of the office of waste management, to "director";

(ii) in sections 115A.90 to 115A.914, the revisor shall change the word "board" to "agency"; and

(iii) in chapters other than chapter 115A, the revisor shall change the words "waste management board" to "office of waste management," where it means office of waste management, or to "director of the office of waste management," where it means director of the office of waste management.

Sec. 40. [REPEALER.]

Minnesota Statutes 1988, section 115A.90, subdivision 2, is repealed."

Delete the title and insert:

"A bill for an act relating to waste management; making several technical changes to the waste management act; establishing a time period for local decision-making on siting of solid waste facilities; establishing time periods for state and metropolitan council approval of county solid waste management plans; clarifying jurisdiction of county plans; clarifying order of funding priority for grants for solid waste management projects; adjusting procedures for the creation of solid waste management districts; increasing the authority of the districts; authorizing counties to set civil penalties by ordinance for violation of designation ordinances; authorizing additional county fees on in-county disposal of out-of-county solid waste; adding procedures and requirements for cities to meet when they organize solid waste collection; requiring a supplementary incinerator ash report; reducing time for metropolitan review of local government solid waste facility siting decisions; repealing the funds established with the greater Minnesota landfill cleanup fee; repealing the requirement that government agencies use degradable polyethylene bags; requiring an environmental impact statement

for burning PCBs; appropriating money; changing references; amending Minnesota Statutes 1988, sections 16B.61, subdivision 3a; 115A.03, subdivision 23; 115A.06, subdivisions 2, 5, 5a, 6, 8, 10, 11, 12, and 13; 115A.07, subdivisions 1 and 2; 115A.075; 115A.10; 115A.11, subdivision 1a; 115A.158, subdivision 2; 115A.191, subdivisions 1 and 2; 115A.192, subdivisions 1 and 2; 115A.193; 115A.194, subdivision 2; 115A.411, subdivision 1; 115A.46, subdivision 1, and by adding a subdivision; 115A.49; 115A.53; 115A.54, subdivision 3; 115A.64, subdivisions 2, 4, and 6; 115A.66, subdivision 3; 115A.67; 115A.86, by adding a subdivision; 115A.914; 115A.94, subdivisions 3 and 4; 115A.97, subdivision 5; 116.36, subdivision 1; 325E.045, subdivision 1; 400.08, subdivision 3; 473.823, subdivision 5, and by adding a subdivision; 473.833, by adding a subdivision; 473.845, subdivision 4; 473.846; Minnesota Statutes 1989 Supplement, sections 115A.14, subdivision 4; 115A.195; 115A.54, subdivision 2a; 115A.84, subdivision 2; 115A.86, subdivision 5; 115A.919; 115A.921; 115B.04, subdivision 4; 116.41, subdivision 2; 116C.69, subdivision 3; Minnesota Statutes Second 1989 Supplement, sections 115A.072, subdivisions 1 and 4; 115A.55, subdivision 3; 115A.551, subdivisions 4 and 7; 115A.558; 115A.961, subdivisions 2 and 4; Laws 1988, chapter 685, section 42; Laws 1989, chapter 325, section 79; and chapter 335, article 1, sections 23, subdivision 4, and 269; proposing coding for new law in Minnesota Statutes, chapters 115A and 116; repealing Minnesota Statutes 1988, sections 115A.09, subdivision 5; 115A.90, subdivision 2; 325E.045, subdivisions 3 and 4; Minnesota Statutes 1989 Supplement, sections 115A.922; 115A.923, subdivisions 2, 3, 4, and 5; 115A.924; 115A.925; 115A.927; and 115A.928; and Laws 1987, chapter 348, section 51, subdivision 5."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2132, A bill for an act relating to child care funding; authorizing the commissioner of human services to promulgate rules directing county boards to establish certain payment policies; amending Minnesota Statutes 1989 Supplement, section 256H.02.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2149, A bill for an act relating to port authorities; expanding the range of titles for certain offices; amending Minnesota Statutes 1988, section 469.051, subdivision 2.

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. 2184, A bill for an act relating to statutes of limitations; establishing a three-year time limit to bring an action for penalty or forfeiture for violation of certain environmental statutes; amending Minnesota Statutes 1989 Supplement, section 541.07; proposing coding for new law in Minnesota Statutes, chapter 575.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2187, A bill for an act relating to local government; requiring additional notice of various vacation proceedings; amending Minnesota Statutes 1988, section 368.01, subdivision 25; and Minnesota Statutes 1989 Supplement, section 412.851.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2188, A bill for an act relating to local government; permitting towns to publish collections of town ordinances, resolutions, rules, and laws; amending Minnesota Statutes 1988, sections 415.021 and 599.13.

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. 2196, A bill for an act relating to judicial administration; proposing an amendment to the Minnesota Constitution, articles VI and VIII, creating a court of compensation appeals; abolishing the workers' compensation court of appeals; providing for designation by the governor of the chief judge of the workers' compensation court of appeals; regulating the administration of the workers' compensation court of appeals; appropriating money; amending Minnesota Statutes 1988, sections 3C.11, subdivision 3; 3C.12, subdivision 2; 5.08, subdivision 2; 10A.01, subdivision 19; 14.03, subdivision 2; 15A.082, subdivisions 1 and 3; 15A.083, subdivision 7; 43A.18, subdivision 3; 43A.27, subdivision 4; 175A.01, subdivision 1; 175A.02; 175A.07, subdivision 4; 176.421, subdivisions 5, 6, and by adding a subdivision; 204B.06, subdivisions 4 and 6; 204B.11, subdivision 1; 204B.34, subdivision 3, 204B.36, subdivision 4; 204D.02, subdivision 1; 204D.08, subdivision 6; 209.01, subdivision 2; 268.10, subdivision 8; 268.12, subdivision 13; 480.052; 480.054; 480.055, subdivision 1; 480.19; 480A.06, subdivision 3; 481.02, subdivisions 3 and 6; 490.15, subdivision 1; and 574.18; Minnesota Statutes 1989 Supplement, sections 10A.01, subdivisions 5 and 18; 357.08; proposing coding for new law as Minnesota Statutes, chapter 480B; repealing Minnesota Statutes 1988, sections 175A.01 to 175A.10; and 176.471.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1988, section 175A.01, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP, APPOINTMENT, QUALIFICATIONS.] The workers' compensation court of appeals as previously constituted is reconstituted as an independent agency in the executive branch.

The workers' compensation court of appeals shall consist of five judges each serving in the unclassified service. The five judges shall be learned in the law and shall have been licensed to practice law for at least five years. Each judge of the workers' compensation court of

appeals shall be appointed by the governor, by and with the advice and consent of the senate, for a term of six years commencing at the expiration of the preceding term. Any vacancy shall be filled by the governor for the unexpired term, subject to confirmation by the senate. The terms of the judges shall expire on the first Monday in January of the year in which they expire. The terms of the judges shall be staggered. The judges of the workers' compensation court of appeals as now created shall be the judges of the workers' compensation court of appeals until the expiration of the terms for which they have been appointed and qualified. They shall be selected on the basis of their experience with and knowledge of workers' compensation and the workers' compensation laws of Minnesota. The judges of the workers' compensation court of appeals shall be subject to the provisions of the Minnesota Constitution, article VI, section 6, the jurisdiction of the commission on judicial standards, as provided in sections 490.15 and 490.16, and the provisions of the code of judicial conduct.

Sec. 2. Minnesota Statutes 1988, section 175A.02, is amended to read:

175A.02 [OFFICERS COURT ADMINISTRATION.]

Subdivision 1. [CHIEF JUDGE.] The governor shall designate one of the judges of the workers' compensation court of appeals shall choose a to be chief judge from among their number. The chief judge shall appoint one of the judges to serve as the administrator, who shall be custodian of the court's files and records and shall coordinate and make hearing assignments.

Subd. 2. [ADMINISTRATIVE AUTHORITY.] The chief judge shall exercise general administrative authority over the court. The chief judge who is appointed the administrator may delegate the administrative duties of administrator to an employee chosen to be the assistant court administrator.

Subd. 3. [ASSIGNMENT OF CASES; PANELS.] Judges shall serve on the panels of the court on a rotating basis so that as nearly as practicable each judge serves a proportionate time with every other judge. Cases shall be assigned to panels on a random basis.

Subd. 4. [DRAFT CIRCULATION; REHEARING EN BANC.] When a draft opinion has been prepared, the authoring judge shall circulate the opinion, together with any concurring or dissenting opinions, to the other members of the court for their information. Any judge may submit comments within ten days. The opinion shall not be filed before the noted return date.

If three judges of the court request reconsideration during the ten-day comment period, the opinion shall not be issued and the case shall be reconsidered by the full court, sitting en banc, on the record

previously submitted and the arguments, if any, previously made by counsel.

Subd. 5. [COUNTY ADMINISTRATORS.] The court administrator of district court in each county shall be the court administrator of the workers' compensation court of appeals in that county. Filing fees and library fees deposited with the court administrator of district court in the capacity as clerk of the workers' compensation court of appeals and in cases originally commenced in district court and transferred to the workers' compensation court of appeals shall be retained by the court administrator of district court. The workers' compensation court of appeals court administrator in each county shall be subject to the supervision of the ~~administrator~~ chief judge in workers' compensation court of appeals matters.

Sec. 3. Minnesota Statutes 1988, section 175A.07, subdivision 4, is amended to read:

Subd. 4. [RULES.] The workers' compensation court of appeals shall prescribe rules of practice before it in appellate matters. The rules shall include procedures and schedules to ensure that the court complete work on each case within 180 days of the date that the record is certified to the court. The rules shall also permit the chief judge to waive the 180-day limitation for good cause shown.

Sec. 4. Minnesota Statutes 1988, section 176.421, subdivision 5, is amended to read:

Subd. 5. [TRANSCRIPT; CERTIFICATION OF THE RECORD.] When the notice of appeal has been filed with the chief administrative law judge and the fee for the preparation of the record has been paid, the chief administrative law judge shall immediately order the preparation of a typewritten transcript of that part of the hearing delineated in the notice. The official reporter or other person designated by the chief administrative law judge who transcribes the proceedings shall certify to their correctness.

If the transcript is prepared by a person who is not an employee of the office of administrative hearings, upon completion of the transcript, the original shall be filed with the chief administrative law judge.

When the transcript has been completed and is on file with the chief administrative law judge, the chief administrative law judge shall certify the record to the workers' compensation court of appeals and notify the commissioner of the certification. The chief administrative law judge shall complete the certification within 23 days of the filing of the notice of appeal, except that the chief administrative law judge may extend the time for certification because of extraordinary circumstances.

Sec. 5. Minnesota Statutes 1988, 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. The court may reverse or modify a decision only on the grounds stated in subdivision 1. 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) (4) remand or make other appropriate order.

Sec. 6. Minnesota Statutes 1988, section 176.421, is amended by adding a subdivision to read:

Subd. 8. [PROCEEDINGS ON REMAND.] When a case is remanded to the office of administrative hearings and does not require the submission of additional evidence, the compensation judge shall issue a decision within 30 days.

ARTICLE 2

Section 1. [PROPOSED AMENDMENT.]

The following amendment to the Minnesota Constitution is proposed to the people.

Subdivision 1. If the amendment is adopted, article VI, section 1, of the Minnesota Constitution, will read as follows:

Section 1. The judicial power of the state is vested in a supreme court, a court of appeals, if established by the legislature, a court of compensation appeals, if established by the legislature, a district court and such other courts, judicial officers and commissioners with

jurisdiction inferior to the district court as the legislature may establish.

Subd. 2. If the amendment is adopted article VI, section 2, of the Minnesota Constitution, will read as follows:

Sec. 2. The supreme court consists of one chief judge and not less than six nor more than eight associate judges as the legislature may establish. It shall have original jurisdiction in such remedial cases as are prescribed by law, and appellate jurisdiction in all cases, but there shall be no trial by jury in the supreme court.

The legislature may establish a court of appeals and provide by law for the number of its judges, who shall not be judges of any other court, and its organization and for the review of its decisions by the supreme court. The court of appeals shall have appellate jurisdiction over all courts, except the supreme court and the court of compensation appeals, and other appellate jurisdiction as prescribed by law.

The legislature may establish a court of compensation appeals and provide by law for the number of its judges, who shall not be judges of any other court, and its organization and for the review of its decisions by the supreme court. The court of compensation appeals shall have appellate jurisdiction over cases arising under the workers' compensation and unemployment insurance laws of the state as prescribed by law.

As provided by law judges of the court of appeals or of the district court may be assigned temporarily to act as judges of the supreme court upon its request and judges of the district court may be assigned temporarily by the supreme court to act as judges of the court of appeals.

The supreme court shall appoint to serve at its pleasure a clerk, a reporter, a state law librarian and other necessary employees.

Subd. 3. If the amendment is adopted, article VI, section 5, of the Minnesota Constitution, will read as follows:

Sec. 5. Judges of the supreme court, the court of appeals, the court of compensation appeals, and the district court shall be learned in the law. The qualifications of all other judges and judicial officers shall be prescribed by law. The compensation of all judges shall be prescribed by the legislature and shall not be diminished during their term of office.

Subd. 4. If the amendment is adopted, article VI, section 6, of the Minnesota Constitution, will read as follows:

Sec. 6. A judge of the supreme court, the court of appeals, court of

compensation appeals, or the district court shall not hold any office under the United States except a commission in a reserve component of the military forces of the United States and shall not hold any other office under this state. His term of office shall terminate at the time he files as a candidate for an elective office of the United States or for a nonjudicial office of this state.

Subd. 5. If the amendment is adopted, article VIII, section 2, of the Minnesota Constitution, will read as follows:

Sec. 2. The governor, secretary of state, treasurer, auditor, attorney general and the judges of the supreme court, court of appeals, court of compensation appeals, and district courts may be impeached for corrupt conduct in office or for crimes and misdemeanors; but judgment shall not extend further than to removal from office and disqualification to hold and enjoy any office of honor, trust or profit in this state. The party convicted shall also be subject to indictment, trial, judgment and punishment according to law.

Sec. 2. [SUBMISSION TO VOTERS.]

The proposed amendment shall be submitted to the people at the 1990 general election. The question submitted shall be:

“Shall the Minnesota Constitution be amended to allow the creation of a court of compensation appeals?”

Yes”
No

Sec. 3. Minnesota Statutes 1988, section 268.10, subdivision 8, is amended to read:

Subd. 8. [CERTIORARI.] Any decision of the commissioner may be reviewed on certiorari by the court of compensation appeals provided a petition for the writ is filed and served upon the adverse party or parties within 30 days after the date of mailing notice of any decision to the party at the last known address.

Any party in interest, except a claimant for benefits, upon the service of the writ shall furnish a cost bond to be approved by the commissioner and pay to the department of jobs and training the fee prescribed by rule 103.01 of the rules of civil appellate procedure which shall be disposed of in the manner provided by that rule.

Sec. 4. Minnesota Statutes 1988, section 268.12, subdivision 13, is amended to read:

Subd. 13. [DETERMINATIONS.] (1) An official, designated by the commissioner, upon the commissioner’s own motion or upon appli-

cation of an employing unit, shall determine if an employing unit is an employer within the meaning of this chapter or as to whether services performed for it constitute employment within the meaning of this chapter, and shall notify the employing unit of the determination. The determination shall be final unless the employing unit, within 30 days after the mailing of notice of the determination to the employing unit's last known address, files a written appeal from it.

(2) The commissioner shall designate one or more referees to conduct hearings on appeals. The employing unit and any claimant whose filed claim for benefits may be affected by a determination issued under clause (1) shall be interested parties to an appeal. The referee shall fix a time and place within this state for the hearing and give interested parties written notice of it, by mail, not less than ten days prior to the time of the hearing. In the discharge of the duties imposed by this subdivision, the referee may administer oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed necessary as evidence in connection with the subject matter of the hearing. The written report of any employee of the department of jobs and training, made in the regular course of the performance of the employee's duties, shall be competent evidence of the facts contained in it and shall be prima facie correct, unless refuted by other credible evidence.

(3) Upon the conclusion of the hearing, the referee shall serve upon the interested parties by mail findings of fact and decision. The decision of the referee, together with the findings of fact and reasons in support of them, is final unless an interested party, within 30 days after the mailing of a copy of it to the interested parties' last known addresses, files an appeal with the commissioner, or unless the commissioner, within 30 days after mailing of the decision, on the commissioner's own motion orders the matter certified to the commissioner for review. Appeal from and review by the commissioner of the decision of the referee shall be in the manner provided by rule. The commissioner may without further hearing affirm, modify, or set aside the findings of fact or decision, or both, of the referee on the basis of the evidence previously submitted in the case, or direct the taking of additional evidence. The commissioner may disregard the findings of fact of the referee and examine the testimony taken and make any findings of fact as the evidence taken before the referee may, in the judgment of the commissioner, require, and make any decision as the facts found by the commissioner require. The commissioner shall notify the employing unit of the commissioner's findings and decision by mail, mailed to the interested parties' last known addresses. The decision of the commissioner is final unless judicial review of it is sought as provided by this subdivision. Any interested party to a proceeding before the commissioner may obtain a transcript of the testimony taken before the referee upon payment

to the commissioner of the cost of the transcript at the rate of ten cents per 100 words.

(4) The court of compensation appeals may, by writ of certiorari to the commissioner, review all questions of law and fact presented by the record in accordance with chapter 14. The commissioner shall not be required to certify the record to the court unless the party commencing the proceedings for review pays to the commissioner the cost of certification of the record at the rate of ten cents per 100 words less any amount previously paid by the party for a transcript. The commissioner shall, upon receipt of the payment, prepare and certify to the court a true and correct typewritten copy of all matters contained in the record. The costs collected by the commissioner shall be deposited in the economic security administration fund provided for in section 268.15.

(5) A final decision of the commissioner or referee, in the absence of appeal, is conclusive for all the purposes of sections 268.03 to 268.24 except as otherwise provided, and, together with the records therein made, shall be admissible in any subsequent judicial proceeding involving liability for contributions. A final decision of the commissioner or referee may be introduced in any proceeding involving a claim for benefits.

(6) In the event a final decision of the commissioner or referee determines the amount of contributions due under sections 268.03 to 268.24, then, if the amount, together with interest and penalties, is not paid within 30 days after the decision, the provisions of section 268.161 shall apply. The commissioner shall proceed thereunder, substituting a certified copy of the final decision in place of the contribution report.

Sec. 5. Minnesota Statutes 1988, section 480A.06, subdivision 3, is amended to read:

Subd. 3. [CERTIORARI REVIEW.] The court of appeals shall have jurisdiction to issue writs of certiorari to all agencies, public corporations and public officials, except the tax court and the workers' compensation court of appeals. ~~The court of appeals shall have jurisdiction to review decisions of the commissioner of jobs and training, pursuant to section 268.10.~~

Sec. 6. [480B.01] [COURT OF COMPENSATION APPEALS.]

Subdivision 1. [CREATION.] There is established a court of compensation appeals to hear appeals of cases arising under the workers' compensation laws and unemployment insurance laws of the state.

Subd. 2. [MEMBERSHIP; QUALIFICATIONS.] The court shall

consist of five judges. The judges shall be learned in the law and shall have been licensed to practice law for at least five years. The judges shall be subject to the Minnesota Constitution, article VI, the jurisdiction of the commission on judicial standards, as provided in sections 490.15 and 490.16, and the provisions of the code of judicial conduct.

Subd. 3. [OATH.] Before entering upon the duties of office, each judge shall take the oath prescribed by law for judicial officers.

Subd. 4. [ELECTION.] Each judge shall be elected at the general election for a term of six years, beginning on the first Monday of the January next following the election and until a successor qualifies. Vacancies occurring between general elections shall be filled by appointment, as prescribed in the constitution.

Subd. 5. [COMPENSATION; TRAVEL EXPENSES.] The salary of a judge of the court of compensation appeals shall be the same as the salary for a judge of the court of appeals. Travel expenses shall be paid by the state in the same manner and amount as provided for judges of the district court in section 484.54.

Sec. 7. [480B.02] [COURT ADMINISTRATION.]

Subdivision 1. [CHIEF JUDGE; ELECTION; TERM; REMOVAL.] The governor shall designate one of the judges of the court of compensation appeals to be chief judge for a term of three years. Vacancies in the office of chief judge shall be filled for the remainder of the unexpired term. The chief judge may be reappointed. If the chief judge ceases to be judge of the court, the office of chief judge also becomes vacant.

Subd. 2. [ADMINISTRATIVE AUTHORITY.] The chief judge shall exercise general administrative authority over the court. The chief judge may delegate administrative duties to an employee chosen to be the court administrator.

Subd. 3. [ASSIGNMENT OF CASES; PANELS.] Judges shall serve on the panels of the court on a rotating basis so that as nearly as practicable each judge serves a proportionate time with every other judge. Cases shall be assigned to panels on a random basis.

Subd. 4. [DRAFT CIRCULATION; REHEARING EN BANC.] When a draft opinion has been prepared, the authoring judge shall circulate the opinion, together with any concurring or dissenting opinions, to the other members of the court for their information. Any judge may submit comments within ten days. The opinion shall not be filed before the noted return date.

If three judges of the court request reconsideration during the

ten-day comment period, the opinion shall not be issued and the case shall be reconsidered by the full court, sitting en banc, on the record previously submitted and the arguments, if any, previously made by counsel.

Subd. 5. [DECISIONS.] The court of compensation appeals must complete work on each case within 180 days of the date that the record is certified to the court. The chief justice or the chief judge may waive the 180-day limitation for good cause shown.

In every case, the decision of the court, including any written opinion containing a summary of the case and a statement of the reasons for its decision, shall be indexed and made readily available.

Sec. 8. [480B.03] [CLERK OF COURT.]

The clerk of the appellate courts shall serve as clerk of the court of compensation appeals.

Sec. 9. [480B.04] [COURT SESSIONS.]

Subdivision 1. [QUORUM.] A panel of three judges of the court of compensation appeals shall constitute a quorum for the exercise of the powers conferred and the duties imposed on the court, except that all appeals shall be heard by no more than three of the five judges, except as provided in section 7, subdivision 4, unless the appeal is determined to be of exceptional importance by a four-fifths vote of the judges. A vacancy shall not impair the ability of the remaining judges to exercise all of its powers and perform all of its duties.

Subd. 2. [SESSIONS TO BE PUBLIC.] The hearings of the court of compensation appeals shall be open to the public and may be adjourned from time to time. All proceedings of the court shall be shown on its records, which shall be public records.

Sec. 10. [480B.05] [POWERS.]

Subdivision 1. [PROCESS; PROCEDURES.] The court of compensation appeals shall keep records of all its proceedings as it deems appropriate and shall issue necessary processes, writs, warrants, and notices which the court is required or authorized to issue. Notices and other documents required to be served or filed on the court shall be served on the administrator of the court or the administrator's delegate.

Subd. 2. [PERSONNEL.] The judges of the court of compensation appeals shall appoint in the manner provided by law all personnel required by the court. The office of court administrator shall provide the court with necessary staff and administrative services.

Subd. 3. [RULES.] The supreme court may adopt rules of appellate procedure governing the proceedings before the court of compensation appeals and regulating appellate practice. The court of compensation appeals may adopt supplementary rules not in conflict with the rules of appellate procedure.

Sec. 11. [480B.06] [JURISDICTION.]

Subdivision 1. [WORKERS' COMPENSATION APPEALS.] The court of compensation appeals has jurisdiction to review decisions arising under the workers' compensation laws of Minnesota, as provided in chapters 176 and 176B, or as otherwise provided in law.

Subd. 2. [UNEMPLOYMENT INSURANCE APPEALS.] The court of compensation appeals has jurisdiction to issue writs of certiorari to review decisions of the commissioner of jobs and training relating to unemployment insurance, as provided in chapter 268.

Subd. 3. [ANCILLARY JURISDICTION.] The court of compensation appeals shall have jurisdiction to issue all writs and orders necessary in aid of its jurisdiction with respect to cases pending before it and for the enforcement of its judgments or orders.

Sec. 12. [480B.07] [CHAMBERS.]

The court of compensation appeals shall maintain its permanent chambers in St. Paul. The offices of the court shall be in a separate building from the department of labor and industry and the department of jobs and training. The court may hold sessions at any other place in the state as the convenience of the court and the interested parties require.

Sec. 13. [480B.08] [REVIEW IN THE SUPREME COURT.]

Subdivision 1. [AFTER DECISION IN COURT OF COMPENSATION APPEALS.] The supreme court may grant further review of any decision of the court of compensation appeals upon the petition of any party. In determining whether to grant such a petition, the supreme court should take into consideration whether the question presented is an important one upon which the court has not, but should, rule; whether the court of compensation appeals has held a statute to be unconstitutional; whether the court of compensation appeals has decided a question in direct conflict with an applicable precedent of the supreme court; or whether the lower courts have so far departed from the accepted and usual course of justice as to call for an exercise of the court's supervisory powers. The supreme court shall issue its decision whether to grant a petition for review within 60 days of the date the petition is filed.

Subd. 2. [BEFORE DECISION IN COURT OF COMPENSATION APPEALS.] (a) The supreme court may grant accelerated review of any case pending in the court of compensation appeals upon the petition of any party. The supreme court shall establish rules for petitions. The petition should be granted only upon a showing that the case is of such imperative public importance as to justify the deviation from normal appellate processes and to require immediate settlement in the supreme court. Making a petition for accelerated review does not stay proceedings or extend time in the court of compensation appeals. If accelerated review is granted, the case shall be transferred to the supreme court without decision in the court of compensation appeals.

(b) Upon its own motion or upon the certification of the court of compensation appeals, the supreme court may provide for accelerated review of any case if (i) the question presented is an important one upon which the court has not, but should, rule; (ii) the lower courts have held a statute to be unconstitutional; or (iii) the lower courts have so far departed from the accepted and usual course of justice as to call for an exercise of the court's supervisory powers.

Subd. 3. [RULES.] The rules of appellate procedure shall prescribe the form and procedures for petitions for further or accelerated review, and the time for filing them.

Sec. 14. [INITIAL APPOINTMENT OF JUDGES.]

The judicial offices created in section 6 shall be filled initially by appointment by the governor.

Sec. 15. [TRANSFER OF RECORDS AND PERSONNEL.]

All contracts, books, plans, papers, records, and property of every description of the workers' compensation court of appeals relating to its transferred responsibilities and within its jurisdiction or control are transferred to the court of compensation appeals; except that, all case files are transferred to the clerk of the appellate courts. All classified employees and staff attorneys of the workers' compensation court of appeals must be given preference in the employment of personnel required to staff the court of compensation appeals.

Sec. 16. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change the words "workers' compensation court of appeals" whenever they appear in Minnesota Statutes to "court of compensation appeals" in Minnesota Statutes 1990 and subsequent editions of the statutes.

Sec. 17. [REAPPROPRIATION.]

\$ is reappropriated from the special compensation fund, as a result of the savings to that fund in fiscal year 1991 due to the abolition of the workers' compensation court of appeals, to the court of compensation appeals for the purposes of this article.

\$ is appropriated from the general fund to the supreme court for fiscal year 1991 for the operation of the court of compensation appeals.

Sec. 18. [REPEALER.]

Minnesota Statutes 1988, sections 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07; 175A.08; 175A.09; 175A.10; and 176.471, are repealed.

Sec. 19. [EFFECTIVE DATE; TRANSITION.]

Sections 3 to 18 shall become effective only upon ratification of the amendment proposed in section 1 of this article as provided in the Minnesota Constitution. If the constitutional amendment proposed by section 1 is adopted by the people, sections 3 and 4 are effective July 1, 1991, and sections 5 to 18 are effective January 1, 1991.

The court of compensation appeals shall have jurisdiction over all cases arising under the workers' compensation laws which are pending in the workers' compensation court of appeals on December 31, 1990, or in which the notice of appeal, petition for review, or writ is filed on or after January 1, 1991. The court of compensation appeals shall have jurisdiction over cases arising under the unemployment insurance laws in which the notice of appeal, petition for review, or writ is filed on or after July 1, 1991. In all unemployment insurance cases in which the notice of appeal, petition for review, or writ was filed on or before June 30, 1991, the court to which the appeal, petition, or writ was taken shall continue to exercise jurisdiction, notwithstanding any provision of this act.

ARTICLE 3

Section 1. Minnesota Statutes 1988, section 3C.11, subdivision 3, is amended to read:

Subd. 3. [SLIP LAWS.] In the time before Laws of Minnesota is published each year, the revisor's office shall furnish, upon request and without charge, a copy of each law or resolution to a member of the legislature, a legislative staff member, a constitutional officer, a justice of the supreme court, or a judge of the court of appeals or court of compensation appeals.

Sec. 2. Minnesota Statutes 1988, section 3C.12, subdivision 2, is amended to read:

Subd. 2. [FREE DISTRIBUTION.] The revisor shall distribute without charge copies of each edition of Minnesota Statutes, supplements to Minnesota Statutes, and Laws of Minnesota to the persons or bodies listed in this subdivision. Before distributing the copies, the revisor shall ask these persons or bodies whether their work requires the full number of copies authorized by this subdivision. Unless a smaller number is needed, the revisor shall distribute:

- (a) 30 copies to the supreme court;
- (b) 30 copies to the court of appeals;
- (c) one copy to each judge of a district court;
- (d) one copy to the court administrator of each district court for use in each courtroom of the district court;
- (e) one copy to each judge, district attorney, clerk of court of the United States, and deputy clerk of each division of the United States district court in Minnesota;
- (f) 100 copies to the office of the attorney general;
- (g) ten copies each to the governor's office, the departments of agriculture, commerce, corrections, education, finance, health, transportation, labor and industry, jobs and training, natural resources, public safety, public service, human services, revenue, and the pollution control agency;
- (h) two copies each to the lieutenant governor and the state treasurer;
- (i) 20 copies each to the department of administration, state auditor, and legislative auditor;
- (j) one copy each to other state departments, agencies, boards, and commissions not specifically named in this subdivision;
- (k) one copy to each member of the legislature;
- (l) 150 copies for the use of the senate and 200 copies for the use of the house of representatives;
- (m) 50 copies to the revisor of statutes from which the revisor shall send the appropriate number to the Library of Congress for copy-right and depository purposes;

- (n) four copies to the secretary of the senate;
- (o) four copies to the chief clerk of the house of representatives;
- (p) 100 copies to the state law library;
- (q) 100 copies to the law school of the University of Minnesota;
- (r) five copies each to the Minnesota historical society and the secretary of state;
- (s) one copy each to the public library of the largest municipality of each county if the library is not otherwise eligible to receive a free copy under this section or section 15.18; ~~and~~
- (t) one copy to each county library maintained pursuant to chapter 134, except in counties containing cities of the first class. If a county has not established a county library pursuant to chapter 134, the copy shall be provided to any public library in the county; and
- (u) 15 copies to the court of compensation appeals.

Sec. 3. Minnesota Statutes 1988, section 5.08, subdivision 2, is amended to read:

Subd. 2. [DISTRIBUTION.] 15,000 copies of the legislative manual shall be printed and distributed as follows:

- (1) up to 25 copies shall be available to each member of the legislature on request;
- (2) 50 copies to the state historical society;
- (3) 25 copies to the state university;
- (4) 60 copies to the state library;
- (5) two copies each to the Library of Congress, the Minnesota veterans home, the state universities, the state high schools, the public academies, seminaries, and colleges of the state, and the free public libraries of the state;
- (6) one copy each to other state institutions, the elective state officials, ~~the appointed heads of departments,~~ the officers and employees of the legislature, the justices of the supreme court, the judges of the court of appeals, the court of compensation appeals, and the district court, the senators and representatives in Congress from this state, and the county auditors;

(7) one copy to each public school, to be distributed through the superintendent of each school district; and

(8) the remainder may be disposed of as the secretary of state deems best.

Sec. 4. Minnesota Statutes 1989 Supplement, section 10A.01, subdivision 5, is amended to read:

Subd. 5. [CANDIDATE.] "Candidate" means an individual who seeks nomination or election to any statewide or legislative office for which reporting is not required under federal laws. The term candidate shall also include an individual who seeks nomination or election to supreme court, court of appeals, court of compensation appeals, or district court judgeships of the state. An individual shall be deemed to seek nomination or election if the individual has taken the action necessary under the law of the state of Minnesota to qualify for nomination or election, has received contributions or made expenditures in excess of \$100, or has given implicit or explicit consent for any other person to receive contributions or make expenditures in excess of \$100, for the purpose of bringing about the individual's nomination or election. A candidate remains a candidate until the candidate's principal campaign committee is dissolved as provided in section 10A.24.

Sec. 5. Minnesota Statutes 1989 Supplement, section 10A.01, subdivision 18, is amended to read:

Subd. 18. "Public official" means any:

- (a) member of the legislature;
- (b) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (c) member, chief administrative officer or deputy chief administrative officer of a state board or commission which has at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;
- (d) commissioner, deputy commissioner, or assistant commissioner of any state department as designated pursuant to section 15.01;
- (e) individual employed in the executive branch who is authorized to adopt, amend or repeal rules or adjudicate contested cases;
- (f) executive director of the state board of investment;
- (g) executive director of the Indian affairs intertribal board;

(h) commissioner of the iron range resources and rehabilitation board;

(i) commissioner of mediation services;

(j) deputy of any official listed in clauses (e) to (i);

(k) judge of the workers' compensation court of appeals;

(l) administrative law judge or compensation judge in the state office of administrative hearings or referee in the department of jobs and training;

(m) (l) solicitor general or deputy, assistant or special assistant attorney general;

(n) (m) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher or attorney in the office of senate research, senate counsel, or house research;

(o) (n) member or chief administrative officer of the metropolitan council, regional transit board, metropolitan transit commission, metropolitan waste control commission, metropolitan parks and open spaces commission, metropolitan airports commission or metropolitan sports facilities commission;

(p) (o) the commissioner of gaming and director of each division in the department of gaming and the deputy director of the division of state lottery; or

(q) (p) director of the division of gambling enforcement in the department of public safety.

Sec. 6. Minnesota Statutes 1988, section 10A.01, subdivision 19, is amended to read:

Subd. 19. [OFFICE HOLDER.] "Office holder" means an individual who holds any statewide or legislative office, except a federal office for which candidates are required to report under federal laws, state supreme court justice, and judges of the court of appeals, court of compensation appeals, district court, county court, probate court, or county municipal court.

Sec. 7. Minnesota Statutes 1988, section 14.03, subdivision 2, is amended to read:

Subd. 2. [CONTESTED CASE PROCEDURE.] The contested case procedures of the administrative procedure act provided in sections 14.57 to 14.69 do not apply to (a) the Minnesota municipal board, (b)

the commissioner of corrections, (c) the unemployment insurance program and the social security disability determination program in the department of jobs and training, (d) the director of mediation services, (e) the workers' compensation division in the department of labor and industry, (f) ~~the workers' compensation court of appeals,~~ (g) the board of pardons, or (h) (g) the public employment relations board.

Sec. 8. Minnesota Statutes 1988, section 15A.082, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] A compensation council is created each even-numbered year to assist the legislature in establishing the compensation of constitutional officers, members of the legislature, justices of the supreme court, and judges of the court of appeals; and court of compensation appeals district court, county court, and county municipal court.

Sec. 9. Minnesota Statutes 1988, section 15A.082, subdivision 3, is amended to read:

Subd. 3. [SUBMISSION OF RECOMMENDATIONS.] By April 1 in each odd-numbered year, the compensation council shall submit to the speaker of the house of representatives and the president of the senate salary recommendations for constitutional officers, legislators, justices of the supreme court, and judges of the court of appeals; and court of compensation appeals district court, county court, and county municipal court. The recommended salary for each office must be a fixed amount per year, to take effect on the first Monday in January of the next odd-numbered year, with no more than one adjustment, to take effect on January 1 of the year after that. The salary recommendations for legislators, judges, and constitutional officers take effect if an appropriation of money to pay the recommended salaries is enacted after the recommendations are submitted and before their effective date. Recommendations may be expressly modified or rejected by a bill enacted into law. The salary recommendations for legislators are subject to additional terms that may be adopted according to section 3.099, subdivisions 1 and 3.

Sec. 10. Minnesota Statutes 1988, section 15A.083, subdivision 7, is amended to read:

Subd. 7. [WORKERS' COMPENSATION COURT OF APPEALS AND COMPENSATION JUDGES.] ~~Salaries of judges of the workers' compensation court of appeals shall be 90 percent of the salary for district judges as provided in subdivision 1. Salaries of compensation judges shall be 75 percent of the salary of district court judges as provided in subdivision 1. 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 greater than the~~

salary of workers' compensation settlement judges at the department of labor and industry.

Sec. 11. Minnesota Statutes 1988, section 43A.18, subdivision 3, is amended to read:

Subd. 3. [MANAGERIAL PLAN.] The commissioner shall identify individual positions or groups of positions in the classified and unclassified service, in the executive branch as being managerial. The list shall not include positions listed in subdivision 4. The commissioner shall annually submit the listing of positions to the chair of the legislative commission on employee relations for the commission's review and comment, and shall note on each listing the changes from the prior year.

(a) The commissioner shall periodically prepare a plan for total compensation and terms and conditions of employment for employees of those positions identified as being managerial and whose salaries and benefits are not otherwise provided for in law or other plans established under this chapter. Before becoming effective those portions of the plan establishing compensation and terms and conditions of employment shall be reviewed and approved or modified by the legislative commission on employee relations and the legislature in the same manner as provided for the commissioner's plan in subdivision 2.

(b) Incumbents of managerial positions as identified under this subdivision shall be excluded from any bargaining units under the provisions of chapter 179.

(c) The management compensation plan shall provide methods and levels of compensation for managers that will be generally comparable to those applicable to managers in other public and private employment. Provisions of the plan shall ensure that compensation within assigned salary ranges is related to level of performance. The plan shall also provide a procedure for establishment of a salary rate for a newly created position and a new appointee to an existing position and for progression through assigned salary ranges. The employee benefits established under the provisions of the managerial plan may be extended to agency heads whose salaries are established in section 15A.081, subdivision 1, and to constitutional officers, judges of the workers' compensation court of appeals, and tax court judges.

Sec. 12. Minnesota Statutes 1988, section 43A.27, subdivision 4, is amended to read:

Subd. 4. [RETIRED JUDGES; FORMER LEGISLATORS.] A retired judge or a former legislator may elect to purchase coverage for themselves or their dependents at their own expense as provided below:

(a) A retired judge of the state supreme court, the court of appeals, court of compensation appeals, a district court, a county court, a county municipal court, or a probate court may elect to purchase coverage provided persons listed in section 43A.24, subdivision 2, clause (c), provided that the retired judge exercises this option within 30 days of the effective date of retirement; or

(b) A former member of the legislature may elect to purchase coverage provided persons listed in section 43A.24, subdivision 2, clause (a).

Sec. 13. Minnesota Statutes 1988, section 204B.06, subdivision 4, is amended to read:

Subd. 4. [PARTICULAR OFFICES.] Candidates who seek nomination for the following offices shall state the following additional information on the affidavit:

(a) for United States senator, that the candidate will be 30 years of age or older and a citizen of the United States for not less than nine years on the next January 3 or, in the case of an election to fill a vacancy, within 21 days after the special election;

(b) for United States representative, that the candidate will be 25 years of age or older and a citizen of the United States for not less than seven years on the next January 3 or, in the case of an election to fill a vacancy, within 21 days after the special election;

(c) for governor or lieutenant governor, that on the first Monday of the next January the candidate will be 25 years of age or older and, on the day of the state general election, a resident of Minnesota for not less than one year;

(d) for supreme court justice, court of appeals judge, court of compensation appeals judge, or district court judge, that the candidate is learned in the law;

(e) for county or county municipal court judge or other judicial officer, that the candidate is qualified as prescribed by law;

(f) for senator or representative in the legislature, that on the day of the general or special election to fill the office the candidate will have resided not less than one year in the state and not less than six months in the legislative district from which the candidate seeks election.

Sec. 14. Minnesota Statutes 1988, section 204B.06, subdivision 6, is amended to read:

Subd. 6. [JUDICIAL CANDIDATES; DESIGNATION OF TERM.]

An individual who files as a candidate for the office of associate justice of the supreme court, judge of the court of appeals, judge of the court of compensation appeals, judge of the district court, or judge of county or county municipal court shall state in the affidavit of candidacy the office of the particular justice or judge for which the individual is a candidate. The individual shall be a candidate only for the office identified in the affidavit. Each justice of the supreme court and each court of appeals, court of compensation appeals, district, county or county municipal court judge is deemed to hold a separate nonpartisan office.

Sec. 15. Minnesota Statutes 1988, section 204B.11, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT; DISHONORED CHECKS; CONSEQUENCES.] Except as provided by subdivision 2, a filing fee shall be paid by each candidate who files an affidavit of candidacy. The fee shall be paid at the time the affidavit is filed. The amount of the filing fee shall vary with the office sought as follows:

(a) for the office of governor, lieutenant governor, attorney general, state auditor, state treasurer, secretary of state, representative in congress, judge of the supreme court, judge of the court of appeals, judge of the court of compensation appeals, judge of the district court, or judge of the county municipal court of Hennepin county, \$200;

(b) for the office of senator in congress, \$300;

(c) for office of senator or representative in the legislature, \$75;

(d) for a county office, \$50; and

(e) for the office of soil and water conservation district supervisor, \$20.

For the office of presidential elector, and for those offices for which no compensation is provided, no filing fee is required.

The filing fees received by the county auditor shall immediately be paid to the county treasurer. The filing fees received by the secretary of state shall immediately be paid to the state treasurer.

When an affidavit of candidacy has been filed with the appropriate filing officer and the requisite filing fee has been paid, the filing fee shall not be refunded. If a candidate's filing fee is paid with a check, draft, or similar negotiable instrument for which sufficient funds are not available or that is dishonored, notice to the candidate of the worthless instrument must be sent by the filing officer via registered mail no later than immediately upon the closing of the filing

deadline with return receipt requested. The candidate will have five days from the time the filing officer receives proof of receipt to issue a check or other instrument for which sufficient funds are available. The candidate issuing the worthless instrument is liable for a service charge pursuant to section 332.50. If adequate payment is not made, the name of the candidate must not appear on any official ballot and the candidate is liable for all costs incurred by election officials in removing the name from the ballot.

Sec. 16. Minnesota Statutes 1988, section 204B.34, subdivision 3, is amended to read:

Subd. 3. [JUDICIAL ELECTIONS.] When one or more justices of the supreme court or judges of the court of appeals, of the court of compensation appeals, or of a district, county or county municipal court are to be nominated at the same primary or elected at the same general election, the notice of election shall state the name of each justice or judge whose successor is to be nominated or elected.

Sec. 17. Minnesota Statutes 1988, section 204B.36, subdivision 4, is amended to read:

Subd. 4. [JUDICIAL CANDIDATES.] The official ballot shall contain the names of all candidates for each judicial office and shall state the number of those candidates for whom a voter may vote. The title of each judicial office shall be printed on the official primary and general election ballot as follows:

(a) In the case of the supreme court:

“Chief justice (or associate justice) – supreme court (last name of incumbent) seat”;

(b) In the case of the court of appeals:

“Judge – court of appeals (last name of incumbent) seat”;

(c) In the case of the court of compensation appeals:

“Judge – court of compensation appeals (last name of incumbent) seat”;

(d) In the case of the district court:

“Judge – (number) district court (last name of incumbent) seat”;
or

~~(d)~~ (e) In the case of the county court:

“Judge – (number) county court (last name of incumbent) seat.”

Sec. 18. Minnesota Statutes 1988, section 204D.02, subdivision 1, is amended to read:

Subdivision 1. [OFFICERS.] All elective state and county officers, justices of the supreme court, judges of the court of appeals, court of compensation appeals, district, county and county municipal courts, state senators and state representatives, and senators and representatives in congress shall be elected at the state general election held in the year before their terms of office expire. Presidential electors shall be chosen at the state general election held in the year before the expiration of a term of a president of the United States.

Sec. 19. Minnesota Statutes 1988, section 204D.08, subdivision 6, is amended to read:

Subd. 6. [STATE AND COUNTY NONPARTISAN PRIMARY BALLOT.] The state and county nonpartisan primary ballot shall be headed "State and County Nonpartisan Primary Ballot." It shall be printed on canary paper. The names of candidates for nomination to the supreme court, court of appeals, court of compensation appeals, district, county and county municipal courts, and all county offices shall be placed on this ballot.

No candidate whose name is placed on the state and county nonpartisan primary ballot shall be designated or identified as the candidate of any political party or in any other manner except as expressly provided by law.

Sec. 20. Minnesota Statutes 1988, section 209.01, subdivision 2, is amended to read:

Subd. 2. [STATEWIDE OFFICE.] For purposes of this chapter "statewide office" means the office of governor, lieutenant governor, attorney general, state auditor, state treasurer, secretary of state, chief justice or associate justice of the supreme court, judge of the court of appeals, judge of the court of compensation appeals, United States senator, or presidential elector.

Sec. 21. Minnesota Statutes 1989 Supplement, section 357.08, is amended to read:

357.08 [PAID BY APPELLANT IN APPEAL.]

There shall be paid to the clerk of the appellate courts by the appellant, or moving party or person requiring the service, in all cases of appeal, certiorari, habeas corpus, mandamus, injunction, prohibition, or other original proceeding, when initially filed with the clerk of the appellate courts, the sum of \$150 to the clerk of the appellate courts. An additional filing fee of \$50 shall be required for a petition for accelerated review by the supreme court. A filing fee of

\$150 shall be paid to the clerk of the appellate courts upon the filing of a petition for review from a decision of the court of appeals or court of compensation appeals. A filing fee of \$150 shall be paid to the clerk of the appellate courts upon the filing of a petition for permission to appeal. A filing fee of \$75 shall be paid to the clerk of the appellate courts upon the filing by a respondent of a notice of review. The clerk shall transmit the fees to the state treasurer for deposit in the state treasury and credit to the general fund.

The clerk shall not file any paper, issue any writ or certificate, or perform any service enumerated herein, until the payment has been made for it. The clerk shall pay the sum into the state treasury as provided for by section 15A.01.

The charges provided for shall not apply to disbarment proceedings, nor to an action or proceeding by the state taken solely in the public interest, where the state is the appellant or moving party, nor to copies of the opinions of the court furnished by the clerk to the parties before judgment, or furnished to the district judge whose decision is under review, or to such law library associations in counties having a population exceeding 50,000, as the court may direct.

Sec. 22. Minnesota Statutes 1988, section 480.052, is amended to read:

480.052 [ADVISORY COMMITTEE.]

Before any rules are adopted the supreme court shall appoint an advisory committee consisting of eight members of the bar of the state, one judge of the court of appeals, one judge of the court of compensation appeals, two judges of the district court, and one judge of a court exercising municipal court jurisdiction to assist the court in considering and preparing such rules as it may adopt.

Sec. 23. Minnesota Statutes 1988, section 480.054, is amended to read:

480.054 [DISTRIBUTION OF PROPOSED RULES; HEARING.]

Before any rule for the court of appeals, for the court of compensation appeals, or for the district, county, or county municipal courts is adopted, the supreme court shall distribute copies of the proposed rule to the bench and bar of the state for their consideration and suggestions and give due consideration to any suggestions they submit to the court. The court of appeals judges, court of compensation appeals judges, the district court judges association, the Minnesota county court judges association, or the municipal court judges association may file with the court a petition specifying their suggestions concerning any existing or proposed rule and requesting

a hearing on it. The court shall grant a hearing within six months after the filing of the petition. The court may grant a hearing upon the petition of any other person.

Sec. 24. Minnesota Statutes 1988, section 480.055, subdivision 1, is amended to read:

Subdivision 1. [OTHER COURTS.] Any court, other than the supreme court, may adopt rules of court governing its practice; the judges of the court of appeals, pursuant to section 480A.11, the judges of the court of compensation appeals, pursuant to section 480B.05, the judges of district courts, pursuant to sections 484.33 and 484.52, the judges of county courts, pursuant to section 487.23, and the judges of municipal courts, pursuant to chapter 488A, may adopt rules not in conflict with the rules promulgated by the supreme court.

Sec. 25. Minnesota Statutes 1988, section 480.19, is amended to read:

480.19 [APPLICATION TO SUPREME AND OTHER COURTS.]

Sections 480.13 to 480.20 apply to the following courts: The supreme court, the court of appeals; the court of compensation appeals, the district, county, probate, and county municipal courts.

Sec. 26. Minnesota Statutes 1988, 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 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;

(4) a licensed attorney-at-law from acting for several common-

carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;

(5) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;

(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;

(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;

(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;

(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;

(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;

(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;

(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, the court of compensation appeals, or supreme court pursuant to an appeal; and

(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, the court of compensation 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. 27. Minnesota Statutes 1988, section 481.02, subdivision 6, is amended to read:

Subd. 6. [ATTORNEYS OF OTHER STATES.] Any attorney or counselor at law residing in any other state or territory in which the attorney has been admitted to practice law, who attends any term of the supreme court, court of appeals, court of compensation appeals, or district court of this state for the purpose of trying or participating in the trial or proceedings of any action or proceedings there pending, may, in the discretion of the court before which the attorney appears in the action or proceeding, be permitted to try, or participate in the trial or proceedings in, the action or proceeding, without being subject to the provisions of this section, other than those set forth in subdivision 2, providing the state in which the attorney is licensed to practice law likewise grants permission to members of the state bar of Minnesota to act as an attorney for a client in that state under the same terms.

Sec. 28. Minnesota Statutes 1988, section 490.15, subdivision 1, is amended to read:

Subdivision 1. The board on judicial standards is established and consists of one judge of the court of appeals, one judge of the court of compensation appeals, three trial court judges, two lawyers who have practiced law in the state for ten years and four citizens who are not judges, retired judges, or lawyers. The executive secretary is

appointed by the governor. Commencing July 1, 1980, the board shall appoint the executive secretary. All members shall be appointed by the governor with the advice and consent of the senate except that senate confirmation shall not be required for the judicial members. No member shall serve more than two full four-year terms or their equivalent. Membership terminates if a member ceases to hold the position that qualified the member for appointment.

Sec. 29. Minnesota Statutes 1988, section 574.18, is amended to read:

574.18 [UNDERTAKING IN LIEU OF BOND.]

In all cases of appeal from a county board to the district court upon the allowance or disallowance of claims, in all actions begun in the district, county or municipal court, in all cases of appeal or writ of error to remove a cause or proceeding to the court of appeals, the court of compensation appeals, or the supreme court, and in all cases of special or equitable proceedings in the district court, the court of appeals, the court of compensation appeals, or the supreme court, the filing or service, or both, as may be required, of an undertaking, signed by a surety or sureties, as the law may require, containing a condition substantially the same as required for bonds, with like sureties, qualifications, and justifications, and without acknowledgment or signature of the principal, shall be deemed a sufficient compliance with the law to sustain the action, appeal, or proceeding. Every undertaking shall save and secure all rights and liabilities to the same extent as a bond. The damages presumed to accrue to the party against whom the proceeding is taken shall be deemed a sufficient consideration for the undertaking, though no consideration is mentioned in it. No undertaking or bond need be given upon any appeal or other proceeding instituted in favor of the state, or any county, city, town, or school district in it, or of any executor or administrator as such.

Sec. 30. [EFFECTIVE DATE.]

Article 3 shall be effective only upon ratification of the amendment proposed in section 1 of article 2 as provided in the Minnesota Constitution. If the constitutional amendment proposed by section 1 of article 2 is adopted by the people, article 3, is effective January 1, 1991.

Delete the title and insert:

"A bill for an act relating to judicial administration; proposing an amendment to the Minnesota Constitution, articles VI and VIII, creating a court of compensation appeals; abolishing the workers' compensation court of appeals; providing for designation by the

governor of the chief judge of the workers' compensation court of appeals; regulating the administration of the workers' compensation court of appeals; appropriating money; amending Minnesota Statutes 1988, sections 3C.11, subdivision 3; 3C.12, subdivision 2; 5.08, subdivision 2; 10A.01, subdivision 19; 14.03, subdivision 2; 15A.082, subdivisions 1 and 3; 15A.083, subdivision 7; 43A.18, subdivision 3; 43A.27, subdivision 4; 175A.01, subdivision 1; 175A.02; 175A.07, subdivision 4; 176.421, subdivisions 5, 6, and by adding a subdivision; 204B.06, subdivisions 4 and 6; 204B.11, subdivision 1; 204B.34, subdivision 3; 204B.36, subdivision 4; 204D.02, subdivision 1; 204D.08, subdivision 6; 209.01, subdivision 2; 268.10, subdivision 8; 268.12, subdivision 13; 480.052; 480.054; 480.055, subdivision 1; 480.19; 480A.06, subdivision 3; 481.02, subdivisions 3 and 6; 490.15, subdivision 1; and 574.18; Minnesota Statutes 1989 Supplement, sections 10A.01, subdivisions 5 and 18; 357.08; proposing coding for new law as Minnesota Statutes, chapter 480B; repealing Minnesota Statutes 1988, sections 175A.01 to 175A.10; and 176.471."

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.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2225, A bill for an act relating to courts; delaying the effective date of the law requiring counties to pay filing fees in district court actions; exempting certain public authorities from paying filing fees in district court actions in certain circumstances; amending Minnesota Statutes Second 1989 Supplement, section 357.021, subdivision 1a; Laws 1989, chapter 335, article 3, section 58, as amended.

Reported the same back with the following amendments:

Page 2, after line 6, insert:

"(b) In a county which has a screener-collector position, fees paid by a county pursuant to this subdivision shall be transmitted monthly to the county treasurer, who shall apply the fees first to reimburse the county for the amount of the salary paid for the screener-collector position. The balance of the fees collected shall then be forwarded to the state treasurer for deposit in the state treasury and credited to the general fund. A screener-collector position for purposes of this paragraph is an employee whose function is to increase the collection of fines and to review the incomes of potential clients of the public defender, in order to verify eligibility for that service."

Page 2, line 7, delete "(b)" and insert "(c)"

Amend the title as follows:

Page 1, line 6, after the semicolon insert "providing for the salary of the screener-collector;"

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. 2243, A bill for an act relating to commercial transactions; adopting an article of the uniform commercial code that governs funds transfers; amending Minnesota Statutes 1989 Supplement, section 336.1-105; proposing coding for new law in Minnesota Statutes, chapter 336.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Financial Institutions and Housing.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2248, A bill for an act relating to labor; regulating joint labor-management committees; regulating public employee elections; amending Minnesota Statutes 1988, sections 179.02, by adding a subdivision; 179.84, subdivision 1; 179.85; 179A.04, subdivision 3; and 179A.12, subdivision 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 179.02, is amended by adding a subdivision to read:

Subd. 5. [LABOR-MANAGEMENT COMMITTEES.] The commissioner may provide technical support and assistance to voluntary joint labor-management committees established for the purpose of

improving relationships between labor organizations and employers at area, industry, or work-site levels.

Sec. 2. Minnesota Statutes 1988, section 179.84, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] For each grant awarded the commissioner shall:

(1) require an approved work plan that establishes measurable goals and objectives for the committee within the committee's area of responsibility and that prohibits the committee from becoming involved in contract disputes, labor negotiations, or grievance procedures; and

(2) ~~establish a technical assistance delivery area outside the geographic area or sector covered by the area labor management committee;~~

(3) ~~require the area labor management committee to establish an approved technical assistance work plan for its external technical assistance delivery area; and~~

(4) annually review the operating performance of each area labor-management committee receiving state money under this program.

Sec. 3. Minnesota Statutes 1988, section 179.85, is amended to read:

179.85 [FUNDING LIMITATIONS.]

A new or existing area labor-management committee may apply for a maximum grant of \$75,000 per year. A new or existing area labor-management committee may be awarded state grant money, and must provide money from other nonstate sources, in the following ratio of state and nonstate money: in the first year, 90 percent state and ten percent nonstate; in the second year, 80 percent state and 20 percent nonstate; in the third year and beyond, 50 percent state and 50 percent nonstate. ~~In a grant to an existing or proposed area labor management committee, ten percent of the grant is designated and may only be used for technical assistance services within an external technical assistance delivery area, both as specified by the commissioner under section 179.84.~~

Sec. 4. Minnesota Statutes 1988, section 179A.04, subdivision 3, is amended to read:

Subd. 3. [OTHER DUTIES.] The commissioner shall:

(a) provide mediation services as requested by the parties until the parties reach agreement. The commissioner may continue to assist parties after they have submitted their final positions for interest arbitration;

(b) issue notices, subpoenas, and orders required by law to carry out duties under sections 179A.01 to 179A.25;

(c) certify to the board items of dispute between parties subject to action of the board under section 179A.16;

(d) assist the parties in formulating petitions, notices, and other papers required to be filed with the commissioner or the board;

(e) certify the final results of any election or other voting procedure conducted under sections 179A.01 to 179A.25;

(f) adopt rules regulating the forms of petitions, notices, and orders; and the conduct of hearings and elections relating to the administration of this chapter;

(g) receive, catalogue, and file all orders and decisions of the board, all decisions of arbitration panels authorized by sections 179A.01 to 179A.25, all grievance arbitration decisions, and the commissioner's orders and decisions. All orders and decisions catalogued and filed shall be readily available to the public;

(h) adopt, subject to chapter 14, a grievance procedure to fulfill the purposes of section 179A.20, subdivision 4. The grievance procedure shall not provide for the services of the bureau of mediation services. The grievance procedure shall be available to any employee in a unit not covered by a contractual grievance procedure;

(i) conduct elections;

(j) maintain a schedule of state employee classifications or positions assigned to each unit established in section 179A.10, subdivision 2;

(k) collect such fees as are established by rule for empanelment of persons on the labor arbitrator roster maintained by the commissioner or in conjunction with fair share fee challenges; and

(l) provide technical support and assistance to voluntary joint labor-management committees established for the purpose of improving relationships between exclusive representatives and employers, at the discretion of the commissioner.

Sec. 5. Minnesota Statutes 1988, section 179A.12, subdivision 7, is amended to read:

Subd. 7. [ELECTION ORDER.] The commissioner shall issue an order providing for a secret ballot election by the employees in a designated appropriate unit. The election shall be held in the premises on one or more sites where those voting are employed unless the commissioner determines that the election cannot be fairly held, in which case it shall be held at a place or shall be by a mail ballot, as determined by the commissioner. In making this determination, the commissioner shall strive for an election process which provides for maximum participation by the affected employees. The parties affected by this determination may request reconsideration by the commissioner pursuant to rules adopted by the commissioner.

Sec. 6. Minnesota Statutes 1988, section 179A.12, subdivision 11, is amended to read:

Subd. 11. [UNFAIR LABOR PRACTICES NEW ELECTIONS.] If the commissioner finds that an unfair labor practice was committed by an employer or representative candidate or an employee or group of employees, and that the unfair labor practice affected the result of an election, or that procedural or other irregularities in the conduct of the election may have substantially affected its results, the commissioner may void the election result and order a new election.

Sec. 7. Minnesota Statutes 1989 Supplement, section 179A.16, subdivision 4, is amended to read:

Subd. 4. [CONSTRUCTION OF ARBITRATION PANEL.] The parties may select persons who are members of the arbitration roster maintained by the board to act as the arbitration panel in their dispute by mutual agreement. In the event of such mutual agreement on the members of the arbitration panel, the commissioner shall advise the board in writing of such selection and the persons so selected shall serve as the arbitration panel. In the event the parties have not mutually agreed upon the panel members at the time the commissioner certifies the matter to the board, the board shall provide the parties to the interest arbitration a list of seven arbitrators. The parties shall alternately strike names from the list of arbitrators until only a single arbitrator remains, unless the parties request and mutually agree to utilize a panel of three arbitrators. If the parties are unable to agree on who shall strike the first name, the question must be decided by the flip of a coin. The arbitrator or arbitrators remaining after the striking procedure constitute the arbitration panel."

Delete the title and insert:

"A bill for an act relating to labor; regulating joint labor-management committees; regulating public employee elections; amending Minnesota Statutes 1988, sections 179.02, by adding a subdivision;

179.84, subdivision 1; 179.85; 179A.04, subdivision 3; 179A.12, subdivisions 7 and 11; Minnesota Statutes 1989 Supplement, section 179A.16, subdivision 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2250, A bill for an act relating to local government in Ramsey county; eliminating certain performance bonds; permitting fees for inspections by the county surveyor; amending Minnesota Statutes 1988, section 383A.32, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 383A.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Otis from the Committee on Economic Development to which was referred:

H. F. No. 2253, A bill for an act relating to economic development; establishing the Minnesota natural wild rice promotion council; appropriating money; amending Minnesota Statutes 1988, section 84.091, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 84; repealing Minnesota Statutes 1988, section 84.0911, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [CITATION.]

This act may be cited as the "Minnesota natural wild rice preservation act of 1990" or "Manomin act."

Sec. 2. [PURPOSE.]

This act promotes restoration of the natural wild rice industry in northern Minnesota, enabling communities to participate and benefit from the increased per capita income of the unemployed, underemployed, and seasonal worker. The resource of natural wild

rice is local, renewable, and does not require long-term subsidization. This industry by its nature is self-sustaining, enables broad citizen involvement and empowerment, and would preserve cultural and agricultural diversity and integration. It is, therefore, necessary to take steps sufficient to restore the industry of our state grain, wild rice.

Sec. 3. [116J.645] [MINNESOTA NATURAL WILD RICE PROMOTION ADVISORY COUNCIL.]

The Minnesota natural wild rice promotion advisory council is established for the promotion and marketing of hand-harvested natural lake or river wild rice. The commissioner of trade and economic development, with recommendations from the Minnesota Chippewa Tribe, shall appoint the members of the advisory council. The advisory council must include representatives of natural wild rice hand harvesters, natural wild rice processors, natural wild rice dealers, and enrolled members of the Minnesota Chippewa Tribe. At least 51 percent of the membership of the advisory council must be American Indians as defined in section 254B.01, subdivision 2. Members of the advisory council shall serve for four-year terms and section 15.059, subdivisions 2 and 4, shall apply to members of the advisory council. Members of the advisory council may receive no per diem and may not be reimbursed for expenses. The department of trade and economic development shall provide technical assistance to the advisory council relating to the marketing of natural wild rice."

Delete the title and insert:

"A bill for an act relating to economic development; establishing the Minnesota natural wild rice promotion advisory council; 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.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2254, A bill for an act relating to public debt; providing that certain property owners may vote on debt questions; amending Minnesota Statutes 1988, section 475.58, 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.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2299, A bill for an act relating to waters; requiring the commissioner of natural resources to establish a plan for drought emergencies; creating a drought task force; amending Minnesota Statutes 1989 Supplement, section 473.156, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 105.

Reported the same back with the following amendments:

Page 1, line 12, delete "identical to that" and insert "consistent with the metropolitan water supply plans of the metropolitan council prepared under section 473.156. The plan must provide a framework for implementing drought response actions in a staged approach related to decreasing levels of flows. When issuing permits required by section 105.41, the commissioner must set conditions on water appropriation consistent with the drought response plan established by this section."

Page 1, delete lines 13 to 22

Page 2, after line 13, insert:

"Sec. 3. Minnesota Statutes 1989 Supplement, section 473.156, subdivision 2, is amended to read:

Subd. 2. [COMPLETION AND REPORT.] The short-term plan must be completed by February 1, 1990. The long-term plan must be completed by ~~July 1, 1990~~ February 1, 1992, and continually updated as the need arises. The plans must be prepared in consultation with the Army Corps of Engineers, the Leech Lake Reservation business committee, the Mississippi headwaters board, department of natural resources, and the environmental quality board. Both plans must be given to the metropolitan affairs and natural resources committees of the house of representatives and senate, and be available to the public.

Sec. 4. [APPLICATION.]

Sections 2 and 3 apply to the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Amend the title as follows:

Page 1, line 4, after the second semicolon, insert "changing the completion date for the metropolitan council's long-term water supply plan;"

Page 1, line 6, delete "subdivision 1" and insert "subdivisions 1 and 2"

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. 2305, A bill for an act relating to agriculture; providing for light butter; amending Minnesota Statutes 1988, section 32.471, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 32.

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. 2311, A bill for an act relating to waste; prohibiting certain types of low-level radioactive waste from being disposed of at other than licensed facilities; proposing coding for new law in Minnesota Statutes, chapter 116C.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 2343, A bill for an act relating to insurance; accident and health; providing for the classification and disclosure of certain comprehensive health insurance data; regulating the Minnesota comprehensive health insurance plan; amending Minnesota Statutes 1988, sections 13.71, by adding a subdivision; 62E.10, subdivision 9; and 62E.14, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, strike lines 19 to 31

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. 2353, A bill for an act relating to the environment; regulating the disposition of property acquired for response action; amending Minnesota Statutes 1988, section 115B.17, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 32, after "appropriated" insert "from the fund"

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. 2365, A bill for an act relating to the collection and dissemination of data; proposing classifications of data as private and nonpublic; clarifying access to data on decedents; changing classification nomenclature as it relates to medical examiner's data; establishing a statute of limitations for actions brought; amending Minnesota Statutes 1988, sections 13.10; subdivision 3; 13.83, subdivisions 4, 5, 7, and 9; Minnesota Statutes 1989 Supplement, sections 13.83, subdivision 8; 171.06, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1988, section 13.641.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 13.03, subdivision 3, is amended to read:

Subd. 3. [REQUEST FOR ACCESS TO DATA.] Upon request to a responsible authority or designee, a person shall be permitted to inspect and copy public government data at reasonable times and places, and, upon request, shall be informed of the data's meaning. If a person requests access for the purpose of inspection, the responsible authority may not assess a charge or require the requesting person to pay a fee to inspect data. The responsible authority or designee shall provide copies of public data upon request. If a person requests copies or electronic transmittal of the data to the person, the responsible authority may require the requesting person to pay the actual costs of searching for and retrieving government data, separating public from not public data, and for making, certifying and, compiling and electronically transmitting the copies of the data but or the data; provided that in the case of a request for copies or for transmittal of data made by a person who is the subject of the data or by the news media, the responsible authority may not charge for separating public from not public data. If the responsible authority or designee is not able to provide copies at the time a request is made, copies shall be supplied as soon as reasonably possible.

When a request under this subdivision involves any person's receipt of copies of public government data that has commercial value and is an entire formula, pattern, compilation, program, device, method, technique, process, data base, or system developed with a significant expenditure of public funds by the agency, the responsible authority may charge a reasonable fee for the information in addition to the costs of making, certifying, and compiling the copies. Any fee charged must be clearly demonstrated by the agency to relate to the actual development costs of the information. The responsible authority, upon the request of any person, shall provide sufficient documentation to explain and justify the fee being charged.

If the responsible authority or designee determines that the requested data is classified so as to deny the requesting person access, the responsible authority or designee shall inform the requesting person of the determination either orally at the time of the request, or in writing as soon after that time as possible, and shall cite the specific statutory section, temporary classification, or specific provision of federal law on which the determination is based. Upon the request of any person denied access to data, the responsible authority or designee shall certify in writing that the request has been denied and cite the specific statutory section, temporary classification, or specific provision of federal law upon which the denial was based.

Sec. 2. Minnesota Statutes 1988, section 13.10, subdivision 3, is amended to read:

Subd. 3. [RIGHTS.] Rights conferred by this chapter on individuals who are the subjects of private or confidential data shall, in the

case of private data on decedents or confidential data on decedents, be exercised by the representative of the decedent. Nonpublic data concerning a decedent, created or collected after death, shall be accessible by the representative of the decedent. A responsible authority may give the representative of a decedent access to confidential data on the decedent if the responsible authority determines that the investigative or other reasons for treating the data as confidential are no longer relevant because the data subject has died. Nothing in this section may be construed to prevent access to appropriate data by a trustee appointed in a wrongful death action.

Sec. 3. Minnesota Statutes 1989 Supplement, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (1) pursuant to section 13.05;
- (2) pursuant to court order;
- (3) pursuant to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;
- (5) to personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;
- (6) to administer federal funds or programs;
- (7) between personnel of the welfare system working in the same program;
- (8) the amounts of cash public assistance and relief paid to welfare recipients in this state, including their names and social security numbers, upon request by the department of revenue to administer the property tax refund law, supplemental housing allowance, and the income tax;
- (9) to the Minnesota department of jobs and training for the purpose of monitoring the eligibility of the data subject for unem-

ployment compensation, for any employment or training program administered, supervised, or certified by that agency, or for the purpose of administering any rehabilitation program, whether alone or in conjunction with the welfare system, and to verify receipt of energy assistance for the telephone assistance plan;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons; or

(11) data maintained by residential facilities as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state pursuant to Part C of Public Law Number 98-527 to protect the legal and human rights of persons with mental retardation or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person; or

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person.

(b) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

Sec. 4. Minnesota Statutes 1988, section 13.46, subdivision 4, is amended to read:

Subd. 4. [LICENSING DATA.] (a) As used in this subdivision:

(1) "licensing data" means all data collected, maintained, used, or disseminated by the welfare system pertaining to persons licensed or registered or who apply for licensure or registration or who formerly were licensed or registered under the authority of the commissioner of human services;

(2) "client" means a person who is receiving services from a licensee or from an applicant for licensure; and

(3) "personal and personal financial data" means social security numbers, identity of and letters of reference, insurance information, reports from the bureau of criminal apprehension, health examination reports, and social/home studies.

(b) Except as provided in paragraph (c), the following data are public: name, address, telephone number of licensees, licensed capacity, type of children client preferred, variances granted, type of dwelling, name and relationship of other family members, previous

license history, class of license, the existence and status of complaints, the nature and content substance of complaints and the findings of the investigation after resolution when the information is not maintained in anticipation of legal action, record of informal resolutions of licensing violations, orders of hearing, findings of fact, and conclusions of law, and specifications of the final disciplinary action contained in the record of disciplinary action.

(c) The following are private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial data on family day care program and family foster care program applicants and licensees and their family members who provide services under the license.

(d) The following are private data on individuals: the identity of persons who have made reports concerning licensees or applicants that appear in inactive investigative data, and the records of clients or employees of the licensee or applicant for licensure whose records are received by the licensing agency for purposes of review or in anticipation of a contested matter. The names of reporters under sections 626.556 and 626.557 may be disclosed only as provided in section 626.556, subdivision 11, or 626.557, subdivision 12.

(e) Data classified as private, confidential, or nonpublic, or protected nonpublic under this subdivision become public data if submitted to a court or administrative law judge as part of a disciplinary proceeding in which there is a public hearing concerning the disciplinary action.

(f) Data generated in the course of licensing investigations that relate to an alleged violation of law are investigative data under subdivision 3.

(g) Data that are not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report as defined in section 626.556, subdivision 2, are subject to the destruction provisions of section 626.556, subdivision 11.

Sec. 5. [13.511] [LODGING TAX DATA.]

All data, other than basic taxpayer identification data, collected from taxpayers under a lodging tax ordinance are nonpublic.

Sec. 6. [13.521] [TRANSPORTATION SERVICE DATA.]

All personal, medical, financial, familial, or locational information data pertaining to applicants for or users of services providing transportation for the disabled or elderly, with the exception of the name of the applicant or user of the service, are private.

Sec. 7. [13.643] [DEPARTMENT OF AGRICULTURE DATA.]

The following data, collected by the department of agriculture in its sustainable agriculture revolving loan program, are private: applicant identifying information; nonfarm income; credit history; insurance coverage; description of the project that is the subject of the loan; balance sheet; machinery and equipment list; typical year's income and expenses; federal income tax returns; and credit information requests.

Sec. 8. [13.644] [STATE AUDITOR'S DATA.]

The following data collected by the office of the state auditor are private: any data that could reasonably be used to determine the identity of an individual supplying data for an audit, if the data supplied by this individual was needed for an audit or was provided to initiate an audit, and the individual would not have provided the data to the state auditor without an assurance that the individual's identity would remain private.

Sec. 9. Minnesota Statutes 1988, section 13.83, subdivision 4, is amended to read:

Subd. 4. [~~CONFIDENTIAL INVESTIGATIVE DATA.~~] Data created or collected by a county coroner or medical examiner which is part of an active investigation mandated by chapter 390, or any other general or local law relating to coroners or medical examiners is ~~confidential data on individuals pursuant to section 13.02, subdivision 3 or protected nonpublic data~~, until the completion of the coroner's or medical examiner's final summary of findings at which point the data collected in the investigation and the final summary thereof shall become private or nonpublic data ~~on individuals~~, except that nothing in this subdivision shall be construed to make ~~private or confidential~~ not public the data elements identified in subdivision 2 at any point in the investigation or thereafter.

Sec. 10. Minnesota Statutes 1988, section 13.83, subdivision 5, is amended to read:

Subd. 5. [~~PRIVATE OTHER DATA.~~] All other medical examiner data on deceased individuals is ~~private pursuant to section 13.02, subdivision 12~~, are nonpublic and shall not be disclosed except pursuant to the provisions of chapter 390, or any other general or local law on county coroners or medical examiners, or pursuant to a valid court order.

Sec. 11. Minnesota Statutes 1988, section 13.83, subdivision 7, is amended to read:

Subd. 7. [COURT REVIEW.] Any person may petition the district

court located in the county where medical examiner data is being maintained to authorize disclosure of private nonpublic, protected nonpublic, or confidential medical examiner data. The petitioner shall notify the medical examiner or coroner. The court may notify other interested persons and require their presence at a hearing. A hearing may be held immediately if the parties agree, and in any event shall be held as soon as practicable. After examining the data in camera, the court may order disclosure of the data if it determines that disclosure would be in the public interest.

Sec. 12. Minnesota Statutes 1989 Supplement, section 13.83, subdivision 8, is amended to read:

Subd. 8. [ACCESS TO PRIVATE NONPUBLIC DATA.] The data made private nonpublic by this section are accessible to the legal representative of the decedent's estate and to the decedent's surviving spouse, parents, children, and siblings and their legal representatives.

Sec. 13. Minnesota Statutes 1988, section 13.83, subdivision 9, is amended to read:

Subd. 9. [CHANGE IN CLASSIFICATION.] ~~Notwithstanding section 13.10,~~ Data classified as private nonpublic, protected nonpublic, or confidential by this section shall be classified as public 30 years after the date of death of the decedent.

Sec. 14. Minnesota Statutes 1989 Supplement, section 171.06, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF APPLICATION.] Every application shall state the full name, date of birth, ~~social security number~~, sex and residence address of the applicant, a description of the applicant in such manner as the commissioner may require, and shall state whether or not the applicant has theretofore been licensed as a driver; and, if so, when and by what state or country and whether any such license has ever been suspended or revoked, or whether an application has ever been refused; and, if so, the date of and reason for such suspension, revocation, or refusal, together with such facts pertaining to the applicant and the applicant's ability to operate a motor vehicle with safety as may be required by the commissioner. Applications for a Class CC, Class B, or Class A driver's licenses also must state the applicant's social security number. The application form shall contain a notification to the applicant of the availability of the donor document provided pursuant to section 171.07, subdivision 5, and shall contain spaces where the applicant must indicate a desire to receive or not to receive the donor document. The application shall be in the form prepared by the commissioner.

The application form must be accompanied by a pamphlet containing relevant facts relating to:

- (1) the effect of alcohol on driving ability;
- (2) the effect of mixing alcohol with drugs;
- (3) the laws of Minnesota relating to operation of a motor vehicle while under the influence of alcohol or a controlled substance; and
- (4) the levels of alcohol-related fatalities and accidents in Minnesota and of arrests for alcohol-related violations.

Sec. 15. Minnesota Statutes 1989 Supplement, section 270B.14, subdivision 8, is amended to read:

Subd. 8. [EXCHANGE BETWEEN DEPARTMENTS OF JOBS AND TRAINING, LABOR AND INDUSTRY, AND REVENUE.] Notwithstanding any law to the contrary, the departments of jobs and training, labor and industry, and revenue may exchange information on a reciprocal basis. Data that may be disclosed are limited to data used in determining whether a business is an employer or a contracting agent and data specified in section 268.12, subdivision 12.

Sec. 16. [REPEALER.]

Minnesota Statutes 1988, section 13.641, is repealed."

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; clarifying access to data on decedents; changing classification nomenclature as it relates to medical examiner's data; amending Minnesota Statutes 1988, sections 13.03, subdivision 3; 13.10, subdivision 3; 13.46, subdivision 4; 13.83, subdivisions 4, 5, 7, and 9; Minnesota Statutes 1989 Supplement, sections 13.46, subdivision 2; 13.83, subdivision 8; 171.06, subdivision 3; 270B.14, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1988, section 13.641."

With the recommendation that when so amended the bill pass.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2380, A bill for an act relating to human services;

providing for services for persons with mental retardation in the Willmar catchment area; amending Minnesota Statutes 1989 Supplement, section 252.025, subdivision 4.

Reported the same back with the following amendments:

Page 2, line 10, delete "five privately-operated residential programs and"

Page 2, after line 34, insert:

"Sec. 2. Minnesota Statutes 1989 Supplement, section 256B.092, subdivision 7, is amended to read:

Subd. 7. [SCREENING TEAMS ESTABLISHED.] (a) 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 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, and a qualified mental retardation professional, as defined in the Code of Federal Regulations, title 42, section 483.430, as amended through June 3, 1988. The case manager may also act as the qualified mental retardation professional if the case manager meets the federal definition. County social service agencies may contract with a public or private agency or individual who is not a service provider for the person for the public guardianship representation required by the screening or individual service and habilitation planning process. The contract shall be limited to public guardianship representation for the screening and individual service and habilitation planning activities. The contract shall require compliance with the commissioner's instructions and may be for paid or voluntary services. 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.

(b) In addition to the requirements of paragraph (a), the following conditions apply to the discharge of persons with mental retardation or a related condition from a regional treatment center:

(1) For a person under public guardianship, at least two weeks prior to each screening team meeting the case manager must notify in writing parents, near relatives, and the ombudsman established under section 245.92 or a designee, and invite them to attend. The notice to parents and near relatives must include: (i) notice of the provisions of section 252A.03, subdivision 4, regarding assistance to persons interested in assuming private guardianship; (ii) notice of the rights of parents and near relatives to object to a proposed discharge by requesting a review as provided in clause (7); and (iii) information about advocacy services available to assist parents and near relatives of persons with mental retardation or related conditions. In the case of an emergency screening meeting, the notice must be provided as far in advance as practicable.

(2) Prior to the discharge, a screening must be conducted under subdivision 8 and a plan developed under subdivision 1a. For a person under public guardianship, the county shall encourage parents and near relatives to participate in the screening team meeting. The screening team shall consider the opinions of parents and near relatives in making its recommendations. The screening team shall determine that the services outlined in the plan are available in the community before recommending a discharge. The case manager shall provide a copy of the plan to the person, legal representative, parents, near relatives, the ombudsman established under section 245.92, and the protection and advocacy system established under United States Code, title 42, section 6042, at least 30 days prior to the date the proposed discharge is to occur. The information provided to parents and near relatives must include notice of the rights of parents and near relatives to object to a proposed discharge by requesting a review as provided in clause (7). If a discharge occurs, the case manager and a staff person from the regional treatment center from which the person was discharged must conduct a monitoring visit as required in Minnesota Rules, part 9525.0115, within 90 days of discharge and provide an evaluation within 15 days of the visit to the person, legal representative, parents, near relatives, ombudsman, and the protection and advocacy system established under United States Code, title 42, section 6042.

(3) In order for a discharge or transfer from a regional treatment center to be approved, the concurrence of a majority of the screening team members is required. The screening team shall determine that the services outlined in the discharge plan are available and accessible in the community before the person is discharged. The

recommendation of the screening team cannot be changed except by subsequent action of the team and is binding on the county and on the commissioner. If the commissioner or the county determines that the decision of the screening team is not in the best interests of the person, the commissioner or the county may seek judicial review of the screening team recommendation. A person or legal representative may appeal under section 256.045, subdivision 3 or 4a.

(4) For persons who have overriding health care needs or behaviors that cause injury to self or others, or cause damage to property that is an immediate threat to the physical safety of the person or others, the following additional conditions must be met:

(i) For a person with overriding health care needs, either a registered nurse or a licensed physician shall review the proposed community services to assure that the medical needs of the person have been planned for adequately. For purposes of this paragraph, "overriding health care needs" means a medical condition that requires daily clinical monitoring by a licensed registered nurse.

(ii) For a person with behaviors that cause injury to self or others, or cause damage to property that is an immediate threat to the physical safety of the person or others, a qualified mental retardation professional, as defined in paragraph (a), shall review the proposed community services to assure that the behavioral needs of the person have been planned for adequately. The qualified mental retardation professional must have at least one year of experience in the areas of assessment, planning, implementation, and monitoring of individual habilitation plans that have used behavior intervention techniques.

(5) No person with mental retardation or a related condition may be discharged from a regional treatment center before an appropriate community placement is available to receive the person.

(6) A resident of a regional treatment center may not be discharged to a community intermediate care facility with a licensed capacity of more than 15 beds. Effective July 1, 1993 1996, a resident of a regional treatment center may not be discharged to a community intermediate care facility with a licensed capacity of more than ten beds.

(7) If the person, legal representative, parent, or near relative of the person proposed to be discharged from a regional treatment center objects to the proposed discharge, the individual who objects to the discharge may request a review under section 256.045, subdivision 4a, and may request reimbursement as allowed under section 256.045. The person must not be transferred from a regional treatment center while a review or appeal is pending. Within 30 days of the request for a review, the local agency shall conduct a conciliation conference and inform the individual who requested the

review in writing of the action the local agency plans to take. The conciliation conference must be conducted in a manner consistent with section 256.045, subdivision 4a. A person, legal representative, parent, or near relative of the person proposed to be discharged who is not satisfied with the results of the conciliation conference may submit to the commissioner a written request for a hearing before a state human services referee under section 256.045, subdivision 4a. The person, legal representative, parent, or near relative of the person proposed to be discharged may appeal the order to the district court of the county responsible for furnishing assistance by serving a written copy of a notice of appeal on the commissioner and any adverse party of record within 30 days after the day the commissioner issued the order and by filing the original notice and proof of service with the court administrator of the district court. Judicial review must proceed under section 256.045, subdivisions 7 to 10. For a person under public guardianship, the ombudsman established under section 245.92 may object to a proposed discharge by requesting a review or hearing or by appealing to district court as provided in this clause. The person must not be transferred from a regional treatment center while a conciliation conference or appeal of the discharge is pending."

Amend the title as follows:

Page 1, line 4, after the semicolon insert "changing the date for the prohibition against discharging regional treatment center residents to facilities with more than ten licensed beds;"

Page 1, line 5, delete "section" and insert "sections" and before the period insert "; 256B.092, subdivision 7"

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. 2381, A bill for an act relating to education; changing the duration and membership of the task force on education organization; amending Laws 1988, chapter 718, article 6, section 23, subdivisions 1, 2, and 7.

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. 2383, A bill for an act relating to education; providing for the environmental education act; creating the office of environmental education; proposing coding for new law as Minnesota Statutes, chapter 126A; repealing Minnesota Statutes 1988, sections 116E.01; 116E.02; 116E.03, subdivisions 2, 3, 4, 5, 6, 7, 7a, 8, and 9; and 116E.04; Minnesota Statutes 1989 Supplement, sections 116E.03, subdivision 1; and 116E.035.

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.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2390, A bill for an act relating to children; providing improved procedures to protect the safety and welfare of abused and neglected children; providing for more permanent placements of children in need of protection or services; improving data practices; appropriating money for early intervention and targeted family services, and for family planning grants; amending Minnesota Statutes 1988, sections 147.09; 260.011, subdivision 2; 260.155, subdivision 1; 626.556, subdivision 1, and by adding a subdivision; 626.559, subdivision 2; Minnesota Statutes 1989 Supplement, sections 245A.04, subdivision 3; 260.015, subdivision 2a; 260.161, subdivision 2; 260.171, subdivision 4; 260.191, subdivision 1; 260.221, subdivision 1; 626.556, subdivisions 2, 10e, and 11; and 626.558, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 245 and 260.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [144.3871] [POSTERS ON THE DANGERS OF ALCOHOL USE.]

The commissioner of health shall encourage all establishments required to obtain on-sale or off-sale intoxicating liquor licenses under chapter 340A, to display, in a prominent location, posters informing pregnant women of the dangers of alcohol use. The commissioner shall make posters available, at no charge, to establishments with on-sale or off-sale licenses for intoxicating liquors. Posters must provide, in large print, the following message: "Warning: drinking alcoholic beverages during pregnancy can cause birth

defects and prematurity," or a similar message approved by the commissioner of health.

Sec. 2. Minnesota Statutes 1988, section 147.09, is amended to read:

147.09 [EXEMPTIONS.]

Section 147.081 does not apply to, control, prevent or restrict the practice, service, or activities of:

(1) A person who is a commissioned medical officer of, a member of, or employed by, the armed forces of the United States, the United States Public Health Service, the Veterans Administration, any federal institution or any federal agency while engaged in the performance of official duties within this state, if the person is licensed elsewhere.

(2) A licensed physician from a state or country who is in actual consultation here.

(3) A licensed or registered physician who treats the physician's home state patients or other participating patients while the physicians and those patients are participating together in outdoor recreation in this state as defined by section 86A.03, subdivision 3. A physician shall first register with the board on a form developed by the board for that purpose. The board shall not be required to promulgate the contents of that form by rule. No fee shall be charged for this registration.

(4) A student practicing under the direct supervision of a preceptor while the student is enrolled in and regularly attending a recognized medical school.

(5) A student who is in continuing training and performing the duties of an intern or resident or engaged in postgraduate work considered by the board to be the equivalent of an internship or residency in any hospital or institution approved for training by the board.

(6) A person employed in a scientific, sanitary or teaching capacity by the state university, the state department of education, or by any public or private school, college, or other bona fide educational institution, or the state department of health, whose duties are entirely of a public health or educational character, while engaged in such duties.

(7) Physician's assistants registered in this state.

(8) A doctor of osteopathy duly licensed by the state board of

osteopathy under Minnesota Statutes 1961, sections 148.11 to 148.16, prior to May 1, 1963, who has not been granted a license to practice medicine in accordance with this chapter provided that the doctor confines activities within the scope of the license.

(9) Any person licensed by a health related licensing board, as defined in section 214.01, subdivision 2, or registered by the commissioner of health pursuant to section 214.13, including licensed psychologists with respect to the use of hypnosis; provided that the person confines activities within the scope of the license.

(10) A Christian Scientist or other person who endeavors to prevent or cure disease or suffering exclusively by mental or spiritual means or by prayer, or who practices ritual circumcision pursuant to the requirements or tenets of any established religion.

(11) A Christian Scientist or other person who endeavors to prevent or cure disease or suffering exclusively by mental or spiritual means or by prayer.

Sec. 3. [245.826] [USE OF AVERSIVE AND DEPRIVATION PROCEDURES IN FACILITIES SERVING EMOTIONALLY DISTURBED CHILDREN.]

The commissioner of human services shall promulgate rules to govern the use of aversive and deprivation procedures in facilities serving emotionally disturbed children that are licensed under section 245A.09 and Minnesota Rules, parts 9545.0900 to 9545.1090. No provision of these rules may encourage or require the use of aversive and deprivation procedures. The rules must prohibit: (1) the application of certain aversive or deprivation procedures in facilities, except as authorized in the child's case plan and monitored by the county caseworker responsible for the child; (2) the use of aversive or deprivation procedures that restrict the consumers' normal access to nutritious diet, drinking water, adequate ventilation, necessary medical care, ordinary hygiene facilities, normal sleeping conditions, and necessary clothing; and (3) the use of faradic shock without a court order. The rule may specify other prohibited practices and the specific conditions under which permitted practices are to be carried out. For any persons receiving faradic shock, a plan to reduce and eliminate the use of faradic shock shall be in effect upon implementation of the procedure.

Sec. 4. Minnesota Statutes 1989 Supplement, section 245A.04, subdivision 3, is amended to read:

Subd. 3. [STUDY OF THE APPLICANT.] (a) Before the commissioner issues a license, the commissioner shall conduct a study of the individuals specified in clauses (1) to (4) according to rules of the commissioner. The applicant, license holder, the bureau of criminal apprehension, and county agencies, after written notice to the

individual who is the subject of the study, shall help with the study by giving the commissioner criminal conviction data and reports about abuse or neglect of adults substantiated under section 626.557 and the maltreatment of minors substantiated under section 626.556. The individuals to be studied shall include:

- (1) the applicant;
- (2) persons over the age of 13 living in the household where the licensed program will be provided;
- (3) current 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 to provide program services, if the contact is not directly supervised by the individuals listed in clause (1) or (3).

The juvenile courts shall also help with the study by giving the commissioner existing juvenile court records on individuals described in clause (2) relating to delinquency proceedings held within either the five years immediately preceding the application or the five years immediately preceding the individual's 18th birthday, whichever time period is longer. The commissioner shall destroy juvenile records obtained pursuant to this subdivision when the subject of the records reaches age 23.

For purposes of this subdivision, "direct contact" means providing face-to-face care, training, supervision, counseling, consultation, or medication assistance to persons served by a program. For purposes of this subdivision, "directly supervised" means an individual listed in clause (1) or (3) is within sight or hearing of a volunteer to the extent that the individual listed in clause (1) or (3) is capable at all times of intervening to protect the health and safety of the persons served by the program who have direct contact with the volunteer.

A study of an individual in clauses (1) to (4) shall be conducted on at least an annual basis. No applicant, license holder, or individual who is the subject of the study shall pay any fees required to conduct the study.

(b) The individual who is the subject of the study must provide the applicant or license holder with sufficient information to ensure an accurate study including the individual's first, middle, and last name; home address, city, county, and state of residence; zip code; sex; date of birth; and driver's license number. The applicant or license holder shall provide this information about an individual in paragraph (a), clauses (1) to (4), on forms prescribed by the commissioner. The commissioner may request additional information of the

individual, which shall be optional for the individual to provide, such as the individual's social security number or race.

(c) A study must include information from the county agency's record of substantiated abuse of adults, neglect of adults, and the maltreatment of minors, and information from the bureau of criminal apprehension.

The commissioner may also review arrest and investigative information from the bureau of criminal apprehension, a county attorney, county sheriff, county agency, local chief of police, other states, the courts, or a national criminal record repository if the commissioner has reasonable cause to believe the information is pertinent to the disqualification of an individual listed in paragraph (a), clauses (1) to (4).

(d) An applicant's or license holder's failure or refusal to cooperate with the commissioner is reasonable cause to deny an application or immediately suspend, suspend, or revoke 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.

(e) 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.

(f) No person in paragraph (a), clause (1), (2), (3), or (4) who is disqualified as a result of this act may be retained by the agency in a position involving direct contact with persons served by the program.

(g) The commissioner shall not implement the procedures contained in this subdivision until appropriate rules have been adopted, except for the applicants and license holders for child foster care, adult foster care, and family day care homes.

(h) Termination of persons in paragraph (a), clause (1), (2), (3), or (4) made in good faith reliance on a notice of disqualification provided by the commissioner shall not subject the applicant or license holder to civil liability.

(i) The commissioner may establish records to fulfill the requirements of this section. The information contained in the records is only available to the commissioner for the purpose authorized in this section.

Sec. 5. Minnesota Statutes 1988, section 260.011, subdivision 2, is amended to read:

Subd. 2. (a) The paramount consideration in all proceedings concerning a child alleged or found to be in need of protection or services is the best interest of the child. The purpose of the laws relating to juvenile courts is to secure for each child alleged or adjudicated 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 best 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 and in the child's best interests, 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 and in the child's best interests, 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 placement with the parents 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 is the best interests of the child. 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.

(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. 6. Minnesota Statutes 1989 Supplement, section 260.015, subdivision 2a, is amended 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)(i) has been a victim of physical or sexual abuse, or (ii) resides with or has resided with a victim of domestic child abuse as defined in subdivision 24, (iii) resides with or would reside with a perpetrator of domestic child abuse, or (iv) is a victim of emotional maltreatment as defined in subdivision 5a;
- (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 behavior, condition, or environment is 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; or

(13) is one whose custodial parent's parental rights to another child have been involuntarily terminated.

Sec. 7. Minnesota Statutes 1988, 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, in need of protection or services under section 260.015, subdivision 2a, clause (11) or (12), or a juvenile petty offender, and hearings conducted pursuant to section 260.125 except to the extent that the rules themselves provide that they do not apply. Except for proceedings involving a child alleged to be in need of protection or services, hearings may be continued or adjourned from time to time and, in the interim. In proceedings involving a child alleged to be in need of protection or services, hearings may only be continued or adjourned if the court makes specific findings that the continuance or adjournment is in the best interests of the child. When a continuance or adjournment is ordered in any proceeding, the court may make any interim 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 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. 8. Minnesota Statutes 1989 Supplement, section 260.161, subdivision 2, is amended to read:

Subd. 2. Except as provided in this subdivision and in subdivision 1, and except for legal records arising from proceedings that are public under section 260.155, subdivision 1, none of the records of the juvenile court and none of the records relating to an appeal from a nonpublic juvenile court proceeding, except the written appellate opinion, shall be open to public inspection or their contents disclosed except (a) by order of a court or (b) as required by sections 245A.04, 611A.03, 611A.04, and 611A.06. The records of juvenile probation officers and county home schools are records of the court for the purposes of this subdivision. Court services data relating to delinquent acts that are contained in records of the juvenile court may be released as allowed under section 13.84, subdivision 5a. This subdivision applies to all proceedings under this chapter, including appeals from orders of the juvenile court, except that this subdivision does not apply to proceedings under section 260.255, 260.261, or 260.315 when the proceeding involves an adult defendant. The court shall maintain the confidentiality of adoption files and records in accordance with the provisions of laws relating to adoptions. In juvenile court proceedings any report or social history furnished to the court shall be open to inspection by the attorneys of record and the guardian ad litem a reasonable time before it is used in connection with any proceeding before the court.

When a judge of a juvenile court, or duly authorized agent of the court, determines under a proceeding under this chapter that a child has violated a state or local law, ordinance, or regulation pertaining to the operation of a motor vehicle on streets and highways, except parking violations, the judge or agent shall immediately report the violation to the commissioner of public safety. The report must be made on a form provided by the department of public safety and must contain the information required under section 169.95.

Sec. 9. Minnesota Statutes 1989 Supplement, 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 juvenile secure detention facility or a shelter care facility; and

(b) of the location of the juvenile 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 juvenile 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 juvenile 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 juvenile 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 for acts defined in section 260.015, subdivision 5, at an adult jail or municipal lockup longer than 24 hours, excluding Saturdays, Sundays, and holidays, or longer than six hours if the adult jail or municipal lockup is in a standard metropolitan statistical area, unless a petition has been filed and the court orders the child's continued detention under section 260.172; and

(g) 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

(h) of the date, time, and place of the detention hearing, if this information is available to the person who has taken the child into custody; and

(i) 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 child in need of protection or services, neglected and in foster care, or termination of parental rights matter.

After August 1, 1991, the child's parent, guardian, or custodian shall also be informed under clause (f) that the child may not be detained in an adult jail or municipal lockup longer than 24 hours, excluding Saturdays, Sundays, and holidays, or longer than six hours if the adult jail or municipal lockup is in a standard metropolitan statistical area, unless a motion to refer the child for adult prosecution has been made within that time period.

Sec. 10. Minnesota Statutes 1989 Supplement, section 260.191, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITIONS.] (a) If the court finds that the child is 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:

(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 child's need for protection or services;

(2) transfer legal custody to one of the following:

(i) a child placing agency; or

(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 under section 11;~~

(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 or is unable to provide this treatment or care, the court may order it provided. The court shall not transfer legal custody of the child for the purpose of obtaining special treatment or care solely because the parent is unable to provide the treatment or care. 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 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, if the county board, after consultation with the court, has specifically authorized this dispositional alternative for a child.

(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 to operate a residential program under sections 245A.01 to 245A.16; 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. 11. [260.1911] [TRANSFER OF LEGAL CUSTODY.]

Subdivision 1. [GENERAL.] The court may transfer legal custody under section 260.191, subdivision 1, paragraph (a), to:

- (1) a child placing agency;
- (2) the county welfare board; or
- (3) a suitable and fit parent who does not have legal custody of the child.

In placing a child whose custody has been transferred under clause (1) or (2), the agency or board shall follow the order of preference stated in section 260.181, subdivision 3.

Subd. 2. [TRANSFER TO PARENT.] (a) An order transferring legal custody to a parent under this section must be made under the standards and findings required under section 518.17, subdivision 1. The court shall determine visitation rights and child support under sections 518.175 and 518.57.

(b) If legal custody is transferred to a parent under this subdivision, a certified copy of the order must be filed with the family court of the judicial district where the juvenile court order is entered. Issuance of an order under this subdivision divests the juvenile court of further jurisdiction over the matter. Sections 518.175, 518.18, and 518.64 apply to the review and modification of orders under this subdivision.

(c) A custody order under this subdivision is the same as an order under section 518.17, and all civil or criminal rights, duties, or penalties that apply to orders under section 518.17 apply to orders under this subdivision.

Sec. 12. [260.1912] [DISPOSITION; PERMANENT CUSTODY OR FOSTER CARE.]

Subdivision 1. [WHEN PERMISSIBLE.] When a child has been in placement under a court order for more than one year and at least nine months have elapsed since a case plan was ordered under section 260.191, subdivision 1e, a party may move the court for an order under subdivision 2. The motion must give specific notice of

the relief requested and the basis for the relief under this subdivision. The court shall hold an evidentiary hearing unless it is waived by the parties. The court may issue an order under subdivision 2 only if the court finds that all the following factors have been established by clear and convincing evidence:

(1) reasonable efforts, or in the case of an Indian child, active efforts have been made by the social service agency under section 260.012, and those efforts have not corrected the conditions necessitating the continued placement of the child;

(2) if reasonable efforts continue, conditions necessitating the continued placement of the child will not be corrected within the reasonably foreseeable future;

(3) there has been compliance with section 260.181, subdivision 3; and

(4) the relief sought is in the best interests of the child.

In order to find that the relief sought is in the best interests of the child, the court must determine that the requested relief better serves the child's interests than an order for termination of parental rights and that the child's needs for permanency will be served by the order.

Subd. 2. [PERMANENT CUSTODY OR FOSTER CARE.] (a) After a hearing and findings under subdivision 1, in addition to the dispositions available under section 260.191, the court may enter a dispositional order under paragraph (b) or (c).

(b) The court may grant legal custody of the child to a reputable individual of good moral character. The order must be made under the standards and findings required under section 257.025. The court shall determine visitation rights and child support under sections 518.175 and 518.57. Legal custody under this paragraph means the right to determine the child's upbringing, including education, health care, and religious training. A legal custodian under this paragraph is not a foster parent, and the child is not in foster care under section 260.015, subdivision 7.

(c) The court may order that the child remain in permanent foster care until the child is no longer a minor. The court may only issue this order if the child has been in continuous placement with the same foster parent for at least one year and the court finds that the foster parent intends to continue foster parenting the child until the child is no longer a minor. The name of the foster parent must appear in the court order. If the court enters an order under this paragraph, the court shall enter findings consistent with the federal Child Welfare Act of 1980, Public Law Number 96-272.

(d) An order under this subdivision must comply with section 260.181, subdivision 3.

(e) Jurisdiction to review an order under this subdivision remains in juvenile court. Notwithstanding section 260.191, subdivision 2, further hearings are not required and the order remains in effect until the child is no longer a minor unless it is modified under section 13.

(f) After entry of an order under this subdivision, further reasonable efforts under section 260.012 are not required.

Sec. 13. [260.1913] [MODIFICATION OF ORDER FOR PERMANENT CUSTODY OR FOSTER CARE.]

An order issued under section 12 may be modified only under the following circumstances:

- (1) modification is agreed to by all parties in writing;
- (2) there is a willful and persistent denial of or interference with court-ordered parental visitation;
- (3) there is reason to believe that the child's present environment may endanger the child's physical or emotional health; or
- (4) a substantial change in circumstances has occurred based on facts that have arisen since the prior order or based on facts that were not known to the court at the time it issued the prior order.

The court may modify an order under section 12 only if it finds that modification is in the best interests of the child and after an appropriate motion and notice to all parties. The court shall hold an evidentiary hearing unless it is waived by the parties.

Sec. 14. Minnesota Statutes 1989 Supplement, section 260.221, subdivision 1, is amended to read:

Subdivision 1. [VOLUNTARY AND INVOLUNTARY.] The juvenile court may upon petition, terminate all rights of a parent to a child in the following cases:

- (a) With the written consent of a parent who for good cause desires to terminate parental rights; or
- (b) If it finds that one or more of the following conditions exist:
 - (1) That the parent has abandoned the child. Abandonment is presumed when:

(i) the parent has had no contact or merely incidental contact with the child 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 11; and

(ii) the social service agency has made reasonable efforts to facilitate contact, unless the parent establishes that an extreme financial or physical hardship or treatment for mental disability or chemical dependency or other good cause prevented the parent from making contact with the child. This presumption does not apply to children whose custody has been determined under chapter 257 or 518. The court is not prohibited from finding abandonment in the absence of this presumption; or

(2) That the parent has substantially, continuously, or repeatedly refused or neglected to comply with the duties imposed upon that parent by the parent and child relationship, including but not limited to providing the child with necessary food, clothing, shelter, education, and other care and control necessary for the child's physical, mental, or emotional health and development, if the parent is physically and financially able, and reasonable efforts by the social service agency have failed to correct the conditions that formed the basis of the petition; or

(3) That a parent has been ordered to contribute to the support of the child or financially aid in the child's birth and has continuously failed to do so without good cause. This clause shall not be construed to state a grounds for termination of parental rights of a noncustodial parent if that parent has not been ordered to or cannot financially contribute to the support of the child or aid in the child's birth; or

(4) That a parent is palpably unfit to be a party to the parent and child relationship because of a consistent pattern of specific conduct before the child or of specific conditions directly relating to the parent and child relationship either of which are determined by the court to be of a duration or nature that renders the parent unable, for the reasonably foreseeable future, to care appropriately for the ongoing physical, mental, or emotional needs of the child. It is presumed that a parent is palpably unfit to be a party to the parent and child relationship upon a showing that the child has been adjudicated in need of protection or services and that the parent's parental rights to one or more other children have been involuntarily terminated in the past; or

(5) That following upon a determination of neglect or dependency, or of a child's need for protection or services, reasonable efforts, under the direction of the court, have failed to correct the conditions leading to the determination. It is presumed that reasonable efforts under this clause have failed upon a showing that:

(i) a child under the age of 12 has resided out of the parental home

under court order for more than one year following an adjudication of dependency, neglect, need for protection or services under section 260.015, subdivision 2a, clause (1), (2), (6), (8), or (9), or neglected and in foster care, and an order for disposition under section 260.191, including adoption of the case plan required by section 257.071;

(ii) conditions leading to the determination will not be corrected within the reasonably foreseeable future; and

(iii) reasonable efforts have been made by the social service agency to rehabilitate the parent and reunite the family.

This clause does not prohibit the termination of parental rights prior to one year after a child has been placed out of the home; or

It is also presumed that reasonable efforts have failed under this clause upon a showing that the parent has been required by a case plan to participate in a chemical dependency treatment program; the parent has either failed to successfully complete the program two or more times or has refused to participate in the treatment program; and the parent continues to abuse chemicals; or

(6) That the parent has been convicted of causing the death of another of the parent's children; or

(7) That in the case of a child born to a mother who was not married to the child's father when the child was conceived nor when the child was born the person is not entitled to notice of an adoption hearing under section 259.26 and either the person has not filed a notice of intent to retain parental rights under section 259.261 or that the notice has been successfully challenged; or

~~(7)~~ (8) That the child is neglected and in foster care.

Sec. 15. Minnesota Statutes 1989 Supplement, section 364.09, is amended to read:

364.09 [EXCEPTIONS.]

(a) This chapter shall not apply to the practice of law enforcement, to fire protection agencies, to eligibility for a private detective or protective agent license, to eligibility for a family day care license, a family foster care license, a home care provider license, or to eligibility for school bus driver endorsements, or to eligibility for juvenile corrections employment where the offense involved child physical or sexual abuse or criminal sexual conduct.

(b) This chapter does not apply to a school district.

(c) Nothing in this section shall be construed to preclude the Minnesota police and peace officers training board or the state fire marshal from recommending policies set forth in this chapter to the attorney general for adoption in the attorney general's discretion to apply to law enforcement or fire protection agencies.

Sec. 16. Minnesota Statutes 1989 Supplement, section 609.223, is amended to read:

609.223 [ASSAULT IN THE THIRD DEGREE.]

Subdivision 1. [SUBSTANTIAL BODILY HARM.] Whoever assaults another and inflicts substantial bodily harm may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Subd. 2. [PAST PATTERN OF CHILD ABUSE.] Whoever assaults a minor may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the perpetrator has engaged in a past pattern of child abuse against the minor. As used in this subdivision, "child abuse" has the meaning given it in section 609.185, clause (5).

Sec. 17. Minnesota Statutes 1988, section 609.2231, is amended by adding a subdivision to read:

Subd. 5. [CHILD PROTECTION WORKERS.] Whoever assaults a child protection worker, as defined in section 626.559, subdivision 1, while the worker is engaged in the performance of a duty imposed by law, policy, or rule, and inflicts demonstrable bodily harm, is guilty of a gross misdemeanor.

Sec. 18. Minnesota Statutes 1989 Supplement, section 609.377, is amended to read:

609.377 [MALICIOUS PUNISHMENT OF A CHILD.]

A parent, legal guardian, or caretaker who, by an intentional act or a series of intentional acts with respect to a child, evidences unreasonable force or cruel discipline that is excessive under the circumstances is guilty of malicious punishment of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both. If the punishment results in substantial bodily harm, that person may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both. If the punishment results in great bodily harm, that person may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

Sec. 19. Minnesota Statutes 1988, section 626.556, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC POLICY.] The legislature hereby declares that the public policy of this state is to protect children whose health or welfare may be jeopardized through physical abuse, neglect or sexual abuse. In furtherance of this public policy, it is the intent of the legislature under this section to strengthen the family and make the home, school, and community safe for children by promoting responsible child care in all settings; and to provide, when necessary, a safe temporary or permanent home environment for physically or sexually abused or neglected children.

In addition, it is the policy of this state to require the reporting of neglect, physical or sexual abuse of children in the home, school, and community settings; to provide for the voluntary reporting of abuse or neglect of children; to require the assessment and investigation of the reports; and to provide protective and counseling services in appropriate cases.

Sec. 20. Minnesota Statutes 1989 Supplement, section 626.556, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means threatened injury or the subjection by a person responsible for the child's care, or by a person in a position of authority, as defined in section 609.341, subdivision 10, to any act which constitutes a violation of section 609.342, 609.343, 609.344, or 609.345. Sexual abuse also includes any act which involves a minor which constitutes a violation of sections 609.321 to 609.324 or 617.246.

(b) "Person responsible for the child's care" means (1) an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities, or (2) an individual functioning outside the family unit and having responsibilities for the care of the child such as a teacher, school administrator, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching, and coaching.

(c) "Neglect" means failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter or medical care when reasonably able to do so or failure to protect a child from conditions or actions which imminently and seriously endanger the child's physical or mental health when reasonably able to do so. Nothing in this section shall be construed to mean that a

child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care; except that there is a duty to report if a lack of medical care may cause imminent and serious danger to the child's health. This section does not impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter, or medical care, a duty to provide that care. "Neglect" includes prenatal exposure to a controlled substance, as defined in section 626.5561, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, or medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance. Neglect also means "medical neglect" as defined in section 260.015, subdivision 2a, clause (5).

(d) "Physical abuse" means any physical or mental injury, or threatened injury, inflicted by a person responsible for the child's care on a child other than by accidental means, or any physical or mental injury that cannot reasonably be explained by the child's history of injuries, or any aversive and deprivation procedures that have not been authorized under section 245.825.

(e) "Report" means any report received by the local welfare agency, police department, or county sheriff pursuant to this section.

(f) "Facility" means a day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed pursuant to sections 144.50 to 144.58, 241.021, or 245.781 to 245.812.

(g) "Operator" means an operator or agency as defined in section 245A.02.

(h) "Commissioner" means the commissioner of human services.

(i) "Assessment" includes authority to interview the child, the person or persons responsible for the child's care, the alleged perpetrator, and any other person with knowledge of the abuse or neglect for the purpose of gathering the facts, assessing the risk to the child, and formulating a plan.

(j) "Practice of social services," for the purposes of subdivision 3, includes but is not limited to employee assistance counseling and the provision of guardian ad litem services.

(k) "Mental injury" means an injury to the psychological capacity or emotional stability of a child as evidenced by an observable or

substantial impairment in the child's ability to function within a normal range of performance and behavior with due regard to the child's culture.

(1) "Threatened injury" means a statement, overt act, condition or status which represents a substantial risk of physical or sexual abuse or mental injury.

Sec. 21. Minnesota Statutes 1988, section 626.556, subdivision 3, is amended to read:

Subd. 3. [PERSONS MANDATED TO REPORT.] (a) A person who knows or has reason to believe a child is being neglected or physically or sexually abused, as defined in subdivision 2, or has been neglected or physically or sexually abused within the preceding three years, shall immediately report the information to the local welfare agency, police department, or the county sheriff if the person is:

(1) a professional or professional's delegate who is engaged in the practice of the healing arts, social services, hospital administration, psychological or psychiatric treatment, child care, education, or law enforcement; or

(2) employed as a member of the clergy and received the information while engaged in ministerial duties, provided that a member of the clergy is not required by this subdivision to report information that is otherwise privileged under section 595.02, subdivision 1, paragraph (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.

Sec. 22. Minnesota Statutes 1989 Supplement, section 626.556, subdivision 10e, is amended to read:

Subd. 10e. [DETERMINATIONS.] Upon the conclusion of every assessment or investigation it conducts, the local welfare agency shall make two determinations: first, whether maltreatment has occurred; and second, whether child protective services are needed.

(a) For the purposes of this subdivision, "maltreatment" means any of the following acts or omissions committed by a person responsible for the child's care:

(1) an assault, as defined in section 609.02, subdivision 10, or any physical contact not exempted by section 609.379, where the assault or physical contact is either severe or recurring and causes either injury or significant risk of injury to the child physical abuse as defined in subdivision 2, paragraph (d);

(2) neglect as defined in subdivision 2, paragraph (c); ~~or~~

(3) sexual abuse as defined in subdivision 2, paragraph (a); or

(4) mental injury as defined in section 20.

(b) For the purposes of this subdivision, a determination that child protective services are needed means that the local welfare agency has documented conditions during the assessment or investigation sufficient to cause a child protection worker, as defined in section 626.559, subdivision 1, to conclude that a child is at significant risk of maltreatment if protective intervention is not provided and that the individuals responsible for the child's care have not taken or are

not likely to take actions to protect the child from maltreatment or risk of maltreatment.

(c) This subdivision does not mean that maltreatment has occurred solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, in lieu of medical care. However, if lack of medical care may result in imminent and serious danger to the child's health, the local welfare agency may ensure that necessary medical services are provided to the child.

Sec. 23. Minnesota Statutes 1988, section 626.556, is amended by adding a subdivision to read:

Subd. 10g. [INTERSTATE DATA EXCHANGE.] All reports and records created, collected, or maintained under this section by a local social service agency or law enforcement agency may be disclosed to a local social service or other child welfare agency of another state when the agency certifies that:

(1) the reports and records are necessary in order to conduct an investigation of actions that would qualify as sexual abuse, physical abuse, or neglect under this section; and

(2) the reports and records will be used only for purposes of a child protection assessment or investigation and will not be further disclosed to any other person or agency.

The local social service agency or law enforcement agency in this state shall keep a record of all records or reports disclosed pursuant to this subdivision and of any agency to which the records or reports are disclosed. If in any case records or reports are disclosed before a determination is made under subdivision 10e, or a disposition of any criminal proceedings is reached, the local social service agency or law enforcement agency in this state shall forward the determination or disposition to any agency which has received any report or record under this subdivision.

Sec. 24. Minnesota Statutes 1989 Supplement, section 626.556, subdivision 11, is amended to read:

Subd. 11. [RECORDS.] Except as provided in subdivisions 10b, 10d, 10g, and 11b, all records concerning individuals maintained by a local welfare agency under this section, including any written reports filed under subdivision 7, shall be private data on individuals, except insofar as copies of reports are required by subdivision 7 to be sent to the local police department or the county sheriff. Reports maintained by any police department or the county sheriff shall be private data on individuals except the reports shall be made

available to the investigating, petitioning, or prosecuting authority. Section 13.82, subdivisions 5, 5a, and 5b, apply to law enforcement data other than the reports. The welfare board shall make available to the investigating, petitioning, or prosecuting authority any records which contain information relating to a specific incident of neglect or abuse which is under investigation, petition, or prosecution and information relating to any prior incidents of neglect or abuse involving any of the same persons. The records shall be collected and maintained in accordance with the provisions of chapter 13. In conducting investigations and assessments pursuant to this section, the notice required by section 13.04, subdivision 2, need not be provided to a minor under the age of ten who is the alleged victim of abuse or neglect. An individual subject of a record shall have access to the record in accordance with those sections, except that the name of the reporter shall be confidential while the report is under assessment or investigation except as otherwise permitted by this subdivision. Any person conducting an investigation or assessment under this section who intentionally discloses the identity of a reporter prior to the completion of the investigation or assessment is guilty of a misdemeanor. After the assessment or investigation is completed, the name of the reporter shall be confidential. The subject of the report may compel disclosure of the name of the reporter only with the consent of the reporter or upon a written finding by the court that the report was false and that there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the rules of criminal procedure.

Sec. 25. Minnesota Statutes 1989 Supplement, section 626.558, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF THE TEAM.] A county ~~may shall~~ establish a multidisciplinary child protection team that may include, but not be limited to, the director of the local welfare agency or designees, the county attorney or designees, the county sheriff or designees, representatives of health and education, representatives of mental health or other appropriate human service agencies, and parent groups.

Sec. 26. Minnesota Statutes 1988, section 626.559, subdivision 2, is amended to read:

Subd. 2. [JOINT TRAINING.] The commissioners of human services and public safety shall cooperate in the development of a joint program for training child abuse services professionals in the appropriate techniques for child abuse assessment and investigation. The program shall include but need not be limited to the following areas:

- (1) the public policy goals of the state as set forth in section

260.011 and the role of the assessment or investigation in meeting these goals;

(2) the special duties of child protection workers and law enforcement officers under section 626.556;

(3) the appropriate methods for directing and managing affiliated professionals who may be utilized in providing protective services and strengthening family ties;

(4) the appropriate methods for interviewing alleged victims of child abuse and other minors in the course of performing an assessment or an investigation;

(5) the dynamics of child abuse and neglect within family systems and the appropriate methods for interviewing parents in the course of the assessment or investigation, including training in recognizing cases in which one of the parents is a victim of domestic abuse and in need of special legal or medical services;

(6) the legal, evidentiary considerations that may be relevant to the conduct of an assessment or an investigation;

(7) the circumstances under which it is appropriate to remove the alleged abuser or the alleged victim from the home;

(8) the protective social services that are available to protect alleged victims from further abuse, to prevent child abuse and domestic abuse, and to preserve the family unit, and training in the preparation of case plans to coordinate services for the alleged child abuse victim with services for any parents who are victims of domestic abuse; and

(9) the methods by which child protection workers and law enforcement workers cooperate in conducting assessments and investigations in order to avoid duplication of efforts.

Sec. 27. [ATTORNEY GENERAL DATA PRACTICES STUDY.]

The attorney general shall study and make recommendations regarding government data practices that affect the child protection system. The attorney general shall consult with a multidisciplinary task force of individuals involved in the child protection system, including child protection agencies, law enforcement, prosecution and defense attorneys, the department of administration data protection division, and members of the public. The attorney general shall:

(1) prepare a plain-language interpretation of existing data practices laws that affect the child protection system;

(2) identify ambiguities and inconsistencies in the laws and compare the classification and treatment of data in law enforcement and child protection agencies;

(3) prepare standard forms for giving information to individuals under Minnesota Statutes, section 13.04, subdivision 2, and for reports under Minnesota Statutes, section 626.556;

(4) determine the need for giving mandated reporters, law enforcement, and child protection workers who must diagnose and investigate child abuse increased access to medical records and information on prior abuse; and

(5) consider the desirability of defining false or unfounded reports under Minnesota Statutes, section 626.556.

The attorney general shall report and make recommendations to the legislature by December 15, 1991.

Sec. 28. [PILOT PROJECT FOR SERVICES TO PREVENT CHILD ABUSE.]

The commissioner of human services is authorized to fund a pilot project designed to measure the effectiveness of early intervention and targeted family services in preventing child abuse. The pilot project must be designed to offer a full range of innovative in-home and family treatment services to selected families, determined by the county agency to be at risk for child abuse. The county shall monitor and evaluate the program outcomes for the families participating in the program and shall report those outcomes to the commissioner. The commissioner shall report to the legislature before January 15, 1992, on the design and effectiveness of the project program and shall include recommendations for legislation as appropriate.

Sec. 29. [CHILD ABUSE; PLAN FOR STATEWIDE COMPUTER DATA SYSTEM.]

The commissioner of public safety, in consultation with the department of human services, shall determine the feasibility and costs of establishing a statewide computerized data system containing the following information on determinations made under Minnesota Statutes, section 626.556, and on the criminal and juvenile court matters specified in clauses (1) to (6):

(1) identifying information on any individual that a local social service agency has determined under Minnesota Statutes, section 626.556, subdivision 10e, to have been responsible for the maltreatment of a child or to have necessitated the provision of child protective services for a child, and the name and birth date of any

child found to have been maltreated or to be in need of child protective services as a result of the individual's actions;

(2) identifying information on individuals arrested for, charged with, or convicted of malicious punishment of a child or neglect of a child;

(3) pretrial release conditions applicable to individuals charged with an offense listed in clause (2);

(4) probation and supervised release conditions applicable to individuals convicted of an offense listed in clause (2);

(5) identifying information on individuals whose parental rights to a child have been involuntarily terminated under Minnesota Statutes, section 260.221; and

(6) identifying information on individuals who have a child who was found to be in need of protective services as defined in Minnesota Statutes, section 260.015, subdivision 2a.

The commissioner shall also determine the feasibility and costs of requiring all local social service agencies, law enforcement agencies, prosecutors, courts, and court services personnel to report relevant information to the statewide data system; of making the information available to these agencies on request; and of providing a process by which the accuracy of the data may be reviewed at the request of the subject of the data.

The commissioner shall report the results of the study and provide an implementation plan to the chairs of the judiciary committees in the house of representatives and the senate on or before February 1, 1991.

Sec. 30. [SUPREME COURT REVIEW OF CERTAIN JUVENILE COURT ISSUES.]

The supreme court is requested to study and review the following two issues:

(1) whether the use of Minnesota Statutes, section 542.16 and Rule 63.03 of the rules of civil procedure to remove judges in juvenile court cases involving allegations of child abuse or neglect is frequent and appropriate;

(2) whether there is adequate special training for judges who hear juvenile court cases involving allegations of child abuse or neglect.

The supreme court is requested to report to the judiciary committees

of the senate and the house of representatives with any findings or recommendations for change resulting from these reviews.

Sec. 31. [APPROPRIATIONS.]

(a) \$ is appropriated from the general fund to the commissioner of human services to be available for the fiscal year ending June 30, 1991, for purposes of section 28.

(b) Additional funds, in the amount of \$, are appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to be used for family planning grants under Minnesota Statutes, section 145.925. The supplemental funds authorized by this paragraph shall be targeted to provide support services to persons who are at risk for unplanned pregnancies and who, because of dependency on alcohol or other drugs, are seen to be at risk of creating abusive family settings.

Sec. 32. [EFFECTIVE DATE.]

Sections 16 to 18 are effective August 1, 1990, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to children; providing improved procedures to protect the safety and welfare of abused and neglected children; providing for more permanent placements of children in need of protection or services; improving data practices; requiring the commissioner of health to encourage display of posters informing pregnant women of the dangers of alcohol use; excluding persons with a history of child abuse or criminal sexual behavior from certain protections for criminal offenders; increasing penalties for assault against a child when there is a past pattern of child abuse; increasing the penalties for malicious child punishment resulting in great bodily harm and assaulting a child protection worker; including mental injuries and threatened injuries as abuse to be reported as maltreatment of minors; appropriating money for early intervention and targeted family services, and for family planning grants; amending Minnesota Statutes 1988, sections 147.09; 260.011, subdivision 2; 260.155, subdivision 1; 609.2231, by adding a subdivision; 626.556, subdivisions 1, 3, and by adding a subdivision; 626.559, subdivision 2; Minnesota Statutes 1989 Supplement, sections 245A.04, subdivision 3; 260.015, subdivision 2a; 260.161, subdivision 2; 260.171, subdivision 4; 260.191, subdivision 1; 260.221, subdivision 1; 364.09; 609.223; 609.377; 626.556, subdivisions 2, 10e, and 11; and 626.558, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 144; 245; and 260."

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.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2398, A bill for an act relating to occupational safety and health; requiring employers to prepare and implement a written program that describes how they will reduce the extent and severity of work-related injuries and illnesses; amending Minnesota Statutes 1988, section 182.653, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 11, after "employer" insert "covered by this section"

Page 1, line 22, delete "it" and insert "the plan" and after "all" insert "affected"

Page 2, delete lines 4 to 8 and insert:

"Sec. 2. Minnesota Statutes 1988, section 182.653, is amended by adding a subdivision to read:

Subd. 8a. [STANDARD INDUSTRIAL CLASSIFICATION LIST.] The commissioner shall adopt, in accordance with section 182.655, a rule specifying a list of standard industrial classifications of employers who must comply with subdivision 8. The commissioner shall demonstrate the need to include each industrial classification on the basis of the safety record or workers' compensation record of that industry segment. The list shall be updated every two years."

Amend the title as follows:

Page 1, line 7, delete "a subdivision" and insert "subdivisions"

With the recommendation that when so amended 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. 2401, A bill for an act relating to traffic regulations; establishing penalties for driving past railroad crossing warning devices; providing for instruction in railroad crossing safety at driver improvement clinics; establishing standards and procedures for closing a railroad crossing; stipulating the adequacy of crossing devices; imposing penalties; amending Minnesota Statutes 1988, sections 169.26; and 169.973, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 219; repealing Minnesota Statutes 1988, sections 219.27 and 219.28; and Minnesota Statutes 1989 Supplement, section 219.072.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 169.26, is amended to read:

169.26 [SPECIAL STOPS AT RAILROADS.]

Subdivision 1. [REQUIREMENTS.] (a) When any person driving a vehicle approaches a railroad grade crossing and a clearly visible electric or mechanical signal device gives warning of the immediate approach of a train, under any of the circumstances stated in this section, the driver of such vehicle shall stop the vehicle not less than ten feet from the nearest railroad track of such railroad and shall not proceed until safe to do so. These requirements apply when:

(1) a clearly visible electric or mechanical signal device warns of the immediate approach of a railroad train;

(2) a crossing gate is lowered warning of the immediate approach or passage of a railroad train; or

(3) an approaching railroad train is plainly visible and is in hazardous proximity.

(b) The driver of a vehicle shall stop and remain standing and not traverse such a the grade crossing when the crossing gate is lowered or when a human flagger gives or continues to give a signal of signals the approach or passage of a train. No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals that the way is clear to proceed.

Subd. 2. [PENALTIES.] (a) A person who violates this section is guilty of a misdemeanor.

(b) A person who violates this section and section 169.121 simultaneously is guilty of a gross misdemeanor.

Sec. 2. Minnesota Statutes 1988, section 169.973, subdivision 1, is amended to read:

Subdivision 1. The commissioner of public safety shall supervise the administration and conduct of driver improvement clinics. The commissioner of public safety shall promulgate rules setting forth standards for the curriculum and mode of instruction of driver improvement clinics and such other matters as the commissioner of public safety considers necessary for the proper administration of such clinics. In the preparation of such standards the commissioner of public safety shall consult with the commissioner of education and state associations of judges. A driver improvement clinic established under Laws 1965, chapter 711 shall conform to the standards promulgated by the commissioner of public safety. The course of study at a driver improvement clinic may not exceed a cumulative total of nine hours with no single class session lasting more than three hours. The course of study at a driver improvement clinic shall include instruction in railroad crossing safety.

Sec. 3. [219.073] [COMMISSIONER'S RULES ON GRADE CROSSINGS.]

In accordance with chapter 14, the commissioner of transportation shall adopt rules by December 1, 1991, that contain standards governing the establishment, vacation, relocation, consolidation, and separation of grades at public grade crossings. In adopting standards, the commissioner shall consider that the number of grade crossings in Minnesota should be reduced and that public safety will be enhanced by reducing the number of grade crossings.

Sec. 4. [219.074] [GRADE CROSSING CHANGES.]

Subdivision 1. [AGREEMENTS; HEARING.] Public officials having the necessary authority and a railway company operating the railroad may agree to the vacation, relocation, consolidation, or separation of grades at grade crossings. If agreement cannot be reached concerning the location, manner of construction, or a reasonable division of expense, either party may file a petition with the board, setting forth the facts and submitting the matter to it for determination. The board shall then conduct a hearing under chapter 14 and shall apply the rules developed under section 3 in coming to a determination. The commissioner may also bring matters concerning vacation, relocation, consolidation, or separation of grades at public grade crossings to the board for determination.

Subd. 2. [CROSSING-CLOSING PROGRAM.] On or before July 1, 1992, and on or before July 1 of each of the next four years, and as

necessary afterward, the commissioner shall propose to the board a list of grade crossings proposed to be closed. The list must be developed by applying the standards set forth in the rules adopted under section 3. Grade crossings that are part of an abandonment, closing, or removal under section 219.741, may not be included in the list. The board shall notify the public officials having the necessary authority and the railway companies operating the railroads of the proposed closings. Either affected party may request a hearing. If requested, the board shall hold a contested case hearing applying in its determination the rules developed under section 3. If a request for a hearing on a particular crossing is not received within 30 days of the publication in the State Register, the board shall order the crossing closed.

Sec. 5. [REPEALER.]

Minnesota Statutes 1988, sections 219.27 and 219.28, are repealed.

Sec. 6. [EFFECTIVE DATES.]

Sections 1 to 3 are effective the day following final enactment. Sections 4 and 5 are effective December 1, 1991."

Delete the title and insert:

"A bill for an act relating to traffic regulations; establishing penalties for driving past railroad crossing warning devices and flaggers; providing for instruction in railroad crossing safety at driver improvement clinics; establishing standards and procedures for closing a railroad crossing; imposing penalties; amending Minnesota Statutes 1988, sections 169.26; and 169.973, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 219; repealing Minnesota Statutes 1988, sections 219.27 and 219.28."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Judiciary.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2444, A bill for an act relating to waste; placing waste stream diversion requirements on counties who apply for solid waste resource recovery permits; requiring a study of the environmental effects of existing resource recovery facilities; placing a moratorium on new permits until completion of the study; appropriating money;

amending Minnesota Statutes 1989 Supplement, section 116.07, subdivision 4j.

Reported the same back with the following amendments:

Page 2, line 8, delete everything after "for" and insert "a facility that incinerates mixed municipal solid waste or that processes or burns refuse-derived fuel"

Page 2, line 9, delete everything before "unless"

Page 2, line 12, before "county's" insert "residential portion of the"

Page 2, line 18, delete everything after "for" and insert "a facility that incinerates mixed municipal solid waste or that processes or burns refuse-derived fuel"

Page 2, line 19, delete everything before "unless"

Page 2, line 28, delete everything after "permitted" and insert "mixed municipal solid waste incineration and refuse-derived fuel"

Page 2, line 31, delete "solid waste resource recovery"

Page 2, line 33, delete "solid waste" and insert "the"

Page 2, line 34, delete "resource recovery"

Page 3, line 3, delete "resource recovery"

Page 3, line 13, delete "resource recovery" and after "facility" insert "that incinerates mixed municipal solid waste or that processes or burns refuse-derived fuel"

Page 3, after line 18 insert:

"This act does not apply to a solid waste processing facility that was under contract for design and construction with a county before January 1, 1990."

Amend the title as follows:

Page 1, line 3, delete everything after "counties" and insert "applying for new permits for facilities that incinerate mixed municipal solid wastes or that process or burn refuse-derived fuel"

Page 1, line 4, delete everything before the semicolon

Page 1, line 5, delete "resource recovery"

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. 2481, A bill for an act relating to crimes; making preparation of a written presentence investigation report discretionary with the court when a defendant is convicted of a felony for which the court must impose an executed sentence under the sentencing guidelines; amending Minnesota Statutes 1989 Supplement, section 609.115, subdivision 1.

Reported the same back with the following amendments:

Page 1, lines 14 to 17, delete the new language and insert: "or a felony for which the sentencing guidelines presume that the defendant will be committed to the commissioner of corrections under an executed sentence and no motion for a sentencing departure has been made by counsel."

Page 1, lines 24 to 27, delete the new language

Page 2, line 1, delete the new language and insert "When the defendant has been convicted of a felony for which the sentencing guidelines do not presume that the defendant will be committed to the commissioner of corrections, or for which the sentencing guidelines presume commitment to the commissioner but counsel has moved for a sentencing departure, or"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2487, A bill for an act relating to vocational rehabilitation; providing for supported employment programs; amending Minnesota Statutes 1988, section 129A.01, subdivisions 11, 12, and by adding a subdivision.

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. 2495, A bill for an act relating to farm safety; providing for a pilot project of comprehensive farm safety audits; extending the availability of a previous appropriation; appropriating money; amending Laws 1989, chapter 350, article 17, section 1, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [FARM SAFETY AUDIT PILOT PROJECT.]

Subdivision 1. [LEGISLATIVE FINDING.] The legislature finds that farming continues to be one of the most dangerous occupations. All members of farm families experience risks and disabling accidents at a rate far higher than the general population of the state. The legislature finds that a pilot project of comprehensive farm safety audits, performed in cooperation with selected farm mutual insurance companies, is needed to evaluate the effectiveness of farm safety audits in improving farm safety. The legislature further finds that spending public money to enable a farm safety audit pilot project is a valid public purpose.

Subd. 2. [LEAD RESPONSIBILITY.] The Minnesota extension service shall coordinate and carry out a farm safety audit pilot project.

Subd. 3. [REPORT.] On or before January 1, 1993, the Minnesota extension service shall submit a report to the agriculture committees of the senate and house of representatives on findings of the farm safety audit pilot project.

Sec. 2. [APPROPRIATION.]

(a) \$20,260 is appropriated from the general fund to the Minnesota extension service to develop and administer the farm safety audit pilot project in section 1. This appropriation remains available until June 30, 1993.

(b) \$18,400 is appropriated from the general fund to the commissioner of agriculture to make cost-share payments to selected farm

mutual insurance companies that participate in the farm safety audit pilot project in section 1. This appropriation remains available until June 30, 1993.

(c) Any unencumbered balance in the appropriation to the commissioner of agriculture in Laws 1989, chapter 350, article 20, section 29, is available to the commissioner for expenses directly related to the farm safety audit pilot project in section 1. This appropriation remains available until June 30, 1991."

Amend the title as follows:

Page 1, line 5, delete everything after "money"

Page 1, line 6, delete everything before the period

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. 2508, A bill for an act relating to education; placing certain positions in special school district No. 1, Minneapolis, in the unclassified service; naming the appointing authority for the positions.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2632, A bill for an act relating to human services; clarifying requirements for employment and training programs for recipients of AFDC; allowing county agencies to implement grant diversion programs; clarifying eligibility and payment requirements for general assistance and work readiness; clarifying requirements for child care programs; establishing criteria to certify employment and training service provider; requiring a two-year plan from the local service unit; amending Minnesota Statutes 1988, sections 256.73, subdivision 2; 256.736, subdivisions 1a, 2a, and 3a; 256.7365, subdivision 2; 256D.02, subdivisions 5, 8, and 12;

256D.052, subdivision 5; 256D.06, subdivision 2; 256H.10, subdivisions 1 and 4; 256H.16; 256H.17; 268.673, subdivisions 3 and 5; 268.6751, subdivision 1; 268.676, subdivision 2; 268.677, subdivisions 2 and 3; 268.678; 268.681, subdivisions 1, 2, and 3; 268.86, subdivision 8; 268.871, subdivisions 1, 2, and by adding a subdivision; 268.90, subdivisions 1, 3, and 4; Minnesota Statutes 1989 Supplement, sections 256.73, subdivision 3a; 256.736, subdivisions 3, 3b, 4, 10, 10a, 11, 14, 16, and 18; 256.737, subdivisions 1 and 2; 256D.01, subdivision 1a; 256D.051, subdivisions 1a, 1b, 2, 3, and 8; 256H.01, subdivisions 7, 8, and 12; 256H.03, subdivisions 2, 2a, and 2b; 256H.05, subdivisions 1b, 1c, 2, and 5; 256H.08; 256H.09, subdivision 1; 256H.10, subdivision 3; 256H.11, subdivision 1; 256H.15, subdivisions 1 and 2; 256H.21, subdivision 9; 256H.22, subdivisions 2, 3, and 10; 268.0111, subdivision 4; 268.86, subdivision 2; 268.88; 268.881; Minnesota Statutes Second 1989 Supplement, section 256D.03, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1988, sections 256.736, subdivisions 1b, 8, and 17; 256.7365, subdivision 8; 256D.06, subdivision 1c; 256H.01, subdivision 14; 256H.05, subdivisions 1, 1a, and 3a; 268.672, subdivision 12; 268.86, subdivision 9; and 268.872, 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.

Skoglund from the Committee on Insurance to which was referred:

S. F. No. 1696, A bill for an act relating to human services; including the commissioners of commerce and health in designing the demonstration project for uninsured low-income persons; clarifying eligibility and enrollee participation requirements for the demonstration project; amending Minnesota Statutes 1988, section 256B.73.

Reported the same back with the following amendments:

Page 3, line 3, after the third comma insert "chiropractic care,"

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.

SECOND READING OF HOUSE BILLS

H. F. Nos. 367, 1816, 1897, 1927, 1948, 1984, 1991, 2011, 2038, 2042, 2045, 2058, 2078, 2081, 2084, 2086, 2087, 2103, 2132, 2149, 2184, 2187, 2188, 2248, 2250, 2299, 2305, 2311, 2343, 2353, 2365, 2380, 2381, 2398, 2481, 2487 and 2508 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Simoneau; Anderson, G.; Carlson, L.; Kahn and Anderson, R., introduced:

H. F. No. 2651, A bill for an act relating to bonds; authorizing the commissioner of finance to make certain covenants to the purchasers of certain bonds or certificates of indebtedness; requiring identification of certain accounts; providing for the reduction and cancellation of certain bond sale authorizations; appropriating money; amending Minnesota Statutes 1988, sections 16A.641, subdivision 6; and 16A.672, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 16A.631; and 16A.641, subdivision 7; repealing Minnesota Statutes 1988, section 16A.651.

The bill was read for the first time and referred to the Committee on Appropriations.

Wenzel, Steensma, Winter, McDonald and Bertram introduced:

H. F. No. 2652, A resolution memorializing the President and the Congress of the United States to design the 1990 federal farm bill so that it protects the family farm system.

The bill was read for the first time and referred to the Committee on Agriculture.

Bertram introduced:

H. F. No. 2653, A bill for an act relating to peace officers; providing death benefits to dependents of peace officers killed in the line of duty; expanding the application of activities considered to be in the line of duty; amending Minnesota Statutes 1988, section 176B.04.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Simoneau and Johnson, A., introduced:

H. F. No. 2654, A bill for an act relating to animals; providing for a 24-hour animal cruelty hotline; proposing coding for new law in Minnesota Statutes, chapter 343.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Winter and Wenzel introduced:

H. F. No. 2655, A bill for an act relating to economic development; authorizing the establishment of rural development zones; proposing coding for new law in Minnesota Statutes, chapter 469.

The bill was read for the first time and referred to the Committee on Economic Development.

Rukavina, Redalen and Neuenschwander introduced:

H. F. No. 2656, A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited land in Koochiching and Lincoln counties; authorizing the private sale of certain state lands in Scott, Hubbard, and Fillmore counties; appropriating proceeds of the Scott county conveyance; authorizing the sale of certain surplus land in Lake county; authorizing the sale of certain trust fund land in St. Louis county; authorizing the sale of surplus land in Grant county for recreational purposes.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Rukavina introduced:

H. F. No. 2657, A bill for an act relating to Indian affairs; adding the chair of the advisory council on urban Indians to the Indian affairs council as a voting member; amending Minnesota Statutes 1988, section 3.922, subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Bertram, Redalen, Hugoson and Kalis introduced:

H. F. No. 2658, A bill for an act relating to agriculture; providing for deficiency judgments relating to foreclosure and sale of mortgages on property used in agricultural production; requiring fair market value to be determined by the court; extending period for execution on judgment; amending Minnesota Statutes 1988, section 582.30, subdivisions 3, 4, 5, 6, and 7.

The bill was read for the first time and referred to the Committee on Agriculture.

Sparby; Olson, E.; McEachern and Nelson, K., introduced:

H. F. No. 2659, A bill for an act relating to education; appropriating money for telecommunications grants to certain school districts.

The bill was read for the first time and referred to the Committee on Education.

Ozment introduced:

H. F. No. 2660, A bill for an act relating to game and fish; authorizing licensing of family shooting preserves; appropriating license fees; 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.

Carlson, D., introduced:

H. F. No. 2661, A bill for an act relating to government operations; amending provisions to adopt emergency game and fish rules; providing alternative methods of publishing game and fish rules; deleting obsolete references to publication under the game and fish laws; authorizing the commissioner to protect wild animals by emergency rule; authorizing the commissioner to set seasons and limits for migratory birds and waterfowl; authorizing the commissioner to allow or prohibit hunting and fishing on certain state lands; amending Minnesota Statutes 1988, sections 14.29, subdivision 3, and by adding a subdivision; 14.38, subdivision 6; 84.944, subdivision 1; 84A.02; 86A.06; 97A.045, subdivision 2; 97A.051, subdivisions 1 and 2; 97A.081; 97A.141, by adding a subdivision; 97B.731, subdivision 1; 97C.805, subdivision 1; and 361.25; Minnesota Statutes 1989 Supplement, sections 3.846, subdivisions 1 and 4; 14.02, subdivision 4; and 97A.051, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 97A and 97B.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Wenzel introduced:

H. F. No. 2662, A bill for an act relating to controlled substances; increasing sanctions for persons convicted of controlled substance offenses; providing for revocation of driver's licenses and termination of post-secondary education financial aid upon conviction for a controlled substance offense; providing mandatory minimum prison sentences for felony controlled substance offenders; providing for life imprisonment without parole for persons convicted of certain drug-related murders; providing for mandatory random drug testing of controlled substance offenders as a condition of probation or supervised release; amending Minnesota Statutes 1989 Supplement, sections 152.021, subdivision 3; 152.022, subdivision 3; 152.023, subdivision 3; 152.024, subdivision 3; 152.025, subdivision 3; 260.185, subdivision 1; and 609.184, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 136A; 152; and 171.

The bill was read for the first time and referred to the Committee on Judiciary.

Pauly and Miller introduced:

H. F. No. 2663, A bill for an act relating to state government; providing for an official state book; 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.

Carruthers introduced:

H. F. No. 2664, A bill for an act relating to public administration; providing for capital expenses for the Minnesota Daily Center; authorizing sale of state bonds; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

Carruthers, Blatz and Janezich introduced:

H. F. No. 2665, A bill for an act relating to juveniles; providing for a statewide data base containing information on juvenile delinquents; clarifying the eligibility of certain juveniles to possess pistols; amending Minnesota Statutes 1988, sections 260.161, sub-

division 1; and 624.713; proposing coding for new law in Minnesota Statutes, chapter 299C.

The bill was read for the first time and referred to the Committee on Judiciary.

Scheid, Vanasek and Long introduced:

H. F. No. 2666, 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 various changes in laws applicable to school district elections; clarifying and modifying certain exceptions to multicandidate political party expenditure limitations; modifying lobbyist reporting requirements; expanding certain reports by certain political committees and political funds; discontinuing the state ethical practices board's responsibility for developing and furnishing certain forms; providing an income tax credit for contributions to state and federal candidates and political parties; limiting contributions and solicitations during a regular legislative session; providing a public subsidy for legislative candidates in special elections; requiring candidates to match funds received from the state elections campaign fund; providing a schedule for distribution of political campaign checkoff money to political parties; requiring deer licenses to include an application for absentee ballots; requiring county auditors to provide a sample ballot for classroom use; specifying a time period for preparing a candidate's affidavit; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivisions 7 and 10b; 10A.04, subdivisions 2, 4, and 4a; 10A.20, subdivision 3; 10A.25, subdivision 10, and by adding a subdivision; 10A.255, by adding a subdivision; 10A.27, subdivisions 1 and 4; 10A.275; 10A.28, subdivision 1; 10A.30, subdivision 2; 10A.33; 97A.485, by adding a subdivision; 201.071, subdivision 3; 203B.08, subdivision 3; 204B.08, subdivision 3; 204B.09, subdivision 1; 204B.14, subdivision 5; 204B.17; 204B.44; 204C.22, subdivisions 9, 10, 15, and by adding a subdivision; 204D.04, subdivision 2; 205A.05, subdivision 1; 205A.07, by adding a subdivision; 205A.09, subdivision 2; 205A.11; 209.02, subdivision 1; 209.03; 209.09, subdivision 1; 211A.01, subdivision 6; 290.06, by adding a subdivision; and 383B.055, subdivisions 1 and 2; and Minnesota Statutes 1989 Supplement, sections 205A.10, subdivisions 2 and 3; and 209.021, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 10A and 204D; repealing Minnesota Statutes 1988, sections 10A.27, subdivision 5; 10A.32, subdivisions 1, 2, 3, and 4; and 211B.11, subdivision 2; and Minnesota Statutes 1989 Supplement, section 10A.32, subdivision 3a.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Winter, Otis and Krueger introduced:

H. F. No. 2667, A bill for an act relating to economic development; the creation of a joint subcommittee of the legislature to examine economic development activities in the state.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Nelson, K., introduced:

H. F. No. 2668, A bill for an act relating to education; implementing recommendations of the task force on education; offering incentives to school districts to participate in the statewide plan for outcome-based learning programs; requiring school boards to set school calendars; proposing coding for new law in Minnesota Statutes, chapters 121 and 126; repealing Minnesota Statutes 1988, sections 126.12; and 126.13.

The bill was read for the first time and referred to the Committee on Education.

Dorn introduced:

H. F. No. 2669, A bill for an act relating to the city of Mankato; permitting the adoption of certain ordinances and regulations.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Dorn introduced:

H. F. No. 2670, A bill for an act relating to the city of Mankato; enlarging the city's authority to control the towing of vehicles.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

McEachern introduced:

H. F. No. 2671, A bill for an act relating to the town of Otsego in Wright county; permitting the conversion of the town to a statutory city.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Simoneau introduced:

H. F. No. 2672, A bill for an act relating to retirement; regulating economic interest statements of pension fiduciaries; amending Minnesota Statutes 1989 Supplement, section 356A.06, subdivision 4.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Price and Steensma introduced:

H. F. No. 2673, A bill for an act relating to agriculture; establishing a food advisory committee; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 28A.

The bill was read for the first time and referred to the Committee on Agriculture.

Bauerly introduced:

H. F. No. 2674, A bill for an act relating to employment; requiring overtime payment for certain work; amending Minnesota Statutes 1988, section 177.25, subdivision 1.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Simoneau introduced:

H. F. No. 2675, A bill for an act relating to natural resources; regulating the growing, harvesting, processing, and sale of certain wild rice; providing for a wild rice marketing program; imposing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 30; repealing Minnesota Statutes 1989 Supplement, section 30.49.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Kalis introduced:

H. F. No. 2676, A bill for an act relating to Faribault county; authorizing the county local redevelopment agency board to have nine members.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Milbert and Pugh introduced:

H. F. No. 2677, A bill for an act relating to education; modifying the eligibility for exceptional need revenue; amending Minnesota Statutes 1988, section 124.217, subdivision 1.

The bill was read for the first time and referred to the Committee on Education.

Pugh introduced:

H. F. No. 2678, A bill for an act relating to corporations; clarifying and modifying provisions relating to the organization and operation of nonprofit corporations; amending Minnesota Statutes 1989 Supplement, sections 317A.011, subdivision 15; 317A.021, subdivision 4; 317A.111, subdivision 3; 317A.115, subdivision 2; 317A.133, subdivisions 1, 2, 3, and 4; 317A.181, subdivision 2; 317A.201; 317A.205; 317A.207, subdivision 1; 317A.213; 317A.225; 317A.237; 317A.251, subdivision 3; 317A.301; 317A.311; 317A.321; 317A.341, subdivision 2; 317A.401, subdivision 4; 317A.403; 317A.431; 317A.435, subdivision 2; 317A.443, subdivision 1; 317A.453, subdivision 3; 317A.455, subdivision 3; 317A.615, subdivision 1; 317A.711, subdivision 2; 317A.735, subdivisions 1 and 2; 317A.811, subdivisions 1, 4, and 6; 317A.821, subdivision 2; 317A.823, subdivisions 2 and 3; and 354A.021, subdivision 2.

The bill was read for the first time and referred to the Committee on Commerce.

McEachern; Johnson, A.; Milbert and Tunheim introduced:

H. F. No. 2679, A bill for an act relating to motor vehicles; providing for a surcharge on automobile rental; 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.

Begich, Rukavina, Battaglia, Solberg and Janezich introduced:

H. F. No. 2680, A bill for an act relating to independent school district No. 316, Coleraine; independent school district No. 381, Lake Superior; independent school district No. 695, Chisholm; independent school district No. 696, Ely; independent school district No. 697, Eveleth; independent school district No. 699, Gilbert; independent school district No. 707, Nett Lake; and independent school district No. 710, St. Louis county; authorizing issuance of bonds.

The bill was read for the first time and referred to the Committee on Education.

Begich introduced:

H. F. No. 2681, A bill for an act relating to workers' compensation; establishing a method of premium calculation for workers' compensation insurance; amending Minnesota Statutes 1988, section 79.52, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Bertram introduced:

H. F. No. 2682, A bill for an act relating to telephone services; decreasing maximum fee that may be charged to a customer access line for minimum 911 emergency telephone service; amending Minnesota Statutes 1989 Supplement, section 403.11, subdivision 1.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Bertram and Omann introduced:

H. F. No. 2683, A bill for an act relating to the city of Upsala; permitting the establishment of a boundary commission.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Wenzel introduced:

H. F. No. 2684, A bill for an act relating to game and fish; lowering certain hunting and fishing license fees for young resident licensees; amending Minnesota Statutes 1989 Supplement, section 97A.475, subdivisions 2 and 6.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Pelowski, Kahn, McGuire, Hasskamp and Weaver introduced:

H. F. No. 2685, A bill for an act relating to education; clarifying legislative intent concerning corporal punishment; amending Minnesota Statutes 1989 Supplement, section 127.45.

The bill was read for the first time and referred to the Committee on Education.

Pugh introduced:

H. F. No. 2686, A bill for an act relating to crimes; clarifying liability for the payment of service charges on dishonored checks; permitting law enforcement agencies to charge a fee when their services are used to collect a dishonored check; making the penalties for the dishonored check crime consistent with current theft penalties; amending Minnesota Statutes 1988, sections 332.50, subdivision 2; and 609.535, subdivision 2; repealing Minnesota Statutes 1988, section 609.535, subdivision 2a.

The bill was read for the first time and referred to the Committee on Judiciary.

Simoneau and Greenfield introduced:

H. F. No. 2687, A bill for an act relating to energy; appropriating oil overcharge money to the commissioner of jobs and training for energy conservation projects; amending Laws 1989, chapter 338, section 11, subdivision 3.

The bill was read for the first time and referred to the Committee on Appropriations.

Greenfield introduced:

H. F. No. 2688, A bill for an act relating to human services; repealing laws establishing a rental system for reimbursing nursing home property costs; establishing interim property rates; requiring the commissioner to recommend a new reimbursement system for nursing home property costs; amending Minnesota Statutes 1988, section 256B.431, by adding a subdivision; repealing Minnesota Statutes 1988, sections 256B.43, subdivisions 3, 3b, 3c, and 3d; and 256B.50, subdivision 2; Minnesota Statutes 1989 Supplement, section 256B.431, subdivisions 3a, 3f, and 3g.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Greenfield, Clark, Murphy, Rodosovich and Anderson, R., introduced:

H. F. No. 2689, A bill for an act relating to health; allowing a waiver of restrictions that may be placed upon controlling persons of

a nursing home; amending Minnesota Statutes 1988, section 144A.04, subdivision 4.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Greenfield, Clark, Rodosovich, Vellenga and Anderson, R., introduced:

H. F. No. 2690, A bill for an act relating to health; requiring the state planning agency to develop a state long-term care plan; requiring a report.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Poppenhagen introduced:

H. F. No. 2691, A bill for an act relating to education; allowing the Pine Point School to qualify for federal impact aid; amending Minnesota Statutes 1989 Supplement, sections 128B.01, subdivision 1; and 128B.03, subdivisions 3, 4, 6, and 8; repealing Minnesota Statutes 1989 Supplement, sections 128B.02, subdivision 4; and 128B.05, subdivision 3.

The bill was read for the first time and referred to the Committee on Education.

McPherson and Pauly introduced:

H. F. No. 2692, A bill for an act relating to environment; adding two public members to the petroleum tank release compensation board; amending Minnesota Statutes 1988, section 115C.07, subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Bishop, Sviggum, Solberg, Krueger and Kahn introduced:

H. F. No. 2693, A bill for an act relating to judicial administration; proposing an amendment to the Minnesota Constitution, articles VI and VIII, creating a court of compensation appeals; abolishing the workers' compensation court of appeals; providing for designation by the governor of the chief judge of the workers' compensation court of appeals; regulating the administration of the workers' compensation court of appeals; appropriating money; amending Minnesota Stat-

utes 1988, sections 3C.11, subdivision 3; 3C.12, subdivision 2; 5.08, subdivision 2; 10A.01, subdivision 19; 14.03, subdivision 2; 15A.082, subdivisions 1 and 3; 15A.083, subdivision 7; 43A.18, subdivision 3; 43A.27, subdivision 4; 175A.01, subdivision 1; 175A.02; 175A.07, subdivision 4; 176.421, subdivisions 5, 6, and by adding a subdivision; 204B.06, subdivisions 4 and 6; 204B.11, subdivision 1; 204B.34, subdivision 3, 204B.36, subdivision 4; 204D.02, subdivision 1; 204D.08, subdivision 6; 209.01, subdivision 2; 268.10, subdivision 8; 268.12, subdivision 13; 480.052; 480.054; 480.055, subdivision 1; 480.19; 480A.06, subdivision 3; 481.02, subdivisions 3 and 6; 490.15, subdivision 1; and 574.18; Minnesota Statutes 1989 Supplement, sections 10A.01, subdivisions 5 and 18; 357.08; proposing coding for new law as Minnesota Statutes, chapter 480B; repealing Minnesota Statutes 1988, sections 175A.01 to 175A.10; and 176.471.

The bill was read for the first time and referred to the Committee on Judiciary.

Gruenes introduced:

H. F. No. 2694, A bill for an act relating to taxation; providing a sales tax exemption for sales of certain tree removal services; amending Minnesota Statutes 1988, section 297A.25, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Kahn introduced:

H. F. No. 2695, A bill for an act relating to the environment; changing the requirements for management plans; directing the commissioner of health to refund fees; amending Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 8, and by adding a subdivision; 116.77; and 116.79, subdivisions 1 and 3.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Weaver and Runbeck introduced:

H. F. No. 2696, A bill for an act relating to human services; prohibiting restrictions on a license to provide day care; proposing coding for new law in Minnesota Statutes, chapter 245A.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Pauly introduced:

H. F. No. 2697, A bill for an act relating to waste; requiring background investigation of persons engaged in the solid or hazardous waste business; providing penalties; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 115D.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Stanius, Cooper, Ozment, Williams and Dorn introduced:

H. F. No. 2698, A bill for an act relating to health; requiring health clubs to have staff trained in cardiopulmonary resuscitation; 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.

Uphus introduced:

H. F. No. 2699, A bill for an act relating to natural resources; prohibiting certain activities in regard to decoys set out by licensed peace officers; amending Minnesota Statutes 1988, section 97B.055, subdivision 1; and 97B.081, subdivision 2.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Uphus introduced:

H. F. No. 2700, A bill for an act relating to agriculture; providing federal crop insurance reimbursement to farmers eligible for drought relief in 1989; appropriating money.

The bill was read for the first time and referred to the Committee on Agriculture.

Uphus introduced:

H. F. No. 2701, A bill for an act relating to education; approving a maximum effort school loan program capital loan.

The bill was read for the first time and referred to the Committee on Education.

Johnson, R.; Reding; Knickerbocker; Sarna and O'Connor introduced:

H. F. No. 2702, A bill for an act relating to retirement; providing for an increase in the maximum amount of pension payable to certain police officers; amending Minnesota Statutes 1988, section 423.809, subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Rukavina introduced:

H. F. No. 2703, A bill for an act relating to education; allowing a school district in the northeast educational cooperative service unit to levy for its share of the deficit.

The bill was read for the first time and referred to the Committee on Education.

Scheid introduced:

H. F. No. 2704, A bill for an act relating to commerce; removing a real estate licensing prohibition; amending Minnesota Statutes 1988, section 82.20, subdivision 4.

The bill was read for the first time and referred to the Committee on Commerce.

Olson, K.; Tunheim; Pelowski; Lieder and Williams introduced:

H. F. No. 2705, A bill for an act relating to human services; increasing payment rates for medical providers; providing a wage increase for staff of nursing homes, intermediate care facilities, developmental achievement centers, and waived service providers.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Blatz introduced:

H. F. No. 2706, A bill for an act relating to crimes; requiring cemetery owners to report unlawful removal of bodies to law enforcement authorities and next of kin of the deceased person; prescribing penalties; amending Minnesota Statutes 1988, section 609.502.

The bill was read for the first time and referred to the Committee on Judiciary.

Sparby, Tunheim and Simoneau introduced:

H. F. No. 2707, A bill for an act relating to workers' compensation; regulating notice of insurance coverage and cancellation; amending Minnesota Statutes 1988, section 176.185, subdivision 1.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Rukavina and Begich introduced:

H. F. No. 2708, A bill for an act relating to state government; regulating job titles and classes in the classified civil service; amending Minnesota Statutes 1988, section 43A.07, subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Trimble introduced:

H. F. No. 2709, A bill for an act relating to natural resources; authorizing the enforcement of certain natural resource laws by conservation officers; amending Minnesota Statutes 1988, section 97A.205.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Pappas introduced:

H. F. No. 2710, A bill for an act relating to human services; establishing an independent agency to improve and develop human resources through improving education; requiring a report; 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.

Nelson, K.; Scheid; Johnson, A.; Milbert and Ozment introduced:

H. F. No. 2711, A bill for an act relating to education; establishing a special class of local telephone service provided to schools; propos-

ing monthly rates; providing a levy; amending Minnesota Statutes 1988, sections 237.06; and 275.125, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Henry, Schafer, Girard, Hugoson and Swenson introduced:

H. F. No. 2712, A bill for an act relating to education; increasing parental involvement; expanding eligibility for early childhood family education programs; encouraging the use of elementary school counselors; creating a new state aid; increasing the formula allowance; creating a parental involvement day; requiring a day off from work; requiring the board of teaching to adopt rules; creating tax credits; appropriating money; amending Minnesota Statutes 1988, sections 124.2711, subdivision 2; 124A.29, subdivision 1; 181.940, subdivision 3, and by adding subdivisions; and 290.06, by adding subdivisions; Minnesota Statutes 1989 Supplement, sections 121.882, subdivision 2; 124.2711, subdivision 1; and 124A.22, subdivision 2; Laws 1989, chapter 329, article 1, section 17, subdivision 2, as amended; and article 4, section 19, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 123; 124A; and 181.

The bill was read for the first time and referred to the Committee on Education.

Abrams introduced:

H. F. No. 2713, A bill for an act relating to game and fish; authorizing licensing of family shooting preserves; appropriating license fees; 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.

Abrams introduced:

H. F. No. 2714, A bill for an act relating to human services; establishing certain standards for licensed day care programs; amending Minnesota Statutes 1988, section 245A.14, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Abrams introduced:

H. F. No. 2715, A bill for an act relating to real estate; giving effect to antenuptial agreements with respect to real estate; amending Minnesota Statutes 1988, section 507.02.

The bill was read for the first time and referred to the Committee on Judiciary.

Rukavina, Begich, Battaglia, Janezich and Solberg introduced:

H. F. No. 2716, A bill for an act relating to the state mineral; adopting iron ore as the state mineral; 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.

Carlson, D., introduced:

H. F. No. 2717, A bill for an act relating to retirement; excluding employees of the North Pine Area Hospital District from membership in the public employees retirement association for a limited time.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Otis, Kalis and Lasley introduced:

H. F. No. 2718, A bill for an act relating to traffic regulations; allowing immediate towing of vehicles unlawfully parked in taxicab zones; amending Minnesota Statutes 1989 Supplement, section 169.041, subdivision 4.

The bill was read for the first time and referred to the Committee on Transportation.

Wenzel, McDonald, Bertram, Omann and Winter introduced:

H. F. No. 2719, A bill for an act relating to agriculture; providing emergency drought relief for farmers and small businesses; establishing a program of low-interest loans; providing water supplies in emergencies; providing emergency hay and hayfield reseeding; appropriating money.

The bill was read for the first time and referred to the Committee on Agriculture.

Sparby, Solberg and Battaglia introduced:

H. F. No. 2720; A bill for an act relating to economic development; establishing a board of invention; 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.

HOUSE ADVISORIES

The following House Advisory was introduced:

Blatz introduced:

H. A. No. 37, A proposal to study the possibility of a state-sponsored group health insurance plan.

The advisory was referred to the Committee on Health and Human Services.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 60, A bill for an act relating to water; recodifying, clarifying, and relocating provisions relating to water law; amending Minnesota Statutes 1988, sections 9.071; 16B.62, subdivision 1; 18.191; 18B.07, subdivision 6; 40A.13, subdivision 1; 41B.039, subdivision 3; 84.083, by adding subdivisions; 84.91, subdivision 4; 84.911, subdivisions 5 and 6; 84.95, subdivision 2; 85.33, subdivision 3; 86A.05, subdivision 10; 88.43, subdivision 2; 93.335, subdivision 1; 94.343, subdivision 4; 97A.015, subdivision 41; 97A.071, subdivision 4; 97A.101, subdivision 2; 115.097, subdivision 2; 144.95, subdivision 4; 156A.10, subdivision 2; 161.28, subdivision 1; 163.17; 272.02, subdivisions 1 and 6; 273.19, subdivision 5; 295.44, subdivision 1; 357.021, subdivision 2; 375.471; 383A.602, subdivision 5; 383A.604, subdivision 1; 394.25, subdivision 2; 459.20; 462.357, subdivision 1; 465.20; 469.141, subdivision 4; 469.174, subdivision

19; 471.345, subdivision 3; 471.591, subdivision 1; 471.98, subdivision 2; 473.191, subdivision 2; 609.68; and 645.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 83A; 97C; 156A; and 383B; proposing coding for new law as Minnesota Statutes, chapters 86B; 103A; 103B; 103C; 103D; 103E; 103F; and 103G; repealing Minnesota Statutes 1988, sections 40.01 to 40.45; 84.031; 84.032; and 84.158; 104.01 to 104.50; 105.37 to 105.81; 106A.005 to 106A.811; 110.13 to 110.72; 110B.01 to 110B.35; 112.34 to 112.89; 114.12 and 114.13; 114B.01 to 114B.07; 116C.41; 361.01 to 361.29; 378.01 to 378.57; 465.18; and 473.875 to 473.883.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. DeCramer, Merriam and Frederickson, D. R.

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

Dille 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. 60. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 443, 1852 and 1730.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 443, A bill for an act relating to health; establishing standards for the use of nitrous oxide in the practice of podiatric medicine; amending Minnesota Statutes 1988, section 153.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 153.

The bill was read for the first time and referred to the Committee on Health and Human Services.

S. F. No. 1852, 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.

S. F. No. 1730, A bill for an act relating to financial institutions; permitting interstate banking with an additional reciprocating state; amending Minnesota Statutes 1988, section 48.92, subdivision 7.

The bill was read for the first time and referred to the Committee on Financial Institutions and Housing.

CONSENT CALENDAR

H. F. No. 1555, A bill for an act relating to fees; providing for fees charged by county recorder; amending Minnesota Statutes 1988, section 357.18, 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 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olson, K.	Schreiber
Anderson, G.	Frerichs	Knickerbocker	Omann	Seaberg
Anderson, R.	Girard	Kostohryz	Ornen	Segal
Battaglia	Greenfield	Krueger	Orenstein	Simoneau
Bauerly	Gruenes	Lasley	Osthoff	Skoglund
Beard	Gutknecht	Lieder	Ostrom	Solberg
Begich	Hartle	Limmer	Otis	Sparby
Bennett	Hasskamp	Long	Ozment	Stanius
Bertram	Haukoos	Lynch	Pauly	Steensma
Bishop	Hausman	Macklin	Pellow	Swiggum
Blatz	Heap	Marsh	Pelowski	Swenson
Brown	Henry	McDonald	Poppenhagen	Tjornhom
Burger	Himle	McEachern	Price	Trimble
Carlson, D.	Hugoson	McGuire	Pugh	Tunheim
Carlson, L.	Jacobs	McLaughlin	Quinn	Uphus
Carruthers	Janezich	McPherson	Redalen	Valento
Clark	Jaros	Milbert	Rest	Vellenga
Conway	Jefferson	Miller	Rice	Wagenius
Cooper	Jennings	Morrison	Richter	Waltman
Dauner	Johnson, A.	Munger	Rodosovich	Weaver
Dawkins	Johnson, R.	Nelson, C.	Rukavina	Wenzel
Dempsey	Johnson, V.	Nelson, K.	Runbeck	Williams
Dille	Kahn	O'Connor	Sarna	Winter
Dorn	Kalis	Ogren	Schafer	Spk. Vanasek
Forsythe	Kelso	Olsen, S.	Scheid	

The bill was passed and its title agreed to.

H. F. No. 1989, A bill for an act relating to motor vehicles; allowing tax-exempt license plates for vehicles used for driver education programs at nonpublic high schools; amending Minnesota Statutes 1989 Supplement, section 168.012, 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:

Abrams	Frerichs	Kostohryz	Omann	Seaberg
Anderson, G.	Girard	Krueger	Onnen	Segal
Anderson, R.	Greenfield	Lasley	Orenstein	Simoneau
Battaglia	Gruenes	Lieder	Osthoff	Skoglund
Bauerly	Gutknecht	Limmer	Ostrom	Solberg
Beard	Hartle	Long	Otis	Sparby
Begich	Hasskamp	Lynch	Ozment	Stanius
Bennett	Haukoos	Macklin	Pauly	Steensma
Bertram	Hausman	Marsh	Pellow	Sviggum
Bishop	Heap	McDonald	Pelowski	Swenson
Blatz	Henry	McEachern	Peterson	Tjornhom
Boo	Himle	McGuire	Poppenhagen	Trimble
Brown	Hugoson	McLaughlin	Price	Tunheim
Burger	Jacobs	McPherson	Pugh	Uphus
Carlson, D.	Janezich	Milbert	Quinn	Valento
Carlson, L.	Jaros	Miller	Redalen	Vellenga
Carruthers	Jefferson	Morrison	Reding	Wagenius
Clark	Jennings	Munger	Rest	Waltman
Conway	Johnson, A.	Murphy	Rice	Weaver
Cooper	Johnson, R.	Nelson, C.	Richter	Welle
Dauner	Johnson, V.	Nelson, K.	Rodosovich	Wenzel
Dawkins	Kahn	Neuenschwander	Rukavina	Williams
Dempsey	Kalis	O'Connor	Runbeck	Winter
Dille	Kelly	Ogren	Sarna	Spk. Vanasek
Dorn	Kelso	Olsen, S.	Schafer	
Forsythe	Kinkel	Olson, E.	Scheid	
Frederick	Knickerbocker	Olson, K.	Schreiber	

The bill was passed and its title agreed to.

H. F. No. 2018, A bill for an act relating to newspapers; changing filing requirements for qualification as a legal newspaper; amending Minnesota Statutes 1988, section 331A.02, 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:

Abrams	Frerichs	Krueger	Onnen	Seaberg
Anderson, G.	Girard	Lasley	Orenstein	Segal
Anderson, R.	Greenfield	Lieder	Osthoff	Simoneau
Battaglia	Gruenes	Limmer	Ostrom	Skoglund
Bauerly	Gutknecht	Long	Otis	Solberg
Beard	Hartle	Lynch	Ozment	Sparby
Begich	Hasskamp	Macklin	Pappas	Stanius
Bennett	Haukoos	Marsh	Pauly	Steenasma
Bertram	Hausman	McDonald	Pellow	Sviggun
Bishop	Heap	McEachern	Pelowski	Swenson
Blatz	Henry	McGuire	Peterson	Tjornhom
Boo	Himle	McLaughlin	Poppenhagen	Trimble
Brown	Hugoson	McPherson	Price	Tunheim
Burger	Jacobs	Miller	Pugh	Uphus
Carlson, D.	Janezich	Milbert	Quinn	Valento
Carlson, L.	Jaros	Morrison	Redalen	Vellenga
Carruthers	Jefferson	Munger	Reding	Wagenius
Clark	Jennings	Murphy	Rest	Waltman
Conway	Johnson, R.	Nelson, C.	Rice	Weaver
Cooper	Johnson, V.	Nelson, K.	Richter	Welle
Dauner	Kahn	Neuenschwander	Rodosovich	Wenzel
Dawkins	Kalis	O'Connor	Rukavina	Williams
Dempsey	Kelly	Ogren	Runbeck	Winter
Dille	Kelso	Olsen, S.	Sarna	Spk. Vanasek
Dorn	Kinkel	Olson, E.	Schafer	
Forsythe	Knickerbocker	Olson, K.	Scheid	
Frederick	Kostohryz	Omann	Schreiber	

The bill was passed and its title agreed to.

CALENDAR

Long moved that the bills on the Calendar for today be continued. The motion prevailed.

GENERAL ORDERS

Long moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Kelly moved that H. F. No. 2504 be recalled from the Committee on Judiciary and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Olsen, S., moved that H. F. No. 2254 be recalled from the Committee on Taxes and be re-referred to the Committee on General Legislation, Veterans Affairs and Gaming.

A roll call was requested and properly seconded.

Beginch moved that H. F. No. 2254 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:

Sarna introduced:

H. F. No. 2721, A bill for an act relating to retirement; Minneapolis police and firefighters; health and medical benefits; continuance of surviving spouse benefits; amending Laws 1949, chapter 406, section 4, subdivisions 2 and 3, as amended; and section 6, subdivision 1, as amended; and Laws 1965, chapter 519, section 1, as amended.

The bill was read for the first time and referred to the Committee on Governmental Operations.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 2:30 p.m., Monday, March 12, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Monday, March 12, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SIXTY-NINTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 12, 1990

The House of Representatives convened at 2:30 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Pastor Delton Krueger, Hillcrest United Methodist Church, Bloomington, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abrams	Frerichs	Kostohryz	Onnen	Segal
Anderson, G.	Girard	Krueger	Orenstein	Simoneau
Anderson, R.	Greenfield	Lasley	Osthoff	Skoglund
Battaglia	Gruenes	Lieder	Ostrom	Solberg
Bauerly	Gutknecht	Limmer	Otis	Sparby
Beard	Hartle	Long	Ozment	Stanius
Begich	Hasskamp	Lynch	Pappas	Steenma
Bennett	Haukoos	Macklin	Pauly	Sviggum
Bertram	Hausman	Marsh	Pellow	Swenson
Bishop	Heap	McDonald	Pelowski	Tjornhom
Blatz	Henry	McEachern	Peterson	Tompkins
Boo	Himle	McGuire	Poppenhagen	Trimble
Brown	Hugoson	McLaughlin	Price	Tunheim
Burger	Jacobs	McPherson	Pugh	Uphus
Carlson, D.	Janezich	Milbert	Quinn	Valento
Carlson, L.	Jaros	Morrison	Redalen	Vellenga
Carruthers	Jefferson	Munger	Reding	Wagenius
Clark	Jennings	Murphy	Rest	Waltman
Conway	Johnson, A.	Nelson, C.	Rice	Weaver
Cooper	Johnson, R.	Nelson, K.	Richter	Welle
Dauner	Johnson, V.	Neuenschwander	Rodosovich	Wenzel
Dawkins	Kahn	O'Connor	Rukavina	Williams
Dempsey	Kalis	Ogren	Runbeck	Winter
Dille	Kelly	Olsen, S.	Sarna	Spk. Vanasek
Dorn	Kelso	Olsen, E.	Schafer	
Forsythe	Kinkel	Olson, K.	Scheid	
Frederick	Knickerbocker	Omann	Schreiber	

A quorum was present.

Miller and Seaberg were excused.

The Chief Clerk proceeded to read the Journal of the preceding

day. Rodosovich 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. 1927, 1991, 2011, 2042, 2058, 2078, 2084, 2087, 2132, 2149, 2184, 2187, 2188, 2250, 2305, 2311, 2381, 2487, 2508, 367, 1816, 1897, 1948, 1984, 2038, 2045, 2081, 2086, 2103, 2248, 2299, 2343, 2353, 2365, 2380, 2398 and 2481 and S. F. Nos. 443, 1852 and 1730 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 232, A bill for an act relating to game and fish; setting conditions under which a hunter may take two deer; amending Minnesota Statutes 1988, section 97B.301, subdivision 4.

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. 1617, A bill for an act relating to the environment; providing for mitigation of the greenhouse effect by imposing a surcharge on motor vehicles and on facilities permitted by the pollution control agency; establishing a carbon dioxide tree planting account; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments:

Page 1, line 9, delete "116.75" and insert "116.86"

Page 1, line 20, delete "4" and insert "5"

Page 1, line 25, delete "116.76" and insert "116.87"

Page 1, line 26, delete everything before "A"

Page 2, line 1, delete "the initial registration" and insert "each application for a new certificate of title under section 168A.02"

Page 2, line 5, delete "registrar of"

Page 2, delete lines 6 and 7 and insert "department of public safety. A certificate of title may not be issued or transferred by the department for a"

Page 2, delete lines 18 and 19

Page 2, line 20, delete "116.77" and insert "116.88"

Page 2, line 23, delete "\$1" and insert "ten cents"

Page 2, delete lines 28 to 30 and insert:

"(c) In lieu of paying any part of the surcharge in paragraph (a), a permitted facility may certify to the agency that it has engaged in tree planting or activities that result in tree planting that has a value worth that part of the surcharge amount the facility would have to pay in paragraph (a).

(d) The agency must devise procedures to certify permitted facilities that utilize paragraph (c)."

Page 2, line 31, delete "(d)" and insert "(e)"

Page 2, line 32, before the period insert "in paragraph (a) or (c)"

Page 2, line 33, delete everything after "Sec. 4." and insert "[116.89] [DEPOSIT OF REVENUE.]"

Page 2, delete lines 34 to 36 and insert:

"(a) Revenue collected by the surcharges in sections 2 and 3, paragraph (a), must be deposited in the natural resources fund in the state treasury.

(b) The amount collected by the surcharges is intended to be used to plant trees in order to absorb carbon dioxide."

Page 3, delete line 1

Page 3, line 2, delete "(b)" and insert "(c)" and delete "this account" and insert "the natural resources fund"

Page 3, line 5, delete "(c) By March 1, 1990" and insert:

"Sec. 5. [TREE PLANTING PLAN; CONSULTATION.]

Subdivision 1. [TREE PLANTING PLAN.] By March 1, 1991"

Page 3, delete lines 17 to 19 and insert:

"Subd. 2. [CONSULTATION.] The commissioner of the pollution control agency must consult with representatives of industry affected by sections 2 and 3, and the forestry and environmental communities to review and make recommendations (i) to the legislature on the surcharge amounts in sections 2 and 3, paragraph (a); and (ii) to the commissioner of natural resources for the tree planting plan in subdivision 1."

Page 3, line 20, delete "5" and insert "6"

Page 3, line 21, delete "4" and insert "5" and delete "June 1, 1989" and insert "the day following final enactment"

Page 3, line 22, delete "1990" and insert "1991"

Correct internal references

Amend the title accordingly

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. 1712, A bill for an act relating to traffic regulations; authorizing recreational vehicle combinations and restricting their use; amending Minnesota Statutes 1988, sections 169.01, by adding a subdivision; and 169.81, subdivision 3, and by adding a subdivision.

Reported the same back with the following amendments:

Page 4, line 10, before "A" insert "(a)"

Page 4, after line 14, insert:

“(b) A recreational vehicle combination may not be operated within the seven-county metropolitan area.”

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 Government and Metropolitan Affairs to which was referred:

H. F. No. 1784, A bill for an act relating to real property; providing for filing and recording of maps or plats for proposed rights-of-way by local governing bodies; proposing coding for new law in Minnesota Statutes, chapter 505.

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. 1788, A bill for an act relating to metropolitan transit; providing assistance for the acquisition and betterment of certain light rail transit facilities in the metropolitan area; appropriating money; authorizing the issuance of state bonds; proposing coding for new law in Minnesota Statutes, chapter 174.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [473.3998] [LIGHT RAIL TRANSIT; CAPITAL ASSISTANCE.]

Subdivision 1. [DEMONSTRATION FACILITY.] The board shall provide financial assistance to regional railroad authorities under this section to help pay the cost of acquisition and betterment by regional railroad authorities of a demonstration light rail transit line in the midway corridor between the downtown areas of Minneapolis and St. Paul, together with associated common facilities like vehicles, yards, shops, power, and communications systems and any necessary connector line between yards and shops and the midway line.

Subd. 2. [REQUIREMENTS.] (a) The board may not provide assistance under this section until the board has adopted a regional light rail transit development, financial, and coordination plan, as required by section 473.399, and the metropolitan council has approved the development, financial, and coordination plan for consistency with the council's transportation plan.

(b) As to assistance under this section, the board may not distribute more than 60 percent of the available funds to a single recipient.

(c) As to assistance under this section, the board may not provide funds for more than 90 percent of the cost of the activities for which a grant is made, but may fund 100 percent of the cost of associated common facilities as described in subdivision 1.

Subd. 3. [INTERGOVERNMENTAL COORDINATION.] Railroad authorities applying for grants may enter into joint powers agreements with other agencies of government for the purpose of coordinating the light rail transit project.

Subd. 4. [SERVICE DISTRICTS.] To pay all or part of the capital and operating costs of light rail transit facilities that receive assistance under this section, a county acting under chapter 375B, or a city acting under chapter 428A, may establish one or more transit service districts in major commercial, retail, or industrial centers served by the light rail transit facilities.

Sec. 2. [APPROPRIATION.]

Subdivision 1. [PURPOSE.] The amounts provided in this section are appropriated from the bond proceeds fund to the commissioner of transportation for transfer to the regional transit board for purposes of the assistance to be provided by the board under section 1.

Subd. 2. [DESIGN ASSISTANCE.] \$10,000,000 is appropriated for the fiscal year ending June 30, 1991, for preliminary and final design plans and right-of-way acquisition. The unencumbered balance remaining at the end of the fiscal year does not cancel.

Sec. 3. [BOND SALE.]

To provide the money appropriated by section 2 from the bond proceeds fund, the commissioner of finance on request of the governor shall sell and issue bonds of the state in an amount up to \$10,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7."

Delete the title and insert:

"A bill for an act relating to metropolitan transit; providing assistance for the acquisition and betterment of certain light rail transit facilities in the metropolitan area; appropriating money; authorizing the issuance of state bonds; proposing coding for new law in Minnesota Statutes, chapter 473."

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. 1870, A bill for an act relating to elections; making various changes in laws applicable to school district elections; amending Minnesota Statutes 1988, sections 201.071, subdivision 3; 203B.08, subdivision 3; 204B.08, subdivision 3; 204B.14, subdivision 5; 204B.17; 204B.44; 204C.22, subdivisions 9, 10, 15, and by adding a subdivision; 204D.04, subdivision 2; 205A.05, subdivision 1; 205A.07, by adding a subdivision; 205A.09, subdivision 2; 205A.11; 209.02, subdivision 1; 209.03; 209.09, subdivision 1; and 211A.01, subdivision 6; and Minnesota Statutes 1989 Supplement, sections 205A.10, subdivisions 2 and 3; and 209.021, 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. 1879, A bill for an act relating to natural resources; establishing Lake of the Woods state forest; amending Minnesota Statutes 1988, section 89.021, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 40.46, subdivision 2, is amended to read:

Subd. 2. [DELINEATION OF WETLAND OR MARGINAL

LAND.] (a) Before state land is sold, the land must be submitted to the board of water and soil resources to authority selling the land, or, if requested, the board of water and soil resources, may determine and delineate the marginal land and wetlands to be reserved or restricted by a conservation easement. The delineation of the reservation or conservation easement need not be by legal description and may be a description in general terms that identifies the marginal land or wetlands. For tax-forfeited land the soil and water conservation board of the district where the land is located must review marginal land and wetlands and delineate the reservation or conservation easement.

(b) Marginal land and wetlands may not be sold unless restricted by a conservation easement with the restrictions provided in section 40.43, subdivision 4, paragraphs (a) and (c), and other restrictions determined necessary by the board of water and soil resources.

Sec. 2. Minnesota Statutes 1989 Supplement, section 40.46, is amended by adding a subdivision to read:

Subd. 5. Lands sold pursuant to the land classification agreement between the commissioner of natural resources and Lake of the Woods county dated August 1989 are exempt from the provisions of this section."

Page 1, line 6, delete "Section 1." and insert "Sec. 3."

Page 17, line 25, delete "2" and insert "4"

Amend the title as follows:

Page 1, line 4, after "subdivision" insert "; Minnesota Statutes 1989 Supplement, section 40.46, subdivision 2, and by adding a subdivision"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 1889, A bill for an act relating to health; providing programs and incentives for persons to volunteer as bone marrow donors; requiring the commissioner of health to educate residents about the need for volunteer bone marrow donors; requiring paid leave for employees to donate bone marrow; allowing a tax credit to

employers who develop tissue typing programs for employees; providing that certain contributions qualify as a charitable contribution for purposes of the corporate franchise tax; requiring a bone marrow donor drive to encourage state employees to volunteer as bone marrow donors; appropriating money; amending Minnesota Statutes 1988, sections 290.06, by adding a subdivision; and 290.21, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 145 and 181.

Reported the same back with the following amendments:

Page 3, delete section 3

Page 3, delete section 4

Page 5, line 32, delete "5" and insert "3"

Page 5, delete line 36

Page 6, delete line 1

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete everything after the semicolon

Page 1, delete lines 8 to 10

Page 1, line 11, delete "franchise tax;"

Page 1, line 13, delete "amending Minnesota"

Page 1, delete line 14

Page 1, line 15, 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.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 1894, A bill for an act relating to public employment;

limiting certain severance payments to public employees; restricting administrative leaves for University of Minnesota employees; amending Minnesota Statutes 1988, section 465.72, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 43A and 137.

Reported the same back with the following amendments:

Page 1, line 15, after "plan" insert "or early retirement policy"

Page 1, line 23, after "agency" insert "or in an internal grievance proceeding"

Page 2, line 5, after "plan" insert "or early retirement policy"

Page 2, line 14, after "agency" insert "or in an internal grievance proceeding"

Page 2, line 31, after the period insert "Severance pay includes payment for accrued vacation time."

Page 2, line 33, after "plan" insert "or early retirement policy"

Page 2, line 35, after "(2)" insert "compensation for accumulated sick leave or other"

Page 3, line 3, after "agency" insert ", or in an internal grievance proceeding, or as a result of a teacher discharge or termination proceeding"

Page 3, line 17, after the period insert "Sections 1 to 4 do not apply to payments made or leaves granted under the terms of a collective bargaining agreement entered into before the effective date of sections 1 to 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 1924, A bill for an act relating to housing; changing the definition of designated home ownership area for the Minnesota rural and urban homesteading program; amending Minnesota Statutes 1989 Supplement, section 462A.057, subdivision 2.

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. 1939, A bill for an act relating to natural resources; amending a certain requirement relating to the sale of state timber; amending Minnesota Statutes 1988, section 90.101, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 22, after the period insert "No sales may be held in adjoining counties not less than two hours apart."

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. 1960, A bill for an act relating to natural resources; amending certain provisions concerned with the management of wildlife; amending Minnesota Statutes 1988, sections 97A.135, by adding a subdivision; and 97A.445, by adding a subdivision; and Minnesota Statutes 1989 Supplement, section 97B.603.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 1963, A bill for an act relating to retirement; reallocating powers and duties among actuaries retained by the legislative commission on pensions and retirement and various public pension plans; appropriating money; amending Minnesota Statutes 1988, sections 3.85, subdivisions 10 and 11; 3A.11, subdivision 1; 11A.18, subdivision 11; 352.01, subdivision 12; 352.03, subdivision 6; 352.119, subdivision 2; 352.85, subdivision 6; 352.86, subdivision 4; 352B.02, subdivision 1e; 352B.26, subdivision 3; 353.01, subdivision

14; 353.03, subdivision 3a; 353.271, subdivision 2; 353.29, subdivision 6; 354.05, subdivision 7; 354.06, subdivision 2a; 354.07, subdivision 1; 354.42, subdivision 5; 354A.011, subdivision 3a; 354A.021, subdivision 7; 354A.33; 354A.41, subdivision 2; 356.20, subdivisions 3 and 4; 356.215, subdivisions 2, 3, 5, 6, and 7; 422A.01, subdivision 6; 422A.04, subdivision 3; 422A.06, subdivisions 2, 5, and 8; 422A.101, as amended; 422A.15, subdivisions 2 and 3; 422A.16, subdivisions 2 and 3a; 422A.17; 422A.23, subdivisions 6 and 7; 490.121, subdivision 20; 490.124, subdivision 11; Minnesota Statutes 1989 Supplement, sections 11A.18, subdivision 9; 136.82, subdivision 2; 352B.08, subdivision 3; 353.30, subdivision 3; 354.35; 354A.32, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3A, and 352C; repealing Minnesota Statutes 1989 Supplement, section 352.116, subdivision 4.

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. 1965, A bill for an act relating to health; providing exemptions from the infectious waste control act; requiring hospitals to accept certain infectious waste; modifying standards for ambulance drivers; requiring adoption of rules setting new standards for recertification of and upgrading to emergency care course certificates; increasing reimbursement for volunteers; establishing an emergency medical services advisory council; exempting ambulances from vehicle license fees, registration, and excise taxes; regulating the provision of special transportation services; providing a tax credit; requiring studies; increasing medical assistance rates for ambulance services; providing funding for prehospital education, continuing education, and equipment; establishing task forces for medical directors and advisers; establishing an incentive plan for ambulance service personnel; setting plan requirements; creating a loan forgiveness program for medical students; providing nursing scholarships; creating a loan forgiveness program for advanced practice nurses; providing funding for summer medical interns; encouraging rural medical school applicants; requiring a study of medical assistance reimbursement for rural physicians; increasing participation in the rural physicians associates program; creating a rural hospital planning and transition grant program; creating a rural hospital subsidy fund; clarifying requirements for medical assistance coverage of swing beds; requiring a study of rural health professionals; allowing counties authority to exceed levy limits; appropriating money and increasing the complement; amending Minnesota Statutes 1988, sections 136C.04, by adding a subdivision; and 176.011, subdivision 9; Minnesota Statutes 1989 Supplement,

sections 116.76, subdivision 9; 116.78, by adding subdivisions; 144.804, subdivision 1; 144.809; 144.8091; 168.012, subdivision 1; 168.013, subdivision 1a; 168.33, subdivision 7; 256B.0625, subdivision 2; and 297B.03; Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 136A; 144; 147; 148; 174; and 290; proposing coding for new law as Minnesota Statutes, chapter 353E.

Reported the same back with the following amendments:

Page 3, line 22, strike "all" and insert "basic life support equipment as required by rules adopted by the commissioner under section 144.804, subdivision 2"

Page 3, line 23, strike everything before the comma

Page 3, lines 25 to 31, delete the new language.

Page 4, after line 5, insert:

"Sec. 5. Minnesota Statutes 1989 Supplement, section 144.804, subdivision 7, is amended to read:

Subd. 7. [~~DRIVERS OF AMBULANCE SERVICE VEHICLES~~ AMBULANCES.] An ambulance service vehicle shall be staffed by a driver possessing a current Minnesota driver's license or equivalent and whose driving privileges are not under suspension or revocation by any state. If red lights and siren are used, the driver must also have completed training approved by the commissioner in emergency driving techniques. An ambulance transporting patients must be staffed by at least two persons who are trained according to ~~this section~~ subdivision 1, or section 144.809, one of whom may be the driver. A third person serving as driver shall be trained according to this subdivision."

Page 5, line 5, before the semicolon insert "as authorized in section 144.804, subdivision 7"

Page 14, after line 23, insert:

"Sec. 19. [STUDY OF RECRUITMENT AND RETENTION INDUCEMENTS.]

The commissioner of health, in consultation with the executive director of the public employees retirement association, shall study the need for recruitment and retention inducements for professional ambulance personnel in all areas of the state. The study must:

(1) examine both the feasibility of and the need for pensions,

lump-sum retirement benefits, and other recruitment and retention inducements;

(2) estimate potential utilization of pension and retirement plans and other inducements; and

(3) provide recommendations for eligibility standards, plan funding and benefits, and plan administration for a pension plan or retirement benefit for professional ambulance personnel. The commissioner of health shall present study findings and recommendations to the legislature by January 1, 1991."

Page 15, delete section 1

Page 15, line 22, delete "emergency medical" and insert "license"

Page 15, line 23, delete "services"

Page 15, line 23, delete "section" and insert "sections 4 and"

Page 15, line 28, delete "\$760,000" and insert "\$300,000"

Page 15, line 29, delete "emergency medical services" and insert "license"

Page 15, line 31, delete everything after the period

Page 15, delete lines 32 and 33

Page 15, lines 34 and 35, delete "emergency medical services" and insert "license"

Page 17, line 11, delete "fund" and insert "personnel account"

Page 17, delete lines 12 to 32 and insert:

"Sec. 4. Minnesota Statutes 1989 Supplement, section 171.06, subdivision 2, is amended to read:

Subd. 2. [FEES.] (a) The fees for a license and Minnesota identification card are as follows:

Classified Driver License	C- \$15 \$17	CC-\$19	B-\$26	A-\$34
Classified Under 21 D.L.	C- \$15 <u>\$17</u>		B-\$22.50	A-\$10
Instruction Permit				\$ 6
Duplicate Driver or Under 21 License				\$ 4.50
Minnesota identification card, except as otherwise provided in section 171.07, subdivisions 3 and 3a				\$ 9

Sec. 5. Minnesota Statutes 1988, section 171.26, is amended to read:

171.26 [MONEY CREDITED TO TRUNK HIGHWAY FUND AND TO GENERAL FUND.]

Two dollars from each fee for a class C and class C under-21 license must be transferred to the emergency medical services personnel account in the general fund. All other money received under the provisions of this chapter shall be paid into the state treasury with 90 percent of such money credited to the trunk highway fund, and ten percent credited to the general fund, except as provided in section 171.29, subdivision 2.

Page 22, line 10, delete the colon and insert "earn less than \$5,000 a year in hourly stipends or salary from service as an ambulance attendant or driver."

Page 22, delete lines 11 to 16

Page 22, line 36, delete "emergency medical services" and insert "license"

Page 22, line 36, delete "section" and insert "sections 4 and"

Page 23, line 6, delete the colon and insert a period

Page 23, line 20, delete everything after the period

Page 23, delete line 21

Page 23, line 22, delete everything before "The"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 1970, A bill for an act relating to health; establishing

standards for safe levels of lead; requiring education about lead exposure; requiring lead assessments of certain residences; establishing standards for lead abatement; requiring rules; amending Minnesota Statutes 1988, section 116.52, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1989 Supplement, sections 144.851 to 144.862.

Reported the same back with the following amendments:

Page 3, line 24, delete "analyses" and insert "results"

Page 4, line 35, delete "in" and insert "at"

Page 5, line 4, before "interior" insert "lead-containing"

Page 7, after line 3, insert:

"Subd. 4. [EXCEPTION FROM EMERGENCY RULE.] Notwithstanding the requirement in Minnesota Rules, part 4620.2300 [Emergency], subpart 2, item B, for abatement of intact paint that is in violation of lead standards in part 4620.2100 [Emergency], the commissioner shall not require abatement of intact lead-based paint that is not actually accessible to children as a chewable or lead-dust producing surface or as a source of actual lead exposure."

Page 7, delete lines 4 to 36

Page 8, delete lines 1 to 34

Page 8, line 35, delete "9" and insert "8"

Page 9, delete lines 9 and 10

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. 1976, A bill for an act relating to the military; authorizing appointment of an executive director of the department of military affairs; amending Minnesota Statutes 1988, section 190.08, by adding a subdivision.

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. 1977, A bill for an act relating to veterans; providing for an executive director appointed by the veterans homes board; amending Minnesota Statutes 1988, section 198.004.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 1987, A bill for an act relating to housing; establishing a procedure for the allocation of low-income housing tax credits; amending Minnesota Statutes 1988, sections 462A.221, by adding subdivisions; 462A.222, subdivisions 2, 3, and by adding a subdivision; and 462A.223, subdivision 2.

Reported the same back with the following amendments:

Page 3, line 14, delete "and in 1991 and thereafter," and after the period insert "After calendar year 1990, the agency shall allocate tax credits among eligible cities and counties based on the distribution plan established under section 7."

Page 3, line 32, after "the" insert "application"

Page 4, line 4, before the semicolon insert "which are affordable by households whose income does not exceed 30 percent of the median income"

Page 4, line 6, before the semicolon insert "and at least 25 percent contain three or more bedrooms"

Page 4, line 7, delete "100" and insert "at least 50"

Page 4, after line 28, insert:

"Sec. 7. Minnesota Statutes 1988, section 462A.222, is amended by adding a subdivision to read:

Subd. 4. [DISTRIBUTION PLAN.] (a) By October 1, 1990, the metropolitan council, in consultation with the agency and representatives of local government and housing and redevelopment authorities, shall develop and submit to the agency a plan for allocating tax credits in 1991 and thereafter in the metropolitan area, based on regional housing needs and priorities.

(b) By October 1, 1990, the agency, in consultation with representatives of local government and housing and redevelopment authorities, shall develop a plan for allocating tax credits in 1991 and thereafter in greater Minnesota, based on regional housing needs and priorities.

(c) In preparing the distribution plans, the metropolitan council and the agency shall estimate the number of households in the metropolitan area and in greater Minnesota, respectively, who are paying more than 50 percent of their income for rent and the cost of providing sufficient rental or other assistance so that no household pays more than 50 percent of its income for rent. In addition, the metropolitan council and the agency shall identify the nature and scope of existing programs which primarily serve families at 60 percent of the median income and individuals at 30 percent of the median income. In preparing the estimate, the metropolitan council and the agency shall rely on existing and available data and shall report the results to the legislature no later than January 31, 1991."

Page 5, line 13, delete "7" and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "a subdivision" and insert "subdivisions"

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. 1995, A bill for an act relating to public safety; regulating amusement rides; requiring safety inspections of amusement rides; providing penalties; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 184B.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Judiciary.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2001, A bill for an act relating to veterans; redefining "veteran"; amending Minnesota Statutes 1988, section 197.447.

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. 2002, A bill for an act relating to veterans; changing a provision prohibiting cemeteries near veterans homes; amending Minnesota Statutes 1988, section 137.20.

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 Financial Institutions and Housing to which was referred:

H. F. No. 2028, A bill for an act relating to commerce; exempting credit unions from certain requirements for closing agents; amending Minnesota Statutes 1989 Supplement, section 82.20, subdivision 15.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2043, A bill for an act relating to Ramsey county; setting

the terms of charter commission members; amending Minnesota Statutes 1988, section 383A.553, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 18, insert:

"Sec. 2. Minnesota Statutes 1988, section 383A.556, is amended to read:

383A.556 [EFFECTIVE DATE.]

If a majority of all the voters voting in the county at the election vote in favor of the proposed charter, it shall be adopted. If 51 percent of the votes cast on the proposition are in favor of the proposed charter, it shall be considered adopted. The charter shall take effect two years after the election. At that time the courts shall take judicial notice of the new charter and upon the election or appointment of officers under the charter the former officials of Ramsey county shall deliver to them all records, money, and other public property under their control."

Page 1, line 19, delete "2" and insert "3"

Amend the title as follows:

Page 1, line 3, after the semicolon insert "specifying majority for adoption of county charter;"

Page 1, line 4, delete "section" and insert "sections" and after "1" insert "; and 383A.556"

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. 2056, A bill for an act relating to public safety; making it a crime for a driver to flee a peace officer from another state into Minnesota; authorizing a peace officer of another state to enter Minnesota in fresh pursuit for misdemeanor offenses; authorizing the results of blood tests administered in another state into evidence at Minnesota civil and criminal trials; amending Minnesota Statutes 1988, section 609.487, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 626 and 634.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 609.487, subdivision 2, is amended to read:

Subd. 2. [PEACE OFFICER; DEFINITION.] For purposes of this section, "peace officer" means:

(1) an employee of a political subdivision or state law enforcement agency who is licensed by the Minnesota board of peace officer standards and training, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota state patrol and Minnesota conservation officers; or

(2) a member of a duly organized state, county, or municipal law enforcement unit of another state charged with the duty to prevent and detect crime and generally enforce criminal laws, and granted full powers of arrest.

Sec. 2. [626.71] [FRESH PURSUIT IN NONFELONY SITUATIONS.]

Subdivision 1. [DEFINITIONS.] As used in this section:

(1) "Fresh pursuit" means fresh pursuit as defined by the common law and includes the pursuit of a person who has committed or is reasonably believed to have committed a violation in the presence of the peace officer. Fresh pursuit does not necessarily imply instant pursuit, but pursuit without unreasonable delay;

(2) "Peace officer" means a member of a duly organized state, county, or municipal law enforcement unit; and

(3) "Violation" includes gross misdemeanors, misdemeanors, and traffic violations.

Subd. 2. [FRESH PURSUIT AUTHORITY.] A peace officer of another state who enters this state while on duty and in fresh pursuit, and who continues in fresh pursuit, of a person in order to arrest the person for a violation committed in the peace officer's presence, has the same authority to arrest and hold the person in custody as has any peace officer of this state if reciprocal fresh pursuit authority for that type of violation is extended to Minnesota peace officers by the pursuing officer's state.

Sec. 3. [626.72] [PEACE OFFICERS; TRANSPORTATION FOR LAW ENFORCEMENT PURPOSES.]

A peace officer, as defined in section 609.487, subdivision 2, clause (2), who enters this state to perform an assigned duty of transporting persons in legal custody for law enforcement purposes has the same authority to transport persons in legal custody as any member of any duly organized state, county, or municipal law enforcement unit of this state if a reciprocal right to transport persons in legal custody is extended to Minnesota peace officers by the peace officer's state or local jurisdiction.

Sec. 4. [634.30] [EVIDENCE OBTAINED IN FOREIGN JURISDICTIONS.]

Relevant evidence shall not be excluded in any criminal trial or hearing or in any proceeding arising under section 169.123 on the ground that it existed or was obtained outside of this state.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 3 are effective August 1, 1990, and apply to crimes committed on or after that date. Section 4 is effective August 1, 1990, and applies to trials and hearings beginning after that date."

Amend the title as follows:

Page 1, line 6, before "misdemeanor" insert "traffic and" and delete "results of blood"

Page 1, line 7, delete "tests administered" and insert "admissibility of relevant evidence obtained"

Page 1, line 8, after the semicolon insert "granting peace officers of other states the authority to transport persons in legal custody under certain circumstances;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 2057, A bill for an act relating to the city of Detroit Lakes; authorizing the establishment of a detached banking facility under certain conditions.

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. 2060, A bill for an act relating to agriculture; providing for mediation and arbitration of certain contract disputes; providing for recapture of capital investments required by certain agricultural contracts; clarifying responsibility of parent companies for affiliates; requiring good faith; prohibiting unfair practices; creating an ombudsman and a task force; proposing coding for new law in Minnesota Statutes, chapter 17.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [17.90] [DEFINITIONS.]

Subdivision 1. [CONTRACTOR.] “Contractor” means a person who buys farm products grown in this state or who contracts with a producer to grow farm products in this state.

Subd. 2. [AGRICULTURAL COMMODITY.] “Agricultural commodity” means any materials produced for but not limited to use in or as food, feed, seed, or fiber and includes but is not limited to crops for fiber, food, oilseeds, seeds, livestock, livestock products, poultry, poultry products, and other products or by-products of the farm produced for the same or similar use.

Subd. 3. [PRODUCER.] “Producer” means a person who produces or causes to be produced an agricultural commodity in a quantity beyond the person’s own family use and is able to transfer title to another or provides management, labor, machinery, facilities, or any other production input for the production of an agricultural commodity.

Sec. 2. [17.91] [MEDIATION; ARBITRATION.]

A contract for an agricultural commodity between a contractor and a producer must contain language providing for resolution of contract disputes by either mediation or arbitration. If there is a contract dispute, either party may make a written request to the commissioner for mediation or arbitration services as specified in the contract, to facilitate resolution of the dispute.

Sec. 3. [17.92] [RECAPTURE OF CAPITAL INVESTMENT REQUIRED BY AN AGRICULTURAL CONTRACT.]

(a) A contractor must not terminate or cancel a contract that requires a producer of agricultural commodities to make a large capital investment in buildings or equipment that cost \$100,000 or more and have a useful life of five or more years, unless:

(1) the producer has been given written notice of the intention to terminate or cancel the contract at least 180 days prior to the effective date of the termination or cancellation; and

(2) the producer has been reimbursed for the unamortized portion of an investment in buildings or equipment that were made for the purpose of meeting minimum requirements of the contract.

(b) If a producer fails to substantially comply with the material and reasonable provisions of a contract that requires a large capital investment, a contractor must not terminate or cancel that contract unless the contractor has given written notice with all the reasons for the termination or cancellation at least 90 days in advance of termination or cancellation, and the recipient of the notice fails to correct the reasons stated for termination or cancellation in the notice within 60 days of receipt of the notice.

(c) A notice under this section is effective immediately upon receipt if the alleged grounds for termination or cancellation are:

(1) voluntary abandonment of the contract relationship by the producer; or

(2) conviction of the producer of an offense directly related to the business conducted under the contract.

Sec. 4. [17.93] [PARENT COMPANY RESPONSIBILITY FOR CONTRACTS OF SUBSIDIARIES.]

Subdivision 1. [LICENSING.] If a contractor is required to obtain a license to purchase agricultural commodities, the licensing authority may require the parent company of a licensee subsidiary to guarantee payment or contract performance as a condition of licensing.

Subd. 2. [PARENT COMPANY LIABILITY.] If an agricultural contractor is the subsidiary of another corporation, partnership, or association, the parent corporation, partnership, or association is liable to a seller for the amount of any unpaid claim or contract performance claim if the contractor fails to pay or perform according to the terms of the contract.

Sec. 5. [17.94] [GOOD FAITH; UNFAIR TRADE PRACTICES.]

Subdivision 1. [GOOD FAITH.] There is an implied promise of good faith in all agricultural contracts. In an action to recover damages, if the court finds that there has been a violation of this provision, double damages, court costs, and attorneys' fees may be recovered.

Subd. 2. [UNFAIR TRADE PRACTICES.] The commissioner may adopt rules to implement sections 1 to 8 including the designation of specific trade practices determined to be unconscionable.

Sec. 6. [17.95] [DEPARTMENT OF AGRICULTURE OMBUDSMAN.]

A position is created in the department of agriculture to provide information, investigate complaints arising from this chapter, and provide or facilitate dispute resolutions.

Sec. 7. [17.96] [AGRICULTURAL PRODUCER LIEN.]

Subdivision 1. [GENERAL.] Starting on the date a producer delivers an agricultural commodity to a purchaser, the producer has a first priority statutory lien, referred to as an "agricultural producer lien." An agricultural producer lien continues until 30 days after payment for the product is due and remains unpaid, without filing a notice of lien, for the contract price, if any, or the fair market value of the agricultural commodity delivered. As an alternative to the lien the producer may demand the return of the agricultural commodity any time after payment becomes due but remains unpaid. The agricultural commodity lien attaches to the product delivered, the buyer's inventory, and accounts receivable. Grain, as defined in section 232.21, subdivision 7, milk, and purchases made by a marketing cooperative association are exempt from the provisions of this section.

Subd. 2. [FILING OF STATEMENT EVIDENCING LIEN CONTENTS; STANDARD FILING FORMS; FEES; PROCEDURES.] (a) A producer claiming an agricultural producer lien may file a statement evidencing the lien with the secretary of state after payment from the buyer is due and remains unpaid. Payment is due on the date specified in the contract, or if not specified, within 30 days from the time of delivery.

(b) The statement must be in writing and verified by the producer and must contain the following information:

(1) a true statement of the amount demanded after deducting all credits and offsets;

(2) the name of the purchaser who received the agricultural commodity to be charged with the lien;

(3) a description sufficient to identify the agricultural commodity to be charged with the lien;

(4) a statement that the amount claimed is a true and bona fide existing debt as of the date of the filing of the notice evidencing the lien; and

(5) the date on which payment was due for the agricultural commodity to be charged with the lien.

Subd. 3. [PRIORITY OF THE LIEN.] If a statement is filed within 30 days of the date upon which payment from the buyer is due and remains unpaid, the agricultural commodity lien evidenced by the statement continues its priority over all other liens or security interests upon agricultural commodities, inventory, and accounts receivable. Priority is without regard to whether the other liens or security interests attached before or after the date the agricultural commodity lien attached.

If the lien statement is not filed within 30 days of the date payment is due and remains unpaid the agricultural commodity lien becomes subordinate to:

(1) a lien that has attached to the agricultural commodity inventory or accounts receivable before the date on which the agricultural commodity lien attaches; and

(2) a perfected security interest in the agricultural commodity, inventory, or accounts receivable.

Subd. 4. [DURATION OF LIEN.] The agricultural commodity lien expires six months after the later of the date of attachment or filing, unless a suit to foreclose a lien has been filed before that time.

Subd. 5. [FORECLOSURE AND ENFORCEMENT OF LIEN; COSTS.] An agricultural commodity lien may be foreclosed and enforced by civil action in district court. In all suits to enforce an agricultural commodity lien, the court shall, upon entering judgment, allow to the prevailing party as a part of the costs all money paid for the filing and recording of the lien and reasonable attorney fees.

Sec. 8. [17.97] [AGRICULTURAL INPUT PREPAYMENTS.]

If a producer makes a prepayment for agricultural production inputs that include but are not limited to seed, feed, fertilizer, pesticides, or fuel for future delivery, the producer may demand a

letter of credit or bank guarantee to ensure reimbursement if delivery does not occur.

Sec. 9. Laws 1989, chapter 350, article 20, section 25, is amended to read:

Sec. 25. [FORAGE AND TURF SEED SPECIALIST; CROOKSTON CAMPUS.]

\$50,000 is appropriated from the general fund to the University of Minnesota for a crop management specialist on seed production of forage and turf species in northern Minnesota, and for supplies, services, and expenses related to the specialist's work. The specialist must be located at the Crookston campus of the university. This appropriation is available for the fiscal year biennium ending June 30, ~~1990~~ 1991.

Sec. 10. [APPROPRIATION.]

\$50,000 is appropriated to the commissioner of agriculture for purposes of the ombudsman under section 6 for the fiscal year ending June 30, 1991. The complement of the department of agriculture is increased by one position.

Delete the title and insert:

"A bill for an act relating to agriculture; providing for mediation and arbitration of certain contract disputes; providing for recapture of capital investments required by certain agricultural contracts; clarifying responsibility of parent companies for affiliates; requiring good faith; prohibiting unfair practices; creating an ombudsman and a task force; extending the availability of an appropriation for a crop management specialist in forage and turf species; appropriating money; amending Laws 1989, chapter 350, article 20, section 25; proposing coding for new law in Minnesota Statutes, chapter 17."

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. 2061, A bill for an act relating to agriculture; changing the definition of farm products; changing provisions related to wholesale produce dealers; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 17.14, subdivision 3; 27.01, subdivisions 2, 3, 5, 8, and by adding a subdivision;

27.03, subdivision 1, and by adding a subdivision; 27.04; 27.041; 27.05; 27.06; and 27.19; proposing coding for new law in Minnesota Statutes, chapter 27.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 17.14, subdivision 3, is amended to read:

Subd. 3. [FARM PRODUCTS.] The term “farm products” means and includes butter, milk, cream, butterfat, cheese, other dairy products, honey, eggs, poultry, poultry products, perishable fresh fruits and vegetables, and all livestock and products of livestock such as wool, mohair, hides, and meats.

Sec. 2. Minnesota Statutes 1988, section 27.01, subdivision 2, is amended to read:

Subd. 2. [PRODUCE.] The term “produce” includes:

- (a) Perishable fresh fruits and vegetables;
- (b) Milk and cream and products manufactured therefrom; and
- (c) Poultry and poultry products;
- (d) Wool and perishable unmatured feedstuffs.

Sec. 3. Minnesota Statutes 1988, section 27.01, subdivision 3, is amended to read:

Subd. 3. [PERSON.] The term “person” means an individual, firm, corporation, copartnership, or association, farmer, seller, or broker.

Sec. 4. Minnesota Statutes 1988, section 27.01, subdivision 5, is amended to read:

Subd. 5. [DUE DATE.] The term “Due date” means ten days from the date of delivery of produce by the seller to the licensee in the case of a sale; in all cases where.

If there is a contract between the seller and licensee, the licensee shall pay for produce that is delivered to the licensee at the time and in the manner specified in the contract with the seller. If the due date is not set by the contract, the licensee shall pay for the produce within ten days of the delivery or taking possession of the produce. A payment received after the date it is due must include payment of

12 percent annual interest prorated for the number of days past the due date. By January 31 of each year, a contractor shall pay for all farm products that were delivered by producers on or before December 31 of the previous year.

If produce is consigned, "due date" means ten days from the date the sale is made by the broker or handler, except as to milk processing plants, where the due date means 15 days following the monthly day of accounting subsequent to deliveries following the date fixed by each milk processing plant for such that accounting.

Sec. 5. Minnesota Statutes 1988, section 27.01, subdivision 8, is amended to read:

Subd. 8. [WHOLESALE PRODUCE DEALER.] (a) ~~The term~~ "Wholesale produce dealer" or "dealer at wholesale" includes:

(1) ~~Any~~ a person who buys or contracts to buy produce in wholesale lots for resale;

(2) ~~Any~~ a person engaging in the business of a broker or agent, who handles or deals in produce for a commission or fee;

(3) ~~Any~~ a truck owner or operator who buys produce in wholesale lots for resale; and

(4) ~~Any~~ a person engaged in the business of a cannery, food manufacturer, or food processor, ~~and~~ who purchases produce as a part of such that business.

(b) ~~The term~~ "Wholesale produce dealer" or "dealer at wholesale" does not include:

(1) ~~Any~~ a truck owner and operator who regularly engages in the business of transporting freight, including produce, for a transportation fee only, and who does not purchase, contract to purchase, or sell produce;

(2) ~~Any~~ a marketing cooperative association in which substantially all of the voting stock is held by patrons who patronize the association and in which at least 75 percent of the business of the association is transacted with member or stockholder patrons;

(3) ~~Any~~ a person who purchases, ~~and pays cash in full at the time of purchase,~~ Minnesota seasonally grown produce defined in subdivision 2, clause (a), and pays cash, including lawful money of the United States, a cashier's check, a certified check, or a bank draft;

(4) ~~Any~~ a person who handles and deals in only canned, packaged,

processed produce or packaged dairy products, ~~all of which are no longer deemed to be perishable; or~~

(5) retail merchants who purchase produce, defined in subdivision 2, directly from farmers, which in the aggregate does not exceed \$500 per month.

Sec. 6. Minnesota Statutes 1988, section 27.01, is amended by adding a subdivision to read:

Subd. 10. [SELLER.] "Seller" includes a farmer or licensed wholesale produce dealer, whether the owner of the produce or producing it for another person who holds title to it.

Sec. 7. Minnesota Statutes 1988, section 27.03, subdivision 1, is amended to read:

Subdivision 1. [LICENSE.] No person except a wool dealer shall engage in, or purport to be engaged in, or hold out as being engaged in, the business of a dealer at wholesale, or as being a dealer at wholesale, unless licensed and bonded to carry on such business by the commissioner.

Sec. 8. Minnesota Statutes 1988, section 27.03, is amended by adding a subdivision to read:

Subd. 3. [BROKERS.] (a) A licensee operating as a broker, upon negotiating the sale of farm products, shall issue to both buyer and seller a written memorandum of sale before the close of the next business day showing price, date of delivery, quality, and other details of the transaction.

(b) The memorandum required in paragraph (a) must have an individual identifying number printed upon it. Numbers must be organized and printed on the memoranda so that each memorandum can be identified and accounted for sequentially. Unused or damaged memoranda must be retained by the broker for accounting purposes.

(c) A licensee operating as a broker may not alter the terms of a transaction specified on the original memorandum of sale required in paragraph (a) without the consent of both parties to the transaction. Upon making a change, the broker is required to issue a clearly marked corrected memorandum of sale indicating the date and time when the adjustment or change was made. The broker shall transmit the corrected memorandum to both the buyer and seller before the close of the next business day.

Sec. 9. Minnesota Statutes 1988, section 27.04, is amended to read:

27.04 [APPLICATION FOR LICENSE.]

License to engage in the business of a dealer at wholesale within the state shall be issued by the commissioner to such reputable persons as apply therefor, pay the prescribed fee, and comply with the conditions herein specified.

The application shall be in writing, accompanied by the prescribed fee and under oath, and shall set forth the place or places where the applicant intends to carry on the business for which the license is desired, the estimated amount of business to be done monthly, the amount of business done during the preceding year, if any, the full names of the persons constituting the firm, in case the applicant is a copartnership, the names of the officers of the corporation and where incorporated, if a corporation, and a financial statement showing the value and character of the assets and the amount of liabilities of the applicant, the income and expenses for the most recent year, the names and addresses of all shareholders who own at least five percent of a corporate applicant's shares of stock, whether the applicant or any of its officers, partners, or agents have been involved in any litigation relating to the business of a wholesale produce dealer in the previous five years, and any other information relevant to the conduct of its business as a wholesale produce dealer in the previous five years, as the commissioner may require. If a contract is used in a transaction, a copy of that contract must also be submitted to the department.

Financial data required of an applicant under this section is classified as private data with regard to data on individuals and as nonpublic data with regard to data not on individuals under Minnesota Statutes, section 13.02.

Applications shall be filed annually to be reviewed semiannually periodically. Upon special order, the commissioner may require persons engaged in the business of a dealer at wholesale to file at the time and in the manner the commissioner directs, sworn or unsworn reports or answers in writing to specific questions on any matter which the commissioner may investigate.

For the purposes of this section, the commissioner or the commissioner's authorized agents shall have authority to audit and review any records relating to the financial condition of any dealer at wholesale or any transactions between such dealer and those entitled to the protections of this chapter, if such records are in the possession of or under the care, custody, or control of such dealer or the dealer's authorized agent. No person shall willfully make any false entries or statements or fail to make full and true entries and statements in any report, answer required, document demanded under this section. No person shall remove from the state, mutilate, or alter any document relevant to any investigation, hearing, or proceeding conducted under chapter 27.

Sec. 10. Minnesota Statutes 1988, section 27.041, is amended to read:

Subdivision 1. [BONDS.] The applicant required to be bonded shall execute and file with the commissioner a surety bond to the state of Minnesota to be approved by the commissioner, the amount, form, and effective date to be fixed by the commissioner with the maximum not to exceed ~~\$500,000~~ \$1,000,000. In lieu of said surety bond the commissioner may accept a duly executed letter of credit. Said bond or letter of credit shall be conditioned on the faithful performance of the applicant's duties as a dealer at wholesale including: (1) the observance of all laws relating to the carrying on of the business of a dealer at wholesale; (2) the payment when due of the purchase price of produce purchased by the applicant when notice of default is given the commissioner within 40 days after the due date, unless it appears to the commissioner that a voluntary extension of credit has been given on the produce by the seller to the licensee beyond the due date; (3) the prompt settlement and payment of all claims and charges due the state for services rendered or otherwise; (4) the prompt reporting of sales as required by law to all persons consigning produce to the licensee for sale on commission, and; (5) the prompt payment to the persons entitled thereto of the proceeds of the sales, less lawful charges, disbursements, and commissions. The bond shall cover all wholesale produce business subject to the protection outlined in section 27.001 which is: (1) transacted within this state; or (2) transacted in part within this state and in part within the states and provinces contiguous with this state and sold by Minnesota producers.

Subd. 2. [LICENSES.] The license, or a certified copy of the license, must be kept posted in the office of the licensee at each place within the state where the licensee transacts business. No licensed dealer shall appoint, delegate, or authorize a person, firm, or company to purchase produce unless a certified copy, identification card, or truck decal has been issued at the request of the licensee to that person, firm, or company acting as the licensee's buyer or agent. Every license shall expire June 30 following its issuance and thereafter be renewed July 1 each year. Any license issued under this subdivision is automatically void upon the termination of the surety bond covering the licensed operation. The fee for each license shall be based on the following schedule:

License Fee	Penalty for Late Renewal	Dollar Volume of Business
\$30	\$10	\$10,000 or less per month
\$60	\$15	Over \$10,000 to \$50,000 per month
\$300	\$75	Over \$50,000 to \$100,000 per month
\$400	\$100	Over \$100,000 per month

include a \$50 registration fee and .025 percent of the total annual dollar amount of produce purchased the previous year subject to this chapter. Fees may not exceed \$1,500 per license. In addition, a fee of \$20 shall be charged for each certified copy of a license, \$5 for each license identification card, and \$5 \$10 for each license identification truck decal. The commissioner shall make appropriate license fee adjustments for up to one year from July 1, 1975, for persons required to be licensed hereunder, who hold validly issued licenses as of the effective date of Laws 1975, chapter 227 under the provisions of law amended or repealed herein. A penalty amounting to ten percent of the fees then due must be imposed by the commissioner for each month for which the fees are delinquent. The amounts received by the commissioner must be deposited with the state treasurer and constitute a separate account in the state treasury known as the "wholesale produce dealer account." The wholesale produce dealer account is annually appropriated to the commissioner to be used to defray the cost of administering and enforcing sections 27.001 to 27.06, and sections 27.11 to 27.19.

A licensee who sells, disposes of, or discontinues the licensee's business during the lifetime of a license shall at the time the action is taken, notify the commissioner in writing, and upon demand produce before the commissioner a full statement of all assets and liabilities as of the date of transfer or discontinuance of the business.

Money collected from license fees shall be deposited in the state treasury.

Sec. 11. Minnesota Statutes 1988, section 27.05, is amended to read:

27.05 [ADDITIONAL BONDS; TRUST.]

Subdivision 1. [BONDS.] The commissioner, when of the opinion that any bond theretofore given by any licensee is inadequate for the proper protection of the public, may require the licensee to give additional bonds in such amounts as from time to time the commissioner may determine and direct, with sureties to be approved by the commissioner, and conditioned as set forth in section 27.04. For the purpose of fixing or changing the amount of such bonds, the commissioner may require from a licensee verified statements of the licensee's business. Failure of the licensee to furnish such information or to give a new or additional bond is cause for suspension of the licensee's license for as long as the failure continues, or revocation of the license, on ten days' notice to the licensee and opportunity to be heard. Where the public interest requires it the commissioner may suspend the license after such notice pending hearing and decision.

Subd. 2. [WHOLESALE PRODUCE DEALERS' TRUST.] In order to satisfy outstanding obligations to unpaid sellers, wholesale

produce dealers shall maintain certain assets in trust so that the assets are freely available to satisfy outstanding obligations.

The trust is made up of produce received in all transactions, all inventories of produce or other products derived from the produce, and all receivables or proceeds from the sale of the produce and food or products derived from it. Trust assets are to be preserved as a nonsegregated floating trust. Commingling of trust assets is contemplated.

Subd. 3. [TRUST BENEFITS.] If a seller who has met the eligibility requirements of the due date, as defined in section 27.01, transfers ownership, possession, or control of goods to a wholesale produce dealer, it automatically becomes eligible to participate in the trust. Participants who preserve their rights to benefits within 40 days past the due date remain beneficiaries until they are paid in full.

Wholesale produce dealers acting on behalf of others have the duty to preserve their principals' rights to trust benefits by filing timely written notice with their customers and with the commissioner within 40 days past the due date.

Subd. 4. [FILING NOTICE OF INTENT TO PRESERVE TRUST BENEFITS.] Notice of intent to preserve benefits under a trust must be in writing, given to the debtor, and filed with the commissioner within 40 days after the due date. Timely filing of a notice of intent to preserve trust benefits by a trust beneficiary has been made if written notice is given to the debtor and filed with the commissioner within 40 days after the due date. An appropriate notice of intent to preserve trust benefits must be in writing, must include the statement that it is a notice of intent to preserve trust benefits, and must include information establishing for each shipment: (1) the names and addresses of the trust beneficiary, seller, and debtor, as applicable; (2) the date of the transaction commodity, contract terms, invoice price, and the date payment was due; (3) the date of receipt of notice that a payment instrument has been dishonored, if appropriate; and (4) the amount past due and unpaid.

Sec. 12. [27.055] [MEDIATION; ARBITRATION.]

A contract for produce between a buyer and a seller must contain language providing for resolution of contract disputes by either mediation or arbitration. If there is a contract dispute, either party may make a written request to the department for mediation or arbitration, as specified in the contract to facilitate resolution of the dispute.

Sec. 13. Minnesota Statutes 1988, section 27.06, is amended to read:

27.06 [COMPLAINTS TO COMMISSIONER, HEARING; ACTION ON BOND.]

Any person claiming to be damaged by any breach of the conditions of a bond given by a licensee, as herein provided, may enter complaint thereof to the commissioner within 40 days after the due date, which complaint shall be a written statement of the facts constituting the complaint. Upon filing the complaint in the manner herein provided, the commissioner shall investigate the charges made and may have the matter heard as a contested case pursuant to chapter 14. No hearing shall be required if all affected parties to a bond claim proceeding waive their right to a hearing and agree to accept the commissioner's determination as to the validity of the claims and the allocation of the proceeds of the bond, if an affected party requests one.

Sec. 14. [27.065] [PARENT COMPANY LIABILITY.]

If a wholesale produce dealer is a subsidiary of another corporation, partnership, or association, the parent corporation, partnership, or association is liable to a seller for the amount of any unpaid claim or contract performance claim if the wholesale produce dealer fails to pay or perform according to the terms of the contract and this chapter.

Sec. 15. Minnesota Statutes 1988, section 27.19, is amended to read:

27.19 [VIOLATIONS, PENALTIES.]

Subdivision 1. [UNLAWFUL ACTS.] Any It is unlawful for a person subject to the provisions of this section and sections 27.01 to 27.15 who shall to:

(1) operate or advertise to operate as a dealer at wholesale without a license; or

(2) make any false statement or report as to the grade, condition, markings, quality, or quantity of produce, as defined in section 27.069, received or delivered, or act in any manner so as to deceive the consignor or purchaser thereof; or

(3) refuse to accept any shipment contracted for by the person, unless such refusal is based upon the showing of a state inspection certificate secured with reasonable promptness after the receipt of such shipment showing that the kind and quality of produce, as defined in section 27.069, is other than that purchased or ordered by the person; or

(4) fail to account for produce or to make settlement therefor

within the time herein limited; or ~~who shall~~ violate or fail to comply with the terms or conditions of any contract entered into by the person for the purchase or sale of produce; or

(5) purchase for the person's own account any produce received on consignment, either directly or indirectly, without the consent of the consignor; or

(6) issue any false or misleading market quotations, or ~~who shall~~ cancel any quotations during the period advertised by the person; or

(7) increase the sales charges on produce shipped to the person by means of "dummy" or fictitious sales; or

(8) receive decorative forest products and the products of farms and waters from foreign states or countries for sale or resale, either within or without the state, and give the purchaser the impression, through any method of advertising or description, that the produce is of Minnesota origin; or

(9) Whoever shall violate any provisions of this section and sections 27.01 to 27.15, or any rule made or published thereunder by the commissioner, shall be guilty of a misdemeanor and the person's license may be forthwith suspended, revoked, or canceled by the commissioner, upon ten days notice and opportunity to be heard; but, upon conviction of any such offense, or upon conviction in any federal court for violation of the federal statutes relative to the fraudulent use of the mails, or conviction in any court of other criminal acts under any federal food or drug statute, or any statute of this state administered by the commissioner of agriculture, pertaining to the conduct of the person's business, the commissioner may forthwith revoke and cancel the license of the person so convicted. Each day a person violates any provisions of this section and sections 27.01 to 27.15, or any rule published thereunder by the commissioner, shall constitute a separate offense. fail to notify in writing all suppliers of produce of the protection afforded to suppliers by the person's licensee bond including the following: bond amount; section 27.041, subdivision 1, clause (2), notice requirements; and any other conditions of the bond;

(10) make any false statement to the commissioner on an application for license or bond or in response to written questions from the commissioner regarding the license or bond;

(11) discriminate between different sections, localities, communities, or cities, or between persons in the same community, by purchasing produce from farmers of the same grade, quality, and kind, at different prices, except that price differentials are allowed if directly related to the costs of transportation, shipping, and handling of the produce. A person is allowed to meet the prices of a competitor in good faith, in the same locality for the same grade,

quality, and kind of produce. A showing of different prices by the commissioner is prima facie evidence of discrimination; or

(12) fail to pay for all crops grown under contract regardless of the quality or maturity of the produce.

Subd. 2. [PENALTIES.] (a) A person who violates this chapter or rules adopted under this chapter may be assessed a civil penalty not to exceed \$500 per violation. In addition, that person's license may be suspended, revoked, or canceled by the commissioner, upon ten days' notice and opportunity to be heard. Action under this subdivision is civil in nature.

(b) A person who willfully violates this chapter or rules adopted under this chapter is guilty of a misdemeanor. Upon conviction, or upon conviction in a federal court for violation of the federal statutes relative to fraudulent use of the mails or in any court of other criminal acts under a federal food or drug statute or a statute of this state administered by the commissioner of agriculture pertaining to the conduct of the person's business, the commissioner may immediately revoke and cancel the license of the person convicted, without further hearing.

(c) A separate violation occurs with respect to each different person involved, each different product involved, each purchase or transaction involved, and each false statement.

Subd. 3. [SETTLEMENTS.] The commissioner or the commissioner's authorized representative may enter into a written agreement with a person in settlement of an alleged violation whether or not a hearing is held. An agreement must be construed as a "no contest" pleading and may encompass any sanctions, penalties, or affirmative actions that are mutually satisfactory and are consistent with the intent and purpose of this chapter. The agreement is final and conclusive with respect to the action, except upon a showing of fraud or malfeasance or misrepresentation of a material fact. The matter agreed upon in the agreement may not be reopened or modified by an officer, employee, or agent of the state. In an action, suit, or proceeding, the agreement and any determination or payment made under the agreement is final and conclusive and may not be annulled, modified, set aside, or disregarded. A civil penalty amount received by the commissioner under this section must be deposited in the wholesale produce dealer account.

Subd. 4. [SEIZURE OF VEHICLES.] A person doing business in this state who does not have a business location in this state and who is not licensed as required by this chapter may have the person's vehicles or the vehicles of the person's agents or contractors seized by the commissioner after a hearing in Ramsey county district court. If a person required to comply with this chapter fails to appear, without just cause, or the person appears and is in

violation of this chapter, the court shall order the commissioner to seize the vehicles.

Subd. 5. [DOUBLE DAMAGES.] A person injured by a person doing business in this state as a wholesale produce dealer who is not licensed under this chapter or whose license has been suspended or revoked by the commissioner, may in an action recover double the amount of damages sustained.

There is an implied promise of good faith between producers and buyers. In an action to recover damages, if there is a finding that there has been a violation of this provision, double damages may be recovered, as well as court costs and attorneys fees."

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. 2090, A bill for an act relating to highways; naming and designating as Moberg Trail that portion of Constitutional Route No. 46 located within Chisago county; amending Minnesota Statutes 1988, section 161.14, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 13, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after final enactment."

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. 2092, A bill for an act relating to natural resources; prohibiting transportation of Eurasian milfoil; providing exceptions; proposing coding for new law in Minnesota Statutes, chapter 18.

Reported the same back with the following amendments:

Page 1, line 7, delete "18.317" and insert "84.0922"

Page 1, line 10, after the second comma insert "or other aquatic vegetation"

Page 1, line 11, after the second comma insert "or other aquatic vegetation"

Page 1, line 12, delete "out of" and insert "away from"

Page 1, line 14, after the second comma insert "or other aquatic vegetation"

Page 1, line 18, after "97A.211" insert "or peace officers under authority of existing law"

Amend the title as follows:

Page 1, line 5, delete "18" and insert "84"

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 2097, A resolution memorializing the President and Congress to reauthorize the low-income home energy assistance program and to increase its appropriation for fiscal year 1991 and subsequent years.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2105, A bill for an act relating to buildings; changing the definition of public building in the state building code; ratifying the interstate compact on industrialized/modular buildings; amending

Minnesota Statutes 1989 Supplement, section 16B.60, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 16B.

Reported the same back with the following amendments:

Page 1, line 13, reinstate the stricken "or" and delete the first comma and delete "or a school district" and insert "regardless of the cost, and any school district building project, the cost of which is \$100,000 or more"

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. 2116, A bill for an act relating to nonprofit corporations; regulating amendments to the articles; requiring approval by the directors and members with voting rights; amending Minnesota Statutes 1989 Supplement, section 317A.133, subdivision 2.

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 Financial Institutions and Housing to which was referred:

H. F. No. 2117, A bill for an act relating to housing; providing for the administration of section 8 existing housing and low-rent public housing programs; clarifying and limiting local approval requirements; removing the exemption for special assessments for housing and redevelopment authorities; providing for the transfer of housing and housing development projects to an economic development authority; amending Minnesota Statutes 1988, sections 469.002, subdivision 10, and by adding a subdivision; 469.004, subdivision 5; 469.005, subdivision 1; 469.012, subdivision 3; 469.016; 469.040, subdivisions 1 and 3; 469.094, subdivisions 1 and 2; and 473.195, subdivision 1; and Minnesota Statutes 1989 Supplement, section 469.012, 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.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 2124, A bill for an act relating to traffic regulations; requiring brakes on certain vehicles weighing 3,000 pounds or more; amending Minnesota Statutes 1988, section 169.67, subdivision 3; Minnesota Statutes 1989 Supplement, section 169.67, subdivision 4.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 168.011, subdivision 8, is amended to read:

Subd. 8. [MANUFACTURED HOME; PARK TRAILER; TRAVEL TRAILER.] (a) "Manufactured home" has the meaning given it in section 327.31, subdivision 6.

(b) "Park trailer" means a trailer 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; and

(2) is used as temporary living quarters.

"Park trailer" does not include a manufactured home.

(c) "Travel trailer" means a trailer, mounted on wheels, that:

(1) is designed to provide temporary living quarters during recreation, camping, or travel;

(2) does not require a special highway movement permit based on its size or weight when towed by a motor vehicle; and

(3) has a gross trailer area of less than 320 square feet; and

(4) does not exceed eight feet in width.

(d) "Gross trailer area" is the total plan area of a travel trailer measured to the maximum horizontal projection of exterior walls when in the set-up mode, but not including the area of that portion of the body of a fifth wheel trailer that is raised to extend over the towing vehicle and has a ceiling height of less than five feet

(3) complies with sections 169.80, subdivision 2, and 169.81, subdivision 2."

Page 1, line 11, strike "of" and insert "with"

Page 1, line 12, strike "of" and before "3,000" insert "that is" and after "more" insert "or exceeds the empty weight of the towing vehicle"

Page 2, line 26, after the second "any" insert "trailer or"

Page 3, after line 4, insert:

"Sec. 4. [BACK-UP SAFETY DEVICE STUDY.]

The commissioner of public safety, in consultation with affected trucking organizations and other interested parties, shall study the feasibility of requiring the installation on trucks of devices that would increase the level of safety when a truck is backing up, including but not limited to, convex mirrors and audible signals. The commissioner shall report to the chairs of the transportation committees of the senate and house of representatives on the results of the study by January 15, 1991."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon insert "changing allowed dimensions of travel trailers;"

Page 1, line 6, delete "section" and insert "sections 168.011, subdivision 8; and"

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. 2131, A bill for an act relating to crimes; prohibiting wild land arson fires; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Reported the same back with the following amendments:

Page 1, line 7, delete "which" and insert "that"

Page 1, line 12, delete "an unauthorized" and insert "a" and after "fire" insert "not authorized under subdivision 5"

Page 1, line 13, delete "on land"

Page 1, delete line 14

Page 1, line 15, delete "combustible material" and delete everything after "a" and insert "crime and shall be sentenced as provided in subdivision 6."

Page 1, delete line 16

Page 1, line 20, delete "an unauthorized" and insert "a" and after "fire" insert "not authorized under subdivision 5"

Page 1, line 21, delete everything after "wildfire" and insert "is guilty of a crime and shall be sentenced as provided in subdivision 6."

Page 1, delete lines 22 and 23

Page 2, line 13, delete "subdivisions" and insert "subdivision" and delete "and" and insert "or" and delete everything after "3" and insert "shall be sentenced as provided in section 609.576."

Page 2, delete lines 14 and 15

Page 2, line 17, delete everything after "effective" and insert "August 1, 1990, and applies to crimes committed on or after that date."

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. 2134, A bill for an act relating to elections; changing the vote margin for an automatic recount at the state primary or general election; amending Minnesota Statutes 1988, section 204C.35, subdivision 1.

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. 2138, A bill for an act relating to veterans; requiring two members of the board of directors of the Minnesota veterans homes to be women; directing the commissioner of veterans affairs to study the provision of veterans services to women; amending Minnesota Statutes 1988, section 198.002, subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2147, A bill for an act relating to retirement; establishing a maximum monthly benefit for the surviving spouse and dependent children of basic pension plan members; amending Minnesota Statutes 1988, section 353.31, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2148, A bill for an act relating to state employees, public employees, and teachers; providing immediate vesting for those persons whose employer ceases to be a governmental agency, instrumentality, subdivision, or public body; permitting those persons to elect a refund of their accumulated contributions, retirement annuity, or deferred retirement annuity; proposing coding for new law in Minnesota Statutes, chapter 356.

Reported the same back with the following amendments:

Page 2, delete lines 11 to 14

Page 2, line 16, delete "July" and insert "January"

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2156, A bill for an act relating to counties; regulating performance bonds; amending Minnesota Statutes 1988, section 375.21, subdivision 1.

Reported the same back with the following amendments:

Page 2, lines 4 to 6, reinstate the stricken language

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. 2163, A bill for an act relating to minimum wages; defining the term "employee" to exclude certain seasonal children's resident or day camp employees; amending Minnesota Statutes 1988, section 177.23, subdivision 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. 2173, A bill for an act relating to veterans; exempting the veterans homes board from the contested case provisions of the administrative procedure act; amending Minnesota Statutes 1988, section 14.03, subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2189, A bill for an act relating to taxation; property;

clarifying employment terms of city and town assessors; amending Minnesota Statutes 1988, section 273.05, subdivision 1.

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. 2202, A bill for an act relating to education; allowing the board of teaching to grant variances to its rules in certain cases; amending Minnesota Statutes 1988, section 125.185, 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.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2207, A bill for an act relating to natural resources; increasing the watershed administrative fund limit; establishing a natural resource protection fund; amending Minnesota Statutes 1988, section 112.61, by adding a subdivision; Minnesota Statutes 1989 Supplement, section 112.61, subdivision 3.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 2211, A bill for an act relating to transportation; exempting fertilizer and agricultural chemical retailers from certain regulations on transporting hazardous materials; amending Minnesota Statutes 1988, section 221.033, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 26, delete everything after "are"

Page 2, delete lines 1 to 3

Page 2, line 4, delete everything before "when" and insert "exempt from the requirement that drivers must be at least 21 years of age"

Page 2, line 6, after "use" insert "within a radius of 50 miles of the retailer's business location, provided that those retailers and employees who are drivers must be at least 18 years of age"

Page 2, after line 6, insert:

"Sec. 2. Minnesota Statutes 1989 Supplement, section 221.031, subdivision 2a, is amended to read:

Subd. 2a. [AGRICULTURAL EXEMPTIONS.] (a) Notwithstanding the provisions of subdivision 2, private carriers engaged in intrastate commerce and operating vehicles transporting agricultural and other farm products within an area having a 50-mile radius from the business location of the private carrier must comply only with the commissioner's rules for driver qualifications, safety of operations and equipment, except as provided in paragraph (b).

(b) A rear-end dump truck or other rear-unloading truck while being used for hauling agricultural and other farm products from a place of production or on-farm storage site to a place of processing or storage, is not subject to any rule of the commissioner requiring rear-end protection, including a federal regulation adopted by reference."

Amend the title as follows:

Page 1, line 4, after the semicolon insert "making certain private carriers subject to driver qualification rules;"

Page 1, line 6, before the period insert "; Minnesota Statutes 1989 Supplement, section 221.031, subdivision 2a"

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. 2219, A bill for an act relating to state parks; renaming Helmer Myre and Nerstrand Woods state parks; amending Minnesota Statutes 1988, section 85.012, subdivisions 27 and 45.

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. 2222, A bill for an act relating to crimes; making it a crime to obtain telecommunication services by fraud; requiring forfeiture of telecommunication devices used for fraudulent purposes; prescribing penalties; amending Minnesota Statutes 1988, section 609.89, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609.

Reported the same back with the following amendments:

Page 1, after line 9, insert:

“Section 1. Minnesota Statutes 1988, section 609.87, subdivision 3, is amended to read:

Subd. 3. [COMPUTER.] “Computer” means an electronic device which performs logical, arithmetic ~~and~~ or memory functions by the manipulations of signals, including but not limited to electronic or magnetic impulses.

Sec. 2. Minnesota Statutes 1988, section 609.87, subdivision 5, is amended to read:

Subd. 5. [COMPUTER NETWORK.] “Computer network” means the interconnection of a communication system with a computer through a remote terminal, or with two or more interconnected computers or computer systems, and includes private and public telecommunications networks.”

Page 1, lines 16 and 17, delete the new language

Page 1, after line 19, insert:

“(b) Intentionally exceeds authorized access of any computer, computer system, computer network, or any part thereof for the purpose of obtaining services or property; or”

Page 1, line 20, strike “(b)” and insert “(c)”

Page 1, line 26, delete “2 to 6” and insert “4 to 8”

Page 2, line 3, delete “2 to 6” and insert “4 to 8”

Page 2, line 20, delete the first "4" and insert "6"

Page 2, line 22, after the second comma insert "identification validation system."

Page 3, line 7, delete "6" and insert "8"

Page 3, lines 17 to 18, delete "in a fraudulent manner"

Page 4, lines 9, 12, 22, and 26, delete "4" and insert "6"

Page 4, line 24, after the period insert "Notice of the complaint shall be given and a hearing on the issuance of a temporary restraining order shall be held as provided in Rule 65 of the rules of civil procedure."

Page 4, line 29, delete everything after the period

Page 4, delete lines 30 to 34

Page 5, lines 1, 9, 20, and 33, delete "4" and insert "6"

Page 6, lines 4 and 21, delete "4" and insert "6"

Page 7, line 1, delete "4" and insert "6"

Page 7, line 6, delete "6" and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "section" and insert "sections 609.87, subdivisions 3 and 5; and"

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. 2223, A bill for an act relating to trusts; changing certain trust requirements; abolishing the common law rule against perpetuities; amending Minnesota Statutes 1989 Supplement, sections 501B.09, by adding a subdivision; 501B.46; 501B.65, subdivision 2; 501B.67, subdivision 1; 501B.68; 501B.69; 501B.72, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 501B;

repealing Minnesota Statutes 1988, sections 501A.01; 501A.02; 501A.03; 501A.04; and 501A.07; Minnesota Statutes 1989 Supplement, sections 501A.05; and 501A.06.

Reported the same back with the following amendments:

Page 1, after line 13, insert:

“Section 1. Minnesota Statutes 1989 Supplement, section 501A.05, is amended to read:

501A.05 [PROSPECTIVE APPLICATION.]

(a) Except as extended by subsection (b), sections 501A.01 to 501A.07 apply to a nonvested property interest or a power of appointment that is created after December 31, ~~1990~~ 1991. For purposes of this section, a nonvested property interest or a power of appointment created by the exercise of a power of appointment is created when the power is irrevocably exercised or when a revocable exercise becomes irrevocable..

(b) If a nonvested property interest or a power of appointment was created before January 1, ~~1991~~ 1992, and is determined in a judicial proceeding, commenced after December 31, ~~1990~~ 1991, to violate this state's rule against perpetuities as that rule existed before January 1, ~~1991~~ 1992, a court upon the petition of an interested person may reform the disposition in the manner that most closely approximates the transferor's manifested plan of distribution and is within the limits of the rule against perpetuities applicable when the nonvested property interest or power of appointment was created.”

Page 1, delete section 2

Page 1, delete line 27, and insert:

“(a) Except as provided in paragraph (c), if the assets of”

Page 2, delete line 7, and insert:

“(b) Except as provided in paragraph (c), if the assets of”

Page 5, delete section 9

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after "sections" insert "501A.05;"

Page 1, line 7, delete "; proposing" and insert a period

Page 1, delete lines 8 to 12

With the recommendation that when so amended the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2228, A bill for an act relating to state government; creating an advisory commission on intergovernmental relations; amending Minnesota Statutes Second 1989 Supplement, section 3.885, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapter 15; repealing Minnesota Statutes Second 1989 Supplement, section 3.885, subdivision 1a.

Reported the same back with the following amendments:

Page 8, line 7, after "agencies" insert "and legislative research staff"

Page 8, after line 19, insert:

"Sec. 4. [CERTAIN STUDIES.]

The commission shall study the issue of a unified planning act, including proposals introduced in the legislature, that authorizes counties, home rule charter and statutory cities, and towns to plan and zone under one act applicable to these classes of government. The commission shall report its findings to the chair of the local government and metropolitan affairs committee of the house of representatives and the chair of the local and urban government committee of the senate on or before February 1, 1991. The report may be in the form of proposed legislation."

Page 8, line 20, delete "4" and insert "5"

Page 8, line 23, delete "5" and insert "6"

Page 8, line 24, delete "4" and insert "5"

Amend the title as follows:

Page 1, line 3, after the semicolon insert "requiring a study of a unified planning act and a report to the legislature;"

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. 2229, A bill for an act relating to state lands; requiring condemnation and sale of certain trust lands constituting lakeshore lots; authorizing a bond issue to establish a revolving fund to finance acquisitions; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 92; repealing Minnesota Statutes 1988, section 92.67.

Reported the same back with the following amendments:

Page 1, line 19, after "all" insert "platted"

Page 1, line 20, delete "constitute" and insert "contain"

Page 2, line 9, after "percent" insert "and, in addition, costs associated with the sale such as court costs, legal services, and costs of appraisal, but in an amount not to exceed \$1,000. As to any platted lakeshore lots leased under section 92.46 that are not located on trust fund land, the commissioner of natural resources shall offer the lots for sale to the lessee thereof at a price which represents the appraised value, as determined by the commissioner, plus five percent and, in addition, costs associated with the sale such as legal services and costs of appraisal, but in an amount not to exceed \$1,000"

Page 3, line 16, after "1" insert "plus the five percent additional charge per lot required by section 1, subdivision 2, together with costs of condemnation such as court costs, legal services, and costs of appraisal"

Page 3, line 17, before "lakeshore" insert "trust fund land"

Page 3, line 18, after the period insert "Proceeds of all sales of nontrust fund land lakeshore lots under section 1 shall be deposited in the account where money from the sale of the particular class of land is required to be deposited."

Page 3, after line 20, insert:

"Sec. 4. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, after the semicolon insert "requiring the sale of certain nontrust lands constituting lakeshore lots;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Education.

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 2234, A bill for an act relating to housing; authorizing guarantees, requiring limits, and regulating securities relating to certain home loans; amending Minnesota Statutes 1988, sections 462A.21, subdivision 9; and 475.66, subdivision 3; Minnesota Statutes 1989 Supplement, sections 462A.05, subdivision 34; and 462A.057, subdivision 7; and Laws 1989, chapter 335, article 1, section 27, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1988, section 116J.980, is amended by adding a subdivision to read:

Subd. 3. [APPROVAL REQUIRED FOR HOUSING RELATED GRANTS.] The commissioner or the department may not award a housing related grant under the small cities community development block grant program unless the grant application under section 116J.401 has been reviewed and approved by the commissioner of the Minnesota housing finance agency under section 4."

Page 1, line 14, delete "guarantee" and insert "make a forward commitment to purchase"

Page 2, after line 19, insert:

"Sec. 4. [462A.075] [REVIEW AND APPROVAL OF GRANTS UNDER THE SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.]

The commissioner of the Minnesota housing finance agency must review and approve all housing related grant applications for the small cities community development block grant program under section 116J.401. The commissioner must consider whether the following goals are met in reviewing and approving the projects for which the application for a grant has been made:

(1) the project furthers the housing needs of low and moderate income individuals and families;

(2) the project meets the mission and goals of the agency's most recent affordable housing plan;

(3) there is a demand in the community or surrounding area for the specific type of housing that is part of the project;

(4) the grant application does not directly duplicate any specific request for funding made to the agency;

(5) the project leverages private sources of funding or other public sources of funding;

(6) the proposed grant may be used to increase the viability of projects under consideration by the agency for funding from the housing development fund and housing trust fund; and

(7) the project conforms with an existing housing plan required under section 462C.03 if the application is from a local government unit that has adopted a housing plan.

Sec. 5. Minnesota Statutes 1989 Supplement, section 462A.21, subdivision 8b, is amended to read:

Subd. 8b. [FAMILY RENTAL HOUSING.] It may establish a family rental housing assistance program to provide loans or direct rental subsidies for housing for families with incomes of up to 60 percent of area median income. Priority must be given to those developments with resident families with the lowest income. The development may be financed by the agency or other public or private lenders. Direct rental subsidies must be administered by the agency for the benefit of eligible families. Financial assistance provided under this subdivision to recipients of aid to families with dependent children must be in the form of vendor payments whenever possible. Loans and direct rental subsidies under this subdivision may be made only with specific appropriations by the legislature. The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans for the rehabilitation of existing housing under this subdivision.

Sec. 6. Minnesota Statutes 1989 Supplement, section 462A.21, subdivision 8c, is amended to read:

Subd. 8c. [RENTAL HOUSING FOR INDIVIDUALS.] It may establish a rental housing assistance program for persons of low income or with a mental illness to provide loans or direct rental subsidies for housing for individuals with incomes of up to 30 percent of area median income. Priority must be given to developments with the lowest income residents. Housing for the mentally ill must be operated in coordination with social service providers who provide services to tenants. The developments may be financed by the agency or other public or private entities. Direct rental subsidies must be administered by the agency for the benefit of eligible tenants. Financial assistance provided under this subdivision must be in the form of vendor payments whenever possible. Loans and direct rental subsidies under this subdivision may be made only with specific appropriations by the legislature. The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans for the rehabilitation of existing housing under this subdivision.

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2252, A bill for an act relating to occupations and professions; increasing minimum insurance coverage required for abstractors; abolishing requirement of seals by impression; repealing an obsolete provision; amending Minnesota Statutes 1988, sections 386.66 and 386.67; repealing Minnesota Statutes 1988, section 386.65, subdivision 3.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 2283, A bill for an act relating to housing; establishing a local government housing account that may be used for transitional housing, public housing modernization and rehabilitation, and subsidized rental housing preservation; establishing a council on homelessness; providing for a housing and redevelopment authority property service charge in lieu of property taxes; appropriating nonrefundable bond allocation deposits to the housing trust fund account; appropriating money; amending Minnesota Statutes 1988, sections 462A.201, subdivision 2; 469.040, by adding a subdivision; and 474A.21; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 462A.201, subdivision 2, is amended to read:

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 and homes for ownership. No more than 20 percent of available funds may be used for home ownership projects. At least 75 percent of the rental and cooperative units, and 100 percent of the homes for ownership, must be rented to or cooperatively owned, or owned by persons and families whose income at the time the person or family originally occupied the unit was at or below does not exceed 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 180 days or until the permanent rules are adopted, whichever occurs first.

Sec. 2. [462A.202] [LOCAL GOVERNMENT HOUSING ACCOUNT.]

Subdivision 1. [ACCOUNT.] The local government housing ac-

count is a separate account in the housing development fund. Money in the account is appropriated to the agency for the purposes in this section.

Subd. 2. [TRANSITIONAL HOUSING.] The agency may provide loans or grants to local government units to acquire and rehabilitate transitional housing. Preference must be given to local governments that propose to acquire federally acquired savings and loan properties and department of housing and urban development repossessed properties. The local government unit may contract with a nonprofit or for profit organization to manage the property and to operate a transitional housing program on the property. The local government unit must retain ownership of the property for at least 20 years.

Subd. 3. [PUBLIC HOUSING REHABILITATION.] The agency may provide loans or grants to local government units for the rehabilitation and modernization of public housing units from funds specifically appropriated by the legislature for that purpose.

Subd. 4. [SUBSIDIZED RENTAL HOUSING PRESERVATION.] The agency may provide loans or grants to local government units for the acquisition and rehabilitation of federally subsidized multi-family rental housing for the purpose of preserving the housing for the use of low- and moderate-income persons from funds specifically appropriated by the legislature for that purpose. The local government unit may contract with a nonprofit or for profit organization to manage the property. The local government unit must retain ownership of the property for at least 20 years.

Sec. 3. [462A.29] [INTERAGENCY COORDINATION ON HOMELESSNESS.]

The agency shall coordinate services and activities of all state agencies relating to homelessness. The agency shall coordinate an investigation and review of the current system of service delivery to the homeless. The agency may request assistance from other agencies of state government as needed for the execution of the responsibilities under this section and the other agencies shall furnish the assistance upon request.

Sec. 4. Minnesota Statutes 1988, section 469.040, is amended by adding a subdivision to read:

Subd. 4. [LEASED PROPERTY; HOUSING PROJECT EXCEPTION.] If the authority sells or leases property to a nonprofit corporation or limited dividend entity for the purpose of providing a housing project, the authority shall pay for the housing units occupied by persons or families meeting the income limits under clause (3), in lieu of property taxes, a service charge based on the project's aggregate shelter rentals. Property taxes must be paid on housing units that are occupied by persons or families who do not

meet the income limits under clause (3). The service charge must be collected and distributed in the manner described in subdivision 3. Housing projects must meet the following criteria in order to be eligible for the service charge:

(1) a nonprofit corporation or limited dividend entity has contracted with the authority to provide housing units to persons and families of low income for at least 15 years and to provide annual income certification of residents;

(2) the housing project will meet a specific housing shortage identified by the city or the authority; and

(3) at least 60 percent of the units must be occupied by persons or families whose income does not exceed 60 percent of the area's median income adjusted by family size as determined by the department of housing and urban development.

Sec. 5. Minnesota Statutes 1989 Supplement, section 469.203, subdivision 4, is amended to read:

Subd. 4. [CITY APPROVAL OF PROGRAM.] (a) ~~For the purposes of this subdivision, "city" means the cities of Minneapolis and Duluth.~~

~~(b)~~ (b) Before adoption of a revitalization program under paragraph (e) (b), the city must submit a preliminary program to the commissioner, the state planning agency, and the Minnesota housing finance agency for their comments. The city may not adopt the revitalization program until comments have been received from the state agencies or 30 days have elapsed without response after the program was sent to them. Comments received by the city from the state agencies within the 30-day period must be responded to in writing by the city before adoption of the program by the city.

~~(c)~~ (b) The city may adopt a revitalization program only after holding a public hearing after the program has been prepared. Notice of the hearing must be provided in a newspaper of general circulation in the city and in the most widely circulated community newspaper in the targeted neighborhoods not less than ten days nor more than 30 days before the date of the hearing.

~~(d)~~ (c) A certification by the city that a revitalization program has been approved by the city council for the targeted neighborhood must be provided to the commissioner together with a copy of the program. A copy of the program must also be provided to the Minnesota housing finance agency and the state planning agency.

~~(e)~~ (d) A revitalization program for the city may be modified at any time by the city council after a public hearing, notice of which is

published in a newspaper of general circulation in the city and in the targeted neighborhood at least ten days nor more than 30 days before the date of the hearing. If the city council determines that the proposed modification is a significant modification to the program originally certified under paragraph (d) (c), the city council shall implement the revitalization program approval and certification process of this subdivision for the proposed modification.

Sec. 6. Minnesota Statutes 1988, section 474A.21, is amended to read:

474A.21 [APPROPRIATION; RECEIPTS.]

Any fees collected by the department under Laws 1987, chapter 268, article 16, sections 1 474A.01 to 40 474A.21 must be deposited in a separate account in the general fund. The amount necessary to refund application deposits is appropriated to the department from the separate account in the general fund for that purpose. The interest accruing on application deposits and any application deposit not refunded as provided under section 474A.061, subdivision 4, or section 474A.091, subdivision 5, or forfeited as provided under section 474A.131, subdivision 2, must be deposited in the housing trust fund account under section 462A.201.

Sec. 7. [APPROPRIATION; BOND SALE.]

Subdivision 1. [APPROPRIATION.] \$ is appropriated from the bond proceeds fund for transfer to the local government housing account in the housing development fund for the purposes of section 2.

Subd. 2. [BOND SALE.] To provide the money appropriated in this section from the bond proceeds fund the commissioner of finance on request of the governor shall sell and issue bonds of the state in an amount up to \$ in the manner, upon the terms, and with the effect prescribed in Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 8. [REPEALER.]

Minnesota Statutes 1989 Supplement, section 469.203, subdivision 5, is repealed."

Delete the title and insert:

"A bill for an act relating to housing; establishing a local government housing account that may be used for transitional housing, public housing modernization and rehabilitation, and subsidized

rental housing preservation; requiring state interagency coordination on homelessness; providing for a housing and redevelopment authority property service charge in lieu of property taxes; appropriating nonrefundable bond allocation deposits to the housing trust fund account; appropriating money; amending Minnesota Statutes 1988, sections 462A.201, subdivision 2; 469.040, by adding a subdivision; and 474A.21; Minnesota Statutes 1989 Supplement, section 469.203, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 462A; repealing Minnesota Statutes 1989 Supplement, section 469.203, 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.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2291, A bill for an act relating to state government; providing sanctions for failure to comply with affirmative action requirements; amending Minnesota Statutes 1988, sections 15A.081, subdivision 7b; 15A.082, by adding a subdivision; and 43A.18, subdivision 5.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2296, A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land in Becker county.

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. 2321, A bill for an act relating to consumer protection; requiring an itemized statement for certain automobile purchase price refunds; amending Minnesota Statutes 1988, sections 325F.662, subdivision 8; and 325F.665, subdivisions 3 and 6.

Reported the same back with the following amendments:

Page 2, line 6, after the period insert "If the amount of excise tax refunded is not separately stated, the department of public safety may refund the excise tax, as determined under paragraph (b), directly to the consumer and lienholder, if any, as their interests appear on the records of the registrar of motor vehicles."

Page 2, line 22, strike "sales" and insert "excise"

Page 3, line 2, after the period insert "If the amount of excise tax refunded is not separately stated, the department of public safety may refund the excise tax, as determined under paragraph (h), directly to the consumer and lienholder, if any, as their interests appear on the records of the registrar of motor vehicles."

Page 4, line 33, strike "sales" and insert "excise"

Page 5, line 35, after the period insert "If the amount of excise tax refunded is not separately stated, the department of public safety may refund the excise tax, as determined under subdivision 3, paragraph (h), directly to the consumer and lienholder, if any, as their interests appear on the records of the registrar of motor vehicles."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2323, A bill for an act relating to public employment; expanding coverage of the public employees insurance plan; establishing classes of premiums; amending Minnesota Statutes 1988, section 43A.316, 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.

Otis from the Committee on Economic Development to which was referred:

H. F. No. 2329, A bill for an act relating to education and training;

creating a legislative task force on employment in the 1990s; providing for the task force's duties.

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.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2332, A bill for an act relating to public employees; providing for an award of interest on certain essential employee arbitrations; amending Minnesota Statutes 1988, section 179A.16, 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.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2336, A bill for an act relating to historical interpretive centers; defining the status of Farmamerica in Waseca 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. 2350, A bill for an act relating to natural resources; authorizing the commissioner to designate agents to sell state park permits; amending Minnesota Statutes 1988, section 85.053, 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. 2351, A bill for an act relating to natural resources; authorizing conservation officers to seek issuance of and to serve search warrants; amending Minnesota Statutes 1989 Supplement, sections 626.05, subdivision 2; and 626.13.

Reported the same back with the following amendments:

Page 1, lines 11 and 23, delete "state".

With the recommendation that when so amended the bill pass.

The report was adopted.

Otis from the Committee on Economic Development to which was referred:

H. F. No. 2384, A bill for an act relating to port authorities; allowing a port authority to use foreign trade zone powers, if granted, outside its port district; amending Minnesota Statutes 1988, section 469.059, subdivision 14.

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. 2386, A bill for an act relating to solid waste management; permitting certain fees; granting authority to St. Louis county; amending Minnesota Statutes 1988, section 400.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 383C.

Reported the same back with the following amendments:

Page 1, line 14, delete "or without"

Page 2, delete section 2

Page 2, line 27, delete "3" and insert "2"

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete "fees;" and delete "amending"

Page 1, delete line 4

Page 1, line 5, delete "3;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Local Government and Metropolitan Affairs.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2397, A bill for an act relating to law enforcement; barring traffic citation quotas; proposing coding for new law in Minnesota Statutes, chapter 169.

Reported the same back with the following amendments:

Page 1, line 8, delete everything after "officer" and insert "a quota for the issuance"

Page 1, line 9, delete "certain number"

Page 1, line 10, delete "quota"

Page 1, delete lines 11 to 13

With the recommendation that when so amended the bill pass.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2404, A bill for an act relating to human services; establishing requirements, procedures, and incentives for child support and medical support enforcement; appropriating money; amending Minnesota Statutes 1988, sections 171.07, subdivision 1a; 518.551, subdivisions 1 and 5; 518.611, subdivisions 1, 2, 8, 8a, and

by adding a subdivision; 518C.02, by adding subdivisions; 518C.03; 518C.05; 518C.09; 518C.12; 518C.27, subdivision 1; and Minnesota Statutes 1989 Supplement, sections 256.74, subdivision 1; 518.551, subdivision 10; 518.611, subdivision 4; 518.613, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 256.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2407, A bill for an act relating to health; requiring an asbestos abatement rule change.

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. 2426, A bill for an act relating to contracts; providing for enforcement of certain contracts; proposing coding for new law as Minnesota Statutes, chapter 338.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2448, A bill for an act relating to Olmsted county; permitting the consolidation of the offices of auditor and treasurer.

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. 2454, A bill for an act relating to education; requiring a plan to implement a Minnesota legislative school; 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.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2459, A bill for an act relating to Lake Superior; establishing an information, research, and education authority.

Reported the same back with the following amendments:

Page 2, line 20, after "corporation" insert "and instrumentality"

Page 2, delete lines 24 to 33, and insert:

"Subd. 2. [BOARD OF DIRECTORS.] The corporation is governed by a board of five directors. The term of a director, except as otherwise provided below, is six years. One of the five directors is the commissioner of the department of natural resources. The other four members of the board shall be appointed by the governor with the advice and consent of the senate. Two members of the initial board of directors shall be appointed for terms of four years, and two for terms of two years. Vacancies on the board shall be filled by appointment of the governor, subject to the advice and consent of the senate. Board members shall not be compensated for their service as board members other than to be reimbursed for reasonable expenses incurred in connection with their duties as board members. This reimbursement shall be reviewed each year by the commissioner of finance. A board member may be removed by the governor for malfeasance or nonfeasance in the performance of the member's official duties."

Page 3, after line 2, insert:

"Subd. 4. [PLACE OF BUSINESS.] The board shall locate and maintain the corporation's place of business within the state."

Page 3, line 3, delete "4" and insert "5".

Page 3, line 6, delete "5" and insert "6" and delete everything after "[MEETINGS.]" and insert "The board shall meet at least twice each year and may hold additional meetings upon giving notice in accordance with the bylaws of the corporation. Board meetings are subject to Minnesota Statutes, section 471.705."

Page 3, delete line 7

Page 3, line 8, delete "6" and insert "7"

Page 3, delete lines 12 to 15, and insert:

"Subd. 8. [ECONOMIC INTEREST STATEMENTS.] Directors and officers of the corporation are public officials for the purpose of section 10A.09, and must file statements of economic interest with the state ethical practices board."

Page 3, line 16, delete "8" and insert "9"

Page 3, after line 17, insert:

"Subd. 10. [NO BENEFIT TO PRIVATE INDIVIDUALS OR CORPORATIONS.] This corporation shall not afford pecuniary gain, incidental or otherwise, to any private individual, firm, or corporation other than Lake Superior Center, a Minnesota nonprofit corporation (except the payment of reasonable fees for goods and services rendered and approved in accordance with the bylaws of the corporation) and no part of the net income or net earnings of the corporation shall, directly or indirectly, be distributable to or otherwise inure to the benefit of any individual."

Page 4, line 2, after the period insert "Notwithstanding the provisions of section 2, subdivision 7, relating to the conflict of interest, a director or officer of the corporation who is also a director, officer, or member of Lake Superior Center, a Minnesota nonprofit corporation, and the corporation, may participate in and vote on the decision of the board as to the terms and conditions of management contracts or lease agreements between Lake Superior Center and the corporation."

Page 5, delete lines 11 to 20, and insert:

"The corporation may establish funds and accounts that it finds convenient. The board shall provide for and pay the cost of an independent annual audit of its official books and records by the legislative auditor subject to Minnesota Statutes, sections 3.971 and 3.972. A copy of this audit shall be filed with the secretary of state."

Page 6, delete section 8, and insert:

"Sec. 8. [DISSOLUTION.]

In the event of the dissolution of the corporation for any reason, the state, upon action by the governor and after consultation with the legislative advisory commission, may require the liquidation of all holdings and investments and the return of the proceeds of that liquidation and any wholly owned assets of the corporation to the state in exchange for the assumption of all outstanding obligations of the corporation."

Amend the title as follows:

Page 1, line 3, delete " , research,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2462, A bill for an act relating to state government; regulating administrative procedures; including a statement of purpose; requiring agencies to send the LCRAR copies of statements of need and reasonableness; requiring an agency to provide notice of the hearing to those who requested it; making various technical changes; amending Minnesota Statutes 1988, sections 14.03; 14.131; 14.23; and 14.25; Minnesota Statutes 1989 Supplement, section 14.02, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 14.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2492, A bill for an act relating to public safety; providing scholarship fund program for spouse and dependent children of public safety officers killed in the line of duty; increasing death benefit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A; repealing Minnesota Statutes 1988, sections 176B.01, as amended; 176B.02; 176B.03; 176B.04; and 176B.05.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [299A.41] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in this chapter have the meanings given them in this section.

Subd. 2. [DEPENDENT CHILD.] A “dependent child” means a person who is unmarried and who was either living with or was receiving support contributions from the public safety officer at the time of death, including a child by birth, a stepchild, an adopted child, or a posthumous child, and who is:

(1) under 18 years of age;

(2) over 18 years of age and incapable of self-support because of physical or mental disability; or

(3) over 18 years of age and a student as defined by United States Code, title 5, section 8101.

Subd. 3. [KILLED IN THE LINE OF DUTY.] “Killed in the line of duty” does not include deaths from natural causes.

Subd. 4. [PUBLIC SAFETY OFFICER.] “Public safety officer” includes:

(1) a peace officer defined in section 626.84;

(2) a correction officer employed at a correctional facility and charged with maintaining the safety, security, discipline, and custody of inmates at the facility;

(3) a firefighter employed on a full-time basis by the state or by a fire department of a governmental subdivision of the state, who is engaged in the hazards of firefighting;

(4) a legally enrolled member of a volunteer fire department or member of an independent nonprofit firefighting corporation who is engaged in the hazards of firefighting;

(5) a good samaritan while complying with the request or direction of a public safety officer to assist the officer;

(6) a reserve police officer or a reserve deputy sheriff while acting under the supervision and authority of a political subdivision;

(7) a driver or attendant with a licensed basic or advanced life support transportation service who is engaged in providing emergency care; and

(8) a first responder who is certified by the commissioner of health to perform basic emergency skills before the arrival of a licensed ambulance service and who is a member of an organized service recognized by a local political subdivision to respond to medical emergencies to provide initial medical care before the arrival of an ambulance.

Subd. 5. [SPOUSE.] "Spouse" means a person legally married to the decedent at the time of death.

Sec. 2. [299A.42] [PUBLIC SAFETY OFFICERS BENEFIT FUND.]

The public safety officers benefit account is created in the state treasury. Funds in the account consist of money transferred and appropriated to that fund. The administrator of the fund is the commissioner of public safety.

Sec. 3. [299A.43] [ELIGIBILITY DETERMINATION; CONTESTED CASE.]

A challenge to a determination of eligibility by the commissioner of public safety must be heard as a contested case, except that the decision of the administrative law judge is binding on the parties to the proceeding. The order of the administrative law judge is the final decision of the commissioner. The hearing must be conducted in accordance with sections 14.56 to 14.62 and is subject to appeal in accordance with sections 14.63 to 14.68.

Sec. 4. [299A.44] [DEATH BENEFIT.]

On certification to the governor by the administrator of the fund that a public safety officer employed within this state has been killed in the line of duty, leaving a spouse or one or more eligible dependents, the commissioner of finance shall pay \$100,000 from the public safety officers benefit fund, as follows:

(1) if there is no dependent child, to the spouse;

(2) if there is no spouse, to the dependent child or children in equal shares;

(3) if there are both a spouse and one or more dependent children, one-half to the spouse and one-half to the child or children, in equal shares;

(4) if there is no surviving spouse or dependent child or children, to the parent or parents dependent for support on the decedent, in equal shares; or

(5) if there is no surviving spouse, dependent child, or dependent parent, then no payment may be made from the public safety officers benefit fund.

Sec. 5. [299A.45] [EDUCATION BENEFIT.]

Subdivision 1. [ELIGIBILITY.] Following certification under section 4 and compliance with this section and rules of the commissioner of public safety, dependent children less than 23 years of age and the surviving spouse of a public safety officer killed in the line of duty on or after July 1, 1967, who are attending a post-secondary educational institution after June 30, 1990, are eligible to receive educational benefits under this section for undergraduate degree or certificate programs at institutions eligible to participate in the Minnesota state grant program as specified in section 136A.101, subdivision 4. Persons who have received a baccalaureate degree are no longer eligible.

Subd. 2. [AWARD AMOUNT.] The award must not exceed a grant applicant's cost of attendance, defined in section 136A.121, subdivision 6, after deducting:

(1) the amount of the federal Pell Grant for which the applicant is eligible; and

(2) the amount of the state grant for which the applicant is eligible.

Subd. 3. [PAYMENT.] On proof of eligibility for this program, an eligible institution, on behalf of the student, shall request payment of the award from the higher education coordinating board. Funds in excess of tuition and fees charged by the school must be disbursed to the student no sooner than the first day of class. The award will be divided by the number of terms in that school's academic year and disbursed proportionately. A student is not eligible for a disbursement unless the student is enrolled in or has completed the term for which the payment is intended. A student must apply annually for the award. An award under this subdivision may not be more than \$9,000 for each academic year not to exceed a total of \$36,000 awarded to a single student.

Sec. 6. [299A.46] [RULES.]

The commissioner of public safety may adopt rules, including emergency rules, under chapter 14 to implement, coordinate, and

administer sections 1 to 4. The higher education coordinating board may adopt rules to implement, coordinate, and administer section 5.

Sec. 7. [REPEALER.]

Minnesota Statutes 1988, sections 176B.01, as amended by Laws 1989, chapter 289, section 2; 176B.02; 176B.03; 176B.04; and 176B.05, are repealed.

Sec. 8. [MONEY SET ASIDE.]

The higher education coordinating board shall set aside \$ appropriated for the state grant program under Minnesota Statutes, section 136A.121 for the purpose of section 5.

Sec. 9. [EFFECTIVE DATES.]

Sections 1 to 4 and 6 to 8 are effective the day following final enactment. Section 5 is effective July 1, 1990, and applies to all eligible surviving dependents and spouses of public safety officers killed in the line of duty on or after July 1, 1967."

Delete the title and insert:

"A bill for an act relating to public safety; providing scholarship fund program for spouse and dependent children of public safety officers killed in the line of duty; proposing coding for new law in Minnesota Statutes, chapter 299A; repealing Minnesota Statutes 1988, sections 176B.01, as amended; 176B.02; 176B.03; 176B.04; and 176B.05."

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. 2494, A bill for an act relating to education; providing for flagging of school records of missing children; proposing coding for new law in Minnesota Statutes, chapter 120.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2505, A bill for an act relating to retirement; permitting participants in the college supplemental retirement plan to designate beneficiaries; amending Minnesota Statutes 1989 Supplement, section 136.82, subdivisions 1 and 2.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2507, A bill for an act relating to government operations; authorizing the department of jobs and training to enter a lease for colocation of certain programs.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [268.028] [DEPARTMENT OF JOBS AND TRAINING; COLOCATION LEASES.]

Notwithstanding Minnesota Statutes, section 16B.24, subdivision 6, or other law limiting the term of state leases of premises and for purposes of implementing colocation under Minnesota Statutes, section 268.871, subdivision 4, clause (b), the commissioner of jobs and training with the approval of the department of administration may enter into a lease with another political subdivision for a term of up to 20 years. The lease must be for space in a public building and be necessary to ensure construction of the building. The lease must provide that the state would pay only its share of actual costs for building and maintenance both during the original term of the lease and any extension of the lease."

Delete the title and insert:

"A bill for an act relating to government operations; authorizing the department of jobs and training to enter a lease for colocation of certain programs; proposing coding for new law in Minnesota Statutes, chapter 268."

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2513, A bill for an act relating to the revenue recapture act; expanding the definition of claimant agency; amending Minnesota Statutes 1988, section 270A.03, subdivision 2.

Reported the same back with the recommendation that 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. 2530, A bill for an act relating to courts; conciliation court; permitting collection of conciliation court judgments under the revenue recapture act; permitting certain levies on homestead proceeds; amending Minnesota Statutes 1988, sections 270A.03, subdivisions 2, 4, and 5; 270A.04, subdivision 3; 270A.07, subdivision 2; and 510.07; Minnesota Statutes 1989 Supplement, section 270A.11.

Reported the same back with the following amendments:

Page 1, line 19, delete "conciliation court"

Page 1, line 25, delete "conciliation court"

Page 1, line 27, delete "conciliation court" and after "judgment" insert "in an amount between \$25 and \$4,000"

Page 2, line 3, delete "conciliation court"

Page 3, line 10, delete "conciliation court"

Page 3, line 27, delete "conciliation court"

Pages 3 and 4, delete section 7

Amend the title as follows:

Page 1, line 7, after the first semicolon insert "and" and delete "and 510.07,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Otis from the Committee on Economic Development to which was referred:

H. F. No. 2534, A bill for an act relating to economic development; clarifying the appointing authority for the board of the Minnesota Project Outreach Corporation; requiring duties of the Minnesota Project Outreach Corporation; requiring notification under the capital access program; removing the requirement that employees of the Greater Minnesota Corporation file statements of economic interest; amending Minnesota Statutes 1989 Supplement, sections 116J.691, subdivisions 2 and 4; 116J.8766 by adding a subdivision; and 116O.03, subdivision 11.

Reported the same back with the following amendments:

Page 1, line 12, delete "2,"

Page 1, delete line 13 and insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 116J.691, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; PURPOSE.] The Minnesota Project Outreach Corporation is established as a nonprofit public corporation under chapter 317 and is subject to the provisions of that chapter. The corporation is not a state agency. The purpose of the corporation is to (i) facilitate the transfer of technology and scientific advice from the University of Minnesota and other institutions to businesses in the state that may make economic use of the information; and (ii) to assist small and medium-sized businesses in finding technical and financial assistance providers that meet their needs."

Page 1, line 16, after "DIRECTORS" insert "; EMPLOYEES"

Page 1, line 19, strike "deputy"

Page 2, line 14, after the period insert "The officers and any employees of the corporation are not state employees."

Page 4, after line 7, insert:

"Sec. 6. Minnesota Statutes 1989 Supplement, section 469.203, subdivision 4, is amended to read:

Subd. 4. [CITY APPROVAL OF PROGRAM.] (a) ~~For the purposes of this subdivision, "city" means the cities of Minneapolis and Duluth.~~

(b) Before adoption of a revitalization program under paragraph (e) (b), the city must submit a preliminary program to the commissioner, the state planning agency, and the Minnesota housing finance agency for their comments. The city may not adopt the revitalization program until comments have been received from the state agencies or 30 days have elapsed without response after the program was sent to them. Comments received by the city from the state agencies within the 30-day period must be responded to in writing by the city before adoption of the program by the city.

(e) (b) The city may adopt a revitalization program only after holding a public hearing after the program has been prepared. Notice of the hearing must be provided in a newspaper of general circulation in the city and in the most widely circulated community newspaper in the targeted neighborhoods not less than ten days nor more than 30 days before the date of the hearing.

(e) (c) A certification by the city that a revitalization program has been approved by the city council for the targeted neighborhood must be provided to the commissioner together with a copy of the program. A copy of the program must also be provided to the Minnesota housing finance agency and the state planning agency.

(e) (d) A revitalization program for the city may be modified at any time by the city council after a public hearing, notice of which is published in a newspaper of general circulation in the city and in the targeted neighborhood at least ten days nor more than 30 days before the date of the hearing. If the city council determines that the proposed modification is a significant modification to the program originally certified under paragraph (e) (c), the city council shall implement the revitalization program approval and certification process of this subdivision for the proposed modification.

Sec. 7. [REPEALER.]

Minnesota Statutes 1989 Supplement, section 469.203, subdivision 5, is repealed."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 3, after "board" insert "and the status"

Page 1, line 9, after the semicolon insert "changing the requirements for city approval of the neighborhood revitalization program;"

Page 1, line 10, delete "2" and insert "1, 2,"

Page 1, line 11, delete "and" and before the period insert "; 469.203, subdivision 4; repealing Minnesota Statutes 1989 Supplement, section 469.203, subdivision 5"

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. 2541, A bill for an act relating to unemployment compensation; making various technical changes; regulating eligibility of conservation corps members and entertainers; increasing the income disregard; regulating eligibility for persons receiving holiday pay; regulating administrative hearings; providing for data sharing; appropriating certain federal money; amending Minnesota Statutes 1988, sections 268.08, subdivision 3; 268.10, subdivision 9; and 268.12, subdivision 13; Minnesota Statutes 1989 Supplement, sections 84.965, subdivision 2; 84.98, subdivision 5; 268.04, subdivision 12; 268.07, subdivision 2; 268.12, subdivision 12; 270B.14, subdivisions 2 and 8; and 290.92, subdivision 21.

Reported the same back with the following amendments:

Page 26, delete lines 12 to 18 and insert:

"(a) \$200,000 of funds made available to the state under United States Code, title 42, section 1103, is appropriated from the unemployment compensation fund to the commissioner of jobs and training and is available for obligation until two years after the date of enactment of this section for use in the procurement of electronic data processing equipment by the department of jobs and training for administration of the unemployment compensation program and the system of public employment offices.

(b) The amount that may be obligated during a fiscal year is limited as required by United States Code, title 42, section 1104(d)(2)(D).

Sec. 13. [REPEALER.]

Minnesota Statutes Second 1989 Supplement, section 290.92, subdivision 21, is repealed.

Page 26, line 20, delete "and" and after "12," insert "and 13"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 15, before the period insert "; repealing Minnesota Statutes Second 1989 Supplement, section 290.92, subdivision 21"

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. 2594, A bill for an act relating to commerce; regulating trade practices; prohibiting contracts from providing an exclusive right to display free newspapers for distribution in any place of public accommodation; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Otis from the Committee on Economic Development to which was referred:

H. F. No. 2601, A bill for an act relating to economic development; requiring a prevailing wage for projects which received economic development related financial assistance from a government agency; requiring certification from the commissioners of the pollution control agency and labor and industry relating to past violations; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 2, line 13, delete everything after "if"

Page 2, delete line 14

Page 2, line 15, delete "(1)"

Page 2, line 16, delete "guarantees" and insert "certifies to the commissioner of labor and industry" and delete "all workers" and insert "laborers, workers, and mechanics"

Page 2, line 17, delete "and operation" and insert "remodeling, and repairs for which the financial assistance was provided"

Page 2, line 20, delete the semicolon and insert a period

Page 2, delete lines 21 to 36

Page 3, delete lines 1 to 30 and insert:

"Subd. 2. [PREVAILING WAGE; PENALTY.] It is a misdemeanor for a person who has certified that prevailing wages will be paid to laborers, workers, and mechanics under subdivision 1 to subsequently fail to pay the prevailing wage. This misdemeanor is punishable by a fine of not more than \$700, or imprisonment for not more than 90 days, or both. Each day a violation of this subdivision continues is a separate offense."

Amend the title as follows:

Page 1, line 5, delete everything after the semicolon

Page 1, delete lines 6 and 7

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 Government and Metropolitan Affairs to which was referred:

H. F. No. 2614, A bill for an act relating to metropolitan airport development; authorizing the metropolitan council to review and approve changes in certain land uses; proposing coding for new law in Minnesota Statutes, chapter 473.

Reported the same back with the following amendments:

Delete page 1, line 8 to page 2, line 22

Page 2, line 23, delete everything before "(a)"

Page 2, line 24, delete "subdivision" and insert "section"

Page 2, delete line 29 and insert "(b) All land within the search area not zoned for other use is zoned for use exclusively for agricultural purposes"

Page 2, line 30, delete everything before the comma

Page 2, line 31, delete "of this"

Page 2, line 32, delete "subdivision" and insert ", except that a prior nonconforming use established with reference to any lot or parcel of land may be continued"

Page 2, line 36, delete "either with the local"

Page 3, line 1, delete everything before "with"

Page 3, line 26, delete "subdivision" and insert "section"

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. 2616, A bill for an act relating to workers' compensation; providing for loggers; requiring the commissioner of labor and industry to study issues concerning loggers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 176.

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. 2623, A bill for an act relating to workers' compensation; providing for regulation of insurance rates; amending Minnesota Statutes 1988, sections 79.01, subdivision 1; 79.074, by adding

subdivisions; 79.50; and 79.59; proposing coding for new law in Minnesota Statutes, chapter 79; repealing Minnesota Statutes 1988, sections 79.51; 79.52, subdivisions 2 and 12; 79.53; 79.54 to 79.58; and 79.60 to 79.62.

Reported the same back with the following amendments:

Page 2, after line 23, insert:

"Sec. 6. Minnesota Statutes 1988, section 79.211, is amended by adding a subdivision to read:

Subd. 4. [GOOD RISKS; MANDATED PREMIUM REDUCTION.] An insurer must reduce the premium of an employer by five percent if for the five years preceding the effective date of the policy for which the premium is paid the only workers' compensation claims paid by an insurer to or on behalf of employees of that employer were paid for medical treatment, appliances, and supplies required under section 176.135."

Renumber the sections in order

Correct internal references

Amend the title as follows:

Page 1, line 5, after "subdivisions;" insert "79.211, by adding a subdivision;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2628, A bill for an act relating to state government; authorizing the commissioner of jobs and training to establish a position in the unclassified service; amending Minnesota Statutes 1988, section 268.0121, subdivision 3.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Otis from the Committee on Economic Development to which was referred:

H. F. No. 2636, A bill for an act relating to economic development; appropriating money to prepare land in the city of South St. Paul for economic development; authorizing the sale of state bonds.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 2637, A bill for an act relating to insurance; clarifying the law prohibiting insurers from maintaining subrogation actions against insureds; amending Minnesota Statutes 1989 Supplement, section 60A.41.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 2645, A bill for an act relating to insurance; regulating domestic insurers; providing for domestications and conversions to foreign insurers; proposing coding for new law in Minnesota Statutes, chapter 60A.

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 Government and Metropolitan Affairs to which was referred:

H. F. No. 2650, A bill for an act relating to cemeteries; allowing transfer of certain cemetery property to a religious corporation; amending Minnesota Statutes 1988, section 306.02, 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.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2656, A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited land in Koochiching and Lincoln counties; authorizing the private sale of certain state lands in Scott, Hubbard, and Fillmore counties; appropriating proceeds of the Scott county conveyance; authorizing the sale of certain surplus land in Lake county; authorizing the sale of certain trust fund land in St. Louis county; authorizing the sale of surplus land in Grant county for recreational purposes.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Environment and Natural Resources.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2657, A bill for an act relating to Indian affairs; adding the chair of the advisory council on urban Indians to the Indian affairs council as a voting member; amending Minnesota Statutes 1988, section 3.922, subdivision 1.

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. 232, 1784, 1870, 1894, 1924, 1939, 1960, 1963, 1970, 1976, 1977, 1987, 2001, 2002, 2028, 2043, 2056, 2057, 2090, 2092, 2097, 2105, 2116, 2124, 2131, 2134, 2138, 2147, 2148, 2156, 2163, 2173, 2189, 2202, 2211, 2219, 2222, 2223, 2234, 2252, 2291, 2296, 2321, 2336, 2350, 2351, 2384, 2397, 2407, 2426, 2448, 2459, 2462, 2494, 2505, 2507, 2530, 2534, 2541, 2594, 2614, 2623, 2628, 2637, 2645, 2650 and 2657 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Welle, Janezich, Dempsey and Krueger introduced:

H. F. No. 2722, A bill for an act relating to regional development commissions; establishing a maximum property tax levy; amending Minnesota Statutes 1989 Supplement, section 462.396, subdivision 2.

The bill was read for the first time and referred to the Committee on Economic Development.

Krueger, Vanasek and Winter introduced:

H. F. No. 2723, A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 12; removing references to legislative days.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Kalis, Redalen and Price introduced:

H. F. No. 2724, A bill for an act relating to agriculture; amending provisions of the 1989 groundwater protection act; amending provisions relating to agricultural chemical regulation, enforcement, remediation, and compensation for remediation; clarifying the role of the commissioner of agriculture in remediation of agricultural chemicals; appropriating money; amending Minnesota Statutes 1988, sections 18B.14, subdivision 2; 18B.27, subdivision 3; 18B.28, subdivision 4; and 115B.02, subdivisions 3 and 4, and by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 18B.26, subdivision 3; 18C.005, by adding a subdivision; 18C.205, subdivision 2; 18C.305, subdivision 1; 18D.103, subdivision 1; 18D.301, by adding a subdivision; 18D.321, subdivision 2; 18E.03, subdivisions 3, 4, and 5, and by adding a subdivision; 18E.04, subdivision 1; Laws 1989, chapter 326, article 8, section 10; and chapter 335, article 1, section 23, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 18D; repealing Minnesota Statutes 1988, section 115B.17, subdivision 8.

The bill was read for the first time and referred to the Committee on Agriculture.

Winter and Vanasek introduced:

H. F. No. 2725, A bill for an act relating to the legislature; amending the constitution to provide that legislative reapportionment occurs upon normal expiration of the terms of senators.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Limmer, Forsythe, Himle, Seaberg and Olsen, S., introduced:

H. F. No. 2726, A bill for an act proposing an amendment to the Minnesota Constitution, article X, section 1; providing for a single tax rate on residential homesteads.

The bill was read for the first time and referred to the Committee on Taxes.

Scheid and Osthoff introduced:

H. F. No. 2727, A bill for an act relating to employment; regulating the use of sales quotas in certain employment situations; 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.

O'Connor and Osthoff introduced:

H. F. No. 2728, A bill for an act relating to education; allowing pupils of at least age 16 a greater range of programs to attend under the high school graduation incentives and private alternative school programs; amending Minnesota Statutes 1989 Supplement, sections 126.22, subdivision 3; and 126.23.

The bill was read for the first time and referred to the Committee on Education.

Neuenschwander and Jennings introduced:

H. F. No. 2729, A bill for an act relating to waste; exempting publicly owned or operated mixed municipal solid waste disposal facilities from certain financial responsibility rules; amending Minnesota Statutes 1988, section 116.07, subdivision 4h.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Neuenschwander introduced:

H. F. No. 2730, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land in Koochiching county.

The bill was read for the first time and referred to the Committee on Taxes.

Neuenschwander introduced:

H. F. No. 2731, A bill for an act relating to appropriations; providing a refund of a bond allocation deposit; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

Neuenschwander introduced:

H. F. No. 2732, A bill for an act relating to taxation; providing that county levies to pay the cost of ambulance service within a subordinate service district are exempt from levy limits; amending Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5.

The bill was read for the first time and referred to the Committee on Taxes.

Ogren, Redalen, Solberg and Quinn introduced:

H. F. No. 2733, A bill for an act relating to horse racing; regulating purses; amending Minnesota Statutes 1988, section 240.13, subdivision 5.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Otis, Osthoff and Bertram introduced:

H. F. No. 2734, A bill for an act relating to financial institutions; requiring notice of proposed acquisition; proposing coding for new law in Minnesota Statutes, chapter 46.

The bill was read for the first time and referred to the Committee on Financial Institutions and Housing.

Simoneau introduced:

H. F. No. 2735, A bill for an act relating to insurance; no-fault automobile; regulating uninsured and underinsured motorist coverages for motorcycles; amending Minnesota Statutes 1989 Supplement, section 65B.49, subdivision 3a.

The bill was read for the first time and referred to the Committee on Insurance.

Kalis and Lieder introduced:

H. F. No. 2736, A bill for an act relating to transportation; authorizing private operators to construct, improve, rehabilitate, own, lease, and operate bridges and roads as toll facilities; proposing coding for new law in Minnesota Statutes, chapter 160.

The bill was read for the first time and referred to the Committee on Transportation.

Tjornhom introduced:

H. F. No. 2737, A bill for an act relating to education; intermediate school districts; providing teacher retirement and F.I.C.A. aid; 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.

Lieder and Tunheim introduced:

H. F. No. 2738, A bill for an act relating to public improvements; authorizing the sale of state bonds; appropriating money for an agriculture department facility.

The bill was read for the first time and referred to the Committee on Appropriations.

Greenfield introduced:

H. F. No. 2739, A bill for an act relating to human resources; providing for the creation of a legislative human resources commission; providing for its powers and duties; raising revenue; amending Minnesota Statutes 1988, section 297.02, subdivision 1; and Minnesota Statutes 1989 Supplement, section 297.13, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 3C.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Blatz, Limmer, Pauly, Morrison and Himle introduced:

H. F. No. 2740, A bill for an act relating to taxation; property; changing the class rates applied to certain homestead property; amending Minnesota Statutes Second 1989 Supplement, section 273.13, subdivisions 22 and 23.

The bill was read for the first time and referred to the Committee on Taxes.

Osthoff, Solberg, Stanius, Milbert and Frerichs introduced:

H. F. No. 2741, A bill for an act relating to natural resources; limiting the authority of the commissioner of agriculture to require grasshopper control measures on certain lands; amending Minnesota Statutes 1989 Supplement, section 18.0225.

The bill was read for the first time and referred to the Committee on Agriculture.

Gruenes introduced:

H. F. No. 2742, A bill for an act relating to energy; state buildings; establishing goals for energy conservation; amending Minnesota Statutes 1988, section 16B.32.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Olsen, S.; Blatz; Schreiber; Knickerbocker and Abrams introduced:

H. F. No. 2743, A bill for an act relating to education; providing for the state takeover of all public K-12 education costs by the year 2000; amending Minnesota Statutes 1988, section 124A.22, subdivision 4; repealing Minnesota Statutes 1989 Supplement, section 124A.03, subdivision 2.

The bill was read for the first time and referred to the Committee on Education.

Runbeck introduced:

H. F. No. 2744, A bill for an act relating to child support; increasing the percentage of an obligor's net income to be paid as child support; amending Minnesota Statutes 1988, section 518.551, subdivision 5.

The bill was read for the first time and referred to the Committee on Judiciary.

Ozment and Girard introduced:

H. F. No. 2745, A resolution memorializing the Congress of the United States to enact legislation proposing to the states an amendment to the United States Constitution that permits the United States and the several states to prohibit the desecration of the American flag.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Murphy, Battaglia and Ogren introduced:

H. F. No. 2746, A bill for an act relating to appropriations; providing funding to the Western Lake Superior Sanitary District for the design of wastewater treatment alternatives.

The bill was read for the first time and referred to the Committee on Appropriations.

Dawkins, Kelly and Welle introduced:

H. F. No. 2747, A bill for an act relating to health; removing limits on certain animal control funds; establishing a low-cost spaying and neutering pilot project; imposing a tax on sales of pet food and supplies; authorizing county regulation of dogs and cats without licensure; appropriating money; amending Minnesota Statutes 1988, section 343.11; proposing coding for new law in Minnesota Statutes, chapters 346 and 347.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Kinkel introduced:

H. F. No. 2748, A bill for an act relating to taxation; repealing the increase in the optional hotel-motel tax; amending Minnesota

Statutes Second 1989 Supplement, section 469.190, subdivisions 1, 2, and 3.

The bill was read for the first time and referred to the Committee on Taxes.

Richter introduced:

H. F. No. 2749, A bill for an act relating to education; removing the requirement that members of an education district must be in the same ECSU; amending Minnesota Statutes 1989 Supplement, section 123.58, subdivision 4.

The bill was read for the first time and referred to the Committee on Education.

Hartle introduced:

H. F. No. 2750, A bill for an act relating to education; appropriating money for the costs of the consolidation of three districts.

The bill was read for the first time and referred to the Committee on Education.

Kelly introduced:

H. F. No. 2751, A bill for an act relating to courts; staggering the elections of chief judges and assistant chief judges; amending Minnesota Statutes 1988, section 484.69, subdivision 1, and by adding a subdivision; repealing Minnesota Statutes 1988, section 484.69, subdivision 2.

The bill was read for the first time and referred to the Committee on Judiciary.

Tjornhom introduced:

H. F. No. 2752, A bill for an act relating to crimes; providing for forfeiture of conveyance devices used to commit a drunk driving offense by certain repeat DWI violators; amending Minnesota Statutes 1988, section 609.5312, subdivision 1; Minnesota Statutes 1989 Supplement, section 609.531, subdivision 1.

The bill was read for the first time and referred to the Committee on Judiciary.

Schreiber, Blatz and Pauly introduced:

H. F. No. 2753, A bill for an act relating to taxation; providing a property tax refund to certain homeowners; amending Minnesota Statutes 1988, section 290A.04, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Schreiber, Blatz and Abrams introduced:

H. F. No. 2754, A bill for an act relating to crime; clarifying that the crime of fourth degree assault includes assaults against employees of detention facilities; amending Minnesota Statutes 1988, section 609.2231, subdivision 3.

The bill was read for the first time and referred to the Committee on Judiciary.

Schreiber and Pauly introduced:

H. F. No. 2755, A bill for an act relating to taxation; individual income; allowing the deduction of charitable contributions in computing alternative minimum taxable income; amending Minnesota Statutes Second 1989 Supplement, section 290.091, subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Schreiber, Scheid and Abrams introduced:

H. F. No. 2756, A bill for an act relating to elections; changing the date of the state primary; amending Minnesota Statutes 1988, section 204D.03, subdivision 1.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Vellenga, by request, introduced:

H. F. No. 2757, A bill for an act relating to retirement; public employees retirement association; authorizing the payment of benefits to surviving former spouses of certain members.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Pelowski introduced:

H. F. No. 2758, A bill for an act relating to libraries; establishing public library automation grants; amending Minnesota Statutes 1988, section 134.32, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 134.

The bill was read for the first time and referred to the Committee on Education.

Pelowski introduced:

H. F. No. 2759, A bill for an act relating to education; authorizing the state university board to enter into a lease agreement.

The bill was read for the first time and referred to the Committee on Education.

Johnson, R.; Solberg; Sparby; Neuenschwander and Carlson, D., introduced:

H. F. No. 2760, A bill for an act relating to recreational vehicles; exempting from registration all-terrain vehicles that are used exclusively for private agricultural use or exclusively on private lands; amending Minnesota Statutes 1989 Supplement, sections 84.922, subdivisions 1a and 5; and 84.928, subdivision 1; repealing Minnesota Statutes 1989 Supplement, section 84.922, subdivision 2a.

The bill was read for the first time and referred to the Committee on Transportation.

HOUSE ADVISORIES

The following House Advisory was introduced:

Beard and Jacobs introduced:

H. A. No. 38, A proposal to study links between cancer and exposure to electromagnetic fields.

The advisory was referred to the Committee on Regulated Industries.

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. 1906, 1943, 1695, 1813, 1922, 1947 and 1783.

PATRICK E. FLAHAVER, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1906, A bill for an act relating to crime victims; making the crime victim ombudsman accountable to the commissioner of public safety; clarifying that certain juvenile records are available to the ombudsman; amending Minnesota Statutes 1988, sections 611A.71, subdivision 6; 611A.74, subdivisions 1 and 3; and 611A.75.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 1943, A bill for an act relating to human rights; lengthening the statute of limitations for human rights act violations; amending Minnesota Statutes 1989 Supplement, section 363.06, subdivision 3.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 1695, A bill for an act relating to human services; authorizing allocation of central, affiliated, or corporate costs for nursing homes and intermediate care facilities for persons with mental retardation and related conditions; 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.

S. F. No. 1813, A bill for an act relating to human services; amending the Medicare certification requirement for nursing homes; amending Minnesota Statutes 1989 Supplement, section 256B.48, subdivision 6.

The bill was read for the first time and referred to the Committee on Health and Human Services.

S. F. No. 1922, A bill for an act relating to commerce; exempting credit unions from certain requirements for closing agents; amending Minnesota Statutes 1989 Supplement, section 82.20, subdivision 15.

The bill was read for the first time.

Carlson, L., moved that S. F. No. 1922 and H. F. No. 2028, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1947, A bill for an act relating to highways; naming and designating as Moberg Trail that portion of Constitutional Route No. 46 located within Chisago county; amending Minnesota Statutes 1988, section 161.14, by adding a subdivision.

The bill was read for the first time.

Jennings moved that S. F. No. 1947 and H. F. No. 2090, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1783, A bill for an act relating to education; allowing certain school districts to change education districts; amending Minnesota Statutes 1989 Supplement, section 122.91, subdivision 5.

The bill was read for the first time and referred to the Committee on Education.

CONSENT CALENDAR

H. F. No. 1927, A bill for an act relating to traffic regulations; regulating approaches of vehicles to certain intersections; amending Minnesota Statutes 1988, section 169.20, 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:

Abrams	Frerichs	Krueger	Orenstein	Simoneau
Anderson, G.	Girard	Lasley	Osthoff	Skoglund
Anderson, R.	Greenfield	Lieder	Ostrom	Solberg
Battaglia	Gruenes	Limmer	Otis	Sparby
Bauerly	Gutknecht	Long	Ozment	Stanius
Beard	Hartle	Lynch	Pappas	Steenasma
Begich	Hasskamp	MacKlin	Pauly	Sviggum
Bennett	Haukoos	Marsh	Pellow	Swenson
Bertram	Hausman	McDonald	Pelowski	Tjornhom
Bishop	Heap	McEachern	Peterson	Tompkins
Blatz	Henry	McGuire	Poppenhagen	Trimble
Boo	Himle	McLaughlin	Price	Tunheim
Brown	Hugoson	McPherson	Pugh	Uphus
Burger	Jacobs	Milbert	Quinn	Valento
Carlson, D.	Janezich	Morrison	Redalen	Vellenga
Carlson, L.	Jaros	Munger	Reding	Wagenius
Carruthers	Jefferson	Murphy	Rest	Waltman
Clark	Jennings	Nelson, C.	Rice	Weaver
Conway	Johnson, A.	Nelson, K.	Richter	Welle
Cooper	Johnson, R.	Neuenschwander	Rodosovich	Wenzel
Dauner	Johnson, V.	O'Connor	Rukavina	Williams
Dawkins	Kalis	Ogren	Runbeck	Winter
Dempsey	Kelly	Olsen, S.	Sarna	Spk. Vanasek
Dille	Kelso	Olson, E.	Schafer	
Dorn	Kinkel	Olson, K.	Scheid	
Forsythe	Knickerbocker	Omman	Schreiber	
Frederick	Kostohryz	Onnen	Segal	

The bill was passed and its title agreed to.

H. F. No. 1984, A bill for an act relating to insurance; accident and health; providing for coordination of benefits between group and individual contracts; amending Minnesota Statutes 1989 Supplement, section 62A.046.

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:

Abrams	Conway	Heap	Kostohryz	Nelson, C.
Anderson, G.	Cooper	Henry	Krueger	Nelson, K.
Anderson, R.	Dauner	Himle	Lasley	Neuenschwander
Battaglia	Dawkins	Hugoson	Lieder	O'Connor
Bauerly	Dempsey	Jacobs	Limmer	Ogren
Beard	Dille	Janezich	Long	Olsen, S.
Begich	Dorn	Jaros	Lynch	Olson, E.
Bennett	Forsythe	Jefferson	MacKlin	Olson, K.
Bertram	Frederick	Jennings	Marsh	Omman
Bishop	Frerichs	Johnson, A.	McDonald	Onnen
Blatz	Girard	Johnson, R.	McEachern	Orenstein
Boo	Greenfield	Johnson, V.	McGuire	Osthoff
Brown	Gruenes	Kahn	McLaughlin	Ostrom
Burger	Gutknecht	Kalis	McPherson	Otis
Carlson, D.	Hartle	Kelly	Milbert	Ozment
Carlson, L.	Hasskamp	Kelso	Morrison	Pappas
Carruthers	Haukoos	Kinkel	Munger	Pauly
Clark	Hausman	Knickerbocker	Murphy	Pellow

Pelowski	Rice	Segal	Tjornhom	Weaver
Peterson	Richter	Simoneau	Tompkins	Welle
Poppenhagen	Rodosovich	Skoglund	Trimble	Wenzel
Price	Rukavina	Solberg	Tunheim	Williams
Pugh	Runbeck	Sparby	Uphus	Winter
Quinn	Sarna	Stanius	Valento	Spk. Vanasek
Redalen	Schafer	Steensma	Vellenga	
Reding	Scheid	Sviggum	Wagenius	
Rest	Schreiber	Swenson	Waltman	

The bill was passed and its title agreed to.

H. F. No. 2045, A bill for an act relating to human services; clarifying the definition of mentally retarded person in the Minnesota Commitment Act; increasing the time limit for a court of appeals decision under the commitment act; amending Minnesota Statutes 1988, sections 253B.02, subdivision 14; 253B.12, subdivision 4; and 253B.23, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Onnen	Segal
Anderson, G.	Girard	Krueger	Orenstein	Simoneau
Anderson, R.	Greenfield	Lasley	Osthoff	Skoglund
Battaglia	Gruenes	Lieder	Ostrom	Solberg
Bauerly	Gutknecht	Limmer	Otis	Sparby
Beard	Hartle	Long	Ozment	Stanius
Begich	Hasskamp	Lynch	Pappas	Steensma
Bennett	Haukoos	Macklin	Pauly	Sviggum
Bertram	Hausman	Marsh	Pellow	Swenson
Bishop	Heap	McDonald	Pelowski	Tjornhom
Blatz	Henry	McEachern	Peterson	Tompkins
Boo	Himle	McGuire	Poppenhagen	Trimble
Brown	Hugoson	McLaughlin	Price	Tunheim
Burger	Jacobs	McPherson	Pugh	Uphus
Carlson, D.	Janezich	Milbert	Quinn	Valento
Carlson, L.	Jaros	Morrison	Redalen	Vellenga
Carruthers	Jefferson	Munger	Reding	Wagenius
Clark	Jennings	Murphy	Rest	Waltman
Conway	Johnson, A.	Nelson, C.	Rice	Weaver
Cooper	Johnson, R.	Nelson, K.	Richter	Welle
Dauner	Johnson, V.	Neuenschwander	Rodosovich	Wenzel
Dawkins	Kahn	O'Connor	Rukavina	Williams
Dempsey	Kalis	Ogren	Runbeck	Winter
Dille	Kelly	Olsen, S.	Sarna	Spk. Vanasek
Dorn	Kelso	Olsen, E.	Schafer	
Forsythe	Kinkel	Olsen, K.	Scheid	
Frederick	Knickerbocker	Omann	Schreiber	

The bill was passed and its title agreed to.

H. F. No. 2058, A bill for an act relating to education; changing

names of state board and state director of vocational technical education and local directors of technical colleges; amending Minnesota Statutes 1988, section 136C.02, subdivisions 4 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 129 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Olson, K.	Scheid
Anderson, G.	Frerichs	Kostohryz	Omann	Schreiber
Anderson, R.	Girard	Krueger	Onnen	Segal
Battaglia	Greenfield	Lasley	Orenstein	Simoneau
Bauerly	Gruenes	Lieder	Osthoff	Skoglund
Beard	Gutknecht	Limmer	Ostrom	Solberg
Begich	Hartle	Long	Otis	Sparby
Bennett	Hasskamp	Lynch	Ozment	Stanius
Bertram	Haukoos	Macklin	Pappas	Steensma
Bishop	Hausman	Marsh	Pauly	Sviggum
Blatz	Heap	McDonald	Pellow	Swenson
Boo	Henry	McEachern	Pelowski	Tjornhom
Brown	Himle	McGuire	Peterson	Tompkins
Burger	Hugoson	McLaughlin	Price	Trimble
Carlson, D.	Jacobs	McPherson	Pugh	Tunheim
Carlson, L.	Janezich	Milbert	Quinn	Uphus
Carruthers	Jaros	Morrison	Redalen	Valento
Clark	Jefferson	Munger	Reding	Vellenga
Conway	Jennings	Murphy	Rest	Wagenius
Cooper	Johnson, A.	Nelson, C.	Rice	Waltman
Dauner	Johnson, R.	Nelson, K.	Richter	Weaver
Dawkins	Johnson, V.	Neuenschwander	Rodosovich	Welle
Dempsey	Kalis	O'Connor	Rukavina	Wenzel
Dille	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olson, E.	Schafer	

Those who voted in the negative were:

Kahn Poppenhagen Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 2149, A bill for an act relating to port authorities; expanding the range of titles for certain offices; amending Minnesota Statutes 1988, section 469.051, 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 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Knickerbocker	Omann	Scheid
Anderson, G.	Girard	Kostohryz	Onnen	Schreiber
Anderson, R.	Greenfield	Krueger	Orenstein	Segal
Battaglia	Gruenes	Lasley	Osthoff	Simoneau
Bauerly	Gutknecht	Lieder	Ostrom	Skoglund
Beard	Hartle	Long	Otis	Solberg
Begich	Hasskamp	Lynch	Ozment	Sparby
Bennett	Haukoos	Macklin	Pappas	Stanius
Bertram	Hausman	Marsh	Pauly	Steenasma
Bishop	Heap	McDonald	Pellow	Sviggun
Blatz	Henry	McEachern	Pelowski	Swenson
Boo	Himle	McGuire	Peterson	Tjornhom
Brown	Hugoson	McLaughlin	Poppenhagen	Trimble
Carlson, D.	Jacobs	McPherson	Price	Tunheim
Carlson, L.	Janezich	Milbert	Pugh	Uphus
Carruthers	Jaros	Morrison	Quinn	Valento
Clark	Jefferson	Munger	Redalen	Vellenga
Conway	Jennings	Murphy	Reding	Wagenius
Cooper	Johnson, A.	Nelson, C.	Rest	Waltman
Dauner	Johnson, R.	Nelson, K.	Rice	Weaver
Dawkins	Johnson, V.	Neuenschwander	Richter	Welle
Dempsey	Kahn	O'Connor	Rodosovich	Wenzel
Dille	Kalis	Ogren	Rukavina	Williams
Dorn	Kelly	Olsen, S.	Runbeck	Winter
Forsythe	Kelso	Olson, E.	Sarna	Spk. Vanasek
Frederick	Kinkel	Olson, K.	Schafer	

Those who voted in the negative were:

Limmer Tompkins

The bill was passed and its title agreed to.

H. F. No. 2188, A bill for an act relating to local government; permitting towns to publish collections of town ordinances, resolutions, rules, and laws; amending Minnesota Statutes 1988, sections 415.021 and 599.13.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Boo	Dempsey	Hasskamp	Jennings
Anderson, G.	Brown	Dille	Haukoos	Johnson, A.
Anderson, R.	Burger	Dorn	Hausman	Johnson, R.
Battaglia	Carlson, D.	Forsythe	Heap	Johnson, V.
Bauerly	Carlson, L.	Frederick	Henry	Kahn
Beard	Carruthers	Frerichs	Himle	Kalis
Begich	Clark	Girard	Hugoson	Kelly
Bennett	Conway	Greenfield	Jacobs	Kelso
Bertram	Cooper	Gruenes	Janezich	Kinkel
Bishop	Dauner	Gutknecht	Jaros	Knickerbocker
Blatz	Dawkins	Hartle	Jefferson	Kostohryz

Krueger	Murphy	Pappas	Runbeck	Trimble
Lasley	Nelson, C.	Pauly	Sarna	Tunheim
Lieder	Nelson, K.	Pellow	Schafer	Uphus
Limmer	Neuenschwander	Pelowski	Scheid	Valento
Long	O'Connor	Peterson	Schreiber	Vellenga
Lynch	Ogren	Poppenhagen	Segal	Wagenius
Macklin	Olson, S.	Price	Simoneau	Waltman
Marsh	Olson, E.	Pugh	Skoglund	Weaver
McDonald	Olson, K.	Quinn	Solberg	Welle
McEachern	Omann	Redalen	Sparby	Wenzel
McGuire	Onnen	Reding	Stanius	Williams
McLaughlin	Orenstein	Rest	Steensma	Winter
McPherson	Osthoff	Rice	Sviggum	Spk. Vanasek
Milbert	Ostrom	Richter	Swenson	
Morrison	Otis	Rodosovich	Tjornhom	
Munger	Ozment	Rukavina	Tompkins	

The bill was passed and its title agreed to.

H. F. No. 2305 was reported to the House.

Krueger moved that H. F. No. 2305 be continued on the Consent Calendar until Thursday, March 15, 1990. The motion prevailed.

H. F. No. 2398 was reported to the House.

Upon objection of ten members, H. F. No. 2398 was stricken from the Consent Calendar and placed on General Orders.

H. F. No. 2481, A bill for an act relating to crimes; making preparation of a written presentence investigation report discretionary with the court when a defendant is convicted of a felony for which the court must impose an executed sentence under the sentencing guidelines; amending Minnesota Statutes 1989 Supplement, section 609.115, 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:

Abrams	Blatz	Dauner	Gruenes	Jacobs
Anderson, G.	Boo	Dawkins	Gutknecht	Janezich
Anderson, R.	Brown	Dempsey	Hartle	Jaros
Battaglia	Burger	Dille	Hasskamp	Jefferson
Bauerly	Carlson, D.	Dorn	Haukoos	Jennings
Beard	Carlson, L.	Forsythe	Hausman	Johnson, A.
Begich	Carruthers	Frederick	Heap	Johnson, R.
Bennett	Clark	Frerichs	Henry	Johnson, V.
Bertram	Conway	Girard	Himle	Kahn
Bishop	Cooper	Greenfield	Hugoson	Kalis

Kelly	McPherson	Ostrom	Rodosovich	Tompkins
Kelso	Milbert	Otis	Rukavina	Trimble
Kinkel	Morrison	Ozment	Runbeck	Tunheim
Knickerbocker	Munger	Pappas	Sarna	Uphus
Kostohryz	Murphy	Pauly	Schafer	Valento
Krueger	Nelson, C.	Pellow	Scheid	Vellenga
Lasley	Nelson, K.	Pelowski	Schreiber	Wagenius
Lieder	Neuenschwander	Peterson	Segal	Waltman
Limmer	O'Connor	Poppenhagen	Simoneau	Weaver
Long	Ogren	Price	Skoglund	Welle
Lynch	Olsen, S.	Pugh	Solberg	Wenzel
Macklin	Olson, E.	Quinn	Sparby	Williams
Marsh	Olson, K.	Redalen	Stanisus	Winter
McDonald	Omann	Reding	Steenasma	Spk. Vanasek
McEachern	Onnen	Rest	Sviggum	
McGuire	Orenstein	Rice	Swenson	
McLaughlin	Osthoff	Richter	Tjornhom	

The bill was passed and its title agreed to.

H. F. No. 2508, A bill for an act relating to education; placing certain positions in special school district No. 1, Minneapolis, in the unclassified service; naming the appointing authority for the positions.

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:

Abrams	Frerichs	Kostohryz	Onnen	Simoneau
Anderson, G.	Girard	Krueger	Orenstein	Skoglund
Anderson, R.	Greenfield	Lasley	Osthoff	Solberg
Battaglia	Gruenes	Lieder	Ostrom	Sparby
Bauerly	Gutknecht	Limmer	Otis	Stanisus
Beard	Hartle	Long	Ozment	Steenasma
Begich	Hasskamp	Lynch	Pauly	Sviggum
Bennett	Haukoos	Macklin	Pellow	Swenson
Bertram	Hausman	Marsh	Pelowski	Tjornhom
Bishop	Heap	McDonald	Peterson	Tompkins
Blatz	Henry	McEachern	Poppenhagen	Trimble
Boo	Himle	McGuire	Price	Tunheim
Brown	Hugoson	McLaughlin	Pugh	Uphus
Burger	Jacobs	McPherson	Quinn	Valento
Carlson, D.	Janezich	Milbert	Redalen	Vellenga
Carlson, L.	Jaros	Morrison	Reding	Wagenius
Carruthers	Jefferson	Munger	Rest	Waltman
Clark	Jennings	Murphy	Rice	Weaver
Conway	Johnson, A.	Nelson, C.	Richter	Welle
Cooper	Johnson, R.	Nelson, K.	Rodosovich	Wenzel
Dauner	Johnson, V.	Neuenschwander	Rukavina	Williams
Dawkins	Kahn	O'Connor	Runbeck	Winter
Dempsey	Kalis	Ogren	Sarna	Spk. Vanasek
Dille	Kelly	Olsen, S.	Schafer	
Dorn	Kelso	Olson, E.	Scheid	
Forsythe	Kinkel	Olson, K.	Schreiber	
Frederick	Knickerbocker	Omann	Segal	

The bill was passed and its title agreed to.

CALENDAR

H. F. No. 1569, A bill for an act relating to highways; providing for resolution of local disapproval of certain county state-aid highway actions; providing that 30 percent of the county state-aid highway fund be apportioned on the basis of lane-miles; changing the composition of the county and municipal state-aid screening boards; amending Minnesota Statutes 1988, sections 162.02, subdivisions 8 and 10, and by adding a subdivision; 162.07, subdivisions 1 and 5; and 162.13, 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 73 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Abrams	Gutknecht	Long	Osthoff	Schreiber
Beard	Hausman	Lynch	Otis	Segal
Begich	Heap	Macklin	Ozment	Simoneau
Bennett	Henry	McDonald	Pappas	Skoglund
Bishop	Himle	McEachern	Pauly	Stanius
Blatz	Jacobs	McGuire	Pellow	Swenson
Burger	Jefferson	McLaughlin	Price	Tjornhom
Carlson, L.	Johnson, A.	McPherson	Pugh	Trimble
Carruthers	Kahn	Milbert	Redalen	Valento
Clark	Kelly	Morrison	Rest	Vellenga
Dawkins	Kelso	Nelson, K.	Rice	Wagenius
Forsythe	Knickerbocker	O'Connor	Rukavina	Weaver
Frerichs	Kostohryz	Olsen, S.	Runbeck	Spk. Vanasek
Greenfield	Lasley	Olson, K.	Sarna	
Gruenes	Limmer	Orenstein	Scheid	

Those who voted in the negative were:

Anderson, G.	Dille	Johnson, V.	Omamm	Steensma
Anderson, R.	Dorn	Kalis	Onnen	Sviggum
Battaglia	Frederick	Kinkel	Ostrom	Tompkins
Bauerly	Girard	Krueger	Pelowski	Tunheim
Bertram	Hartle	Lieder	Peterson	Uphus
Boo	Hasskamp	Marsh	Poppenhagen	Waltman
Brown	Haukoos	Munger	Reding	Welle
Carlson, D.	Hugoson	Murphy	Richter	Wenzel
Conway	Janezich	Nelson, C.	Rodosovich	Williams
Cooper	Jaros	Neuenschwander	Schafer	Winter
Dauner	Jennings	Ogren	Solberg	
Dempsey	Johnson, R.	Olson, E.	Sparby	

The bill was passed and its title agreed to.

H. F. No. 1754, A resolution memorializing the Congress of the

United States to enact the American Heritage Trust Act authorizing the creation of a federal trust fund to provide funding for local, state, and federal land and water conservation and historic preservation purposes.

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:

Abrams	Frederick	Knickerbocker	Omann	Scheid
Anderson, G.	Frerichs	Kostohryz	Onnen	Schreiber
Anderson, R.	Girard	Krueger	Orenstein	Segal
Battaglia	Greenfield	Lasley	Osthoff	Simoneau
Bauerly	Gruenes	Lieder	Ostrom	Skoglund
Beard	Gutknecht	Limmer	Otis	Solberg
Begich	Hartle	Long	Ozment	Sparby
Bennett	Hasskamp	Lynch	Pappas	Stanisus
Bertram	Haukoos	Macklin	Pauly	Steenma
Bishop	Hausman	Marsh	Pellow	Sviggum
Blatz	Heap	McDonald	Pelowski	Swenson
Boo	Henry	McEachern	Peterson	Tjornhom
Brown	Himle	McGuire	Poppenhagen	Tompkins
Burger	Hugoson	McLaughlin	Price	Trimble
Carlson, D.	Jacobs	McPherson	Pugh	Tunheim
Carlson, L.	Janezich	Milbert	Quinn	Uphus
Carruthers	Jaros	Morrison	Redalen	Valento
Clark	Jefferson	Munger	Reding	Vellenga
Conway	Jennings	Murphy	Rest	Wagenius
Cooper	Johnson, A.	Nelson, C.	Rice	Waltman
Dauner	Johnson, R.	Nelson, K.	Richter	Weaver
Dawkins	Johnson, V.	Neuenschwander	Rodosovich	Welle
Dempsey	Kahn	O'Connor	Rukavina	Wenzel
Dille	Kalis	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olson, E.	Schafer	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1785, A bill for an act relating to real property; providing for plat monuments; imposing a penalty; amending Minnesota Statutes 1988, sections 505.02, subdivision 1; and 505.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 505.

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:

Abrams	Frerichs	Kostohryz	Onnen	Segal
Anderson, G.	Girard	Krueger	Orenstein	Simoneau
Anderson, R.	Greenfield	Lasley	Osthoff	Skoglund
Battaglia	Gruenes	Limmer	Ostrom	Solberg
Bauerly	Gutknecht	Long	Otis	Sparby
Beard	Hartle	Lynch	Ozment	Stanius
Begich	Hasskamp	Macklin	Pappas	Steensma
Bennett	Haukoos	Marsh	Pauly	Sviggum
Bertram	Hausman	McDonald	Pellow	Swenson
Bishop	Heap	McEachern	Pelowski	Tjornhom
Blatz	Henry	McGuire	Peterson	Tompkins
Boo	Himle	McLaughlin	Poppenhagen	Trimble
Brown	Hugoson	McPherson	Price	Tunheim
Burger	Jacobs	Milbert	Pugh	Uphus
Carlson, D.	Janezich	Morrison	Quinn	Valento
Carlson, L.	Jaros	Munger	Redalen	Vellenga
Carruthers	Jefferson	Murphy	Reding	Wagenius
Clark	Jennings	Nelson, C.	Rest	Waltman
Conway	Johnson, A.	Nelson, K.	Rice	Weaver
Cooper	Johnson, R.	Neuenschwander	Richter	Welle
Dauner	Johnson, V.	O'Connor	Rukavina	Wenzel
Dempsey	Kahn	Ogren	Runbeck	Williams
Dille	Kalis	Olsen, S.	Sarna	Winter
Dorn	Kelso	Olson, E.	Schafer	Spk. Vanasek
Forsythe	Kinkel	Olson, K.	Scheid	
Frederick	Knickerbocker	Omann	Schreiber	

The bill was passed and its title agreed to.

H. F. No. 1830, A bill for an act relating to crime; increasing the penalty for malicious child punishment resulting in great bodily harm; amending Minnesota Statutes 1989 Supplement, section 609.377.

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:

Abrams	Cooper	Himle	Limmer	Olsen, S.
Anderson, G.	Dauner	Hugoson	Long	Olson, E.
Anderson, R.	Dawkins	Jacobs	Lynch	Olson, K.
Battaglia	Dempsey	Janezich	Macklin	Omann
Bauerly	Dille	Jaros	Marsh	Onnen
Beard	Dorn	Jefferson	McDonald	Orenstein
Begich	Forsythe	Jennings	McEachern	Osthoff
Bennett	Frederick	Johnson, A.	McGuire	Otis
Bertram	Frerichs	Johnson, R.	McLaughlin	Ozment
Bishop	Girard	Johnson, V.	McPherson	Pappas
Blatz	Greenfield	Kahn	Milbert	Pauly
Boo	Gruenes	Kalis	Morrison	Pellow
Brown	Gutknecht	Kelso	Munger	Pelowski
Burger	Hartle	Kinkel	Murphy	Peterson
Carlson, D.	Hasskamp	Knickerbocker	Nelson, C.	Poppenhagen
Carlson, L.	Haukoos	Kostohryz	Nelson, K.	Price
Carruthers	Hausman	Krueger	Neuenschwander	Pugh
Clark	Heap	Lasley	O'Connor	Quinn
Conway	Henry	Lieder	Ogren	Redalen

Reding	Sarna	Solberg	Tompkins	Waltman
Rest	Schafer	Sparby	Trimble	Weaver
Rice	Scheid	Stanius	Tunheim	Welle
Richter	Schreiber	Steensma	Uphus	Wenzel
Rodosovich	Segal	Swiggum	Valento	Williams
Rukavina	Simoneau	Swenson	Vellenga	Winter
Runbeck	Skoglund	Tjornhom	Wagenius	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1846, A bill for an act relating to prostitution; increasing penalties for certain patrons of prostitutes; providing that when a patron uses a motor vehicle during commission of an offense, that fact will be noted on the person's driving record; amending Minnesota Statutes 1988, sections 609.324, subdivisions 2, 3, and by adding subdivisions; and 609.3241.

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 9 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Lasley	Onnen	Simoneau
Anderson, R.	Gutknecht	Lieder	Orenstein	Skoglund
Battaglia	Hartle	Limmer	Ostrom	Solberg
Bauerly	Hasskamp	Long	Otis	Sparby
Beard	Haukoos	Lynch	Ozment	Stanius
Begich	Hausman	Macklin	Pappas	Steensma
Bennett	Heap	Marsh	Pauly	Swiggum
Bertram	Henry	McDonald	Pellow	Swenson
Blatz	Himle	McEachern	Pelowski	Tjornhom
Boo	Hugoson	McGuire	Peterson	Tompkins
Brown	Jacobs	McLaughlin	Poppenhagen	Trimble
Burger	Janezich	McPherson	Price	Tunheim
Carlson, D.	Jefferson	Milbert	Pugh	Uphus
Carlson, L.	Jennings	Morrison	Quinn	Valento
Carruthers	Johnson, A.	Munger	Redalen	Vellenga
Clark	Johnson, R.	Murphy	Reding	Wagenius
Cooper	Johnson, V.	Nelson, C.	Rest	Waltman
Dauner	Kalis	Nelson, K.	Richter	Weaver
Dawkins	Kelly	Neuenschwander	Rodosovich	Welle
Dorn	Kelso	O'Connor	Runbeck	Wenzel
Forsythe	Kinkel	Olsen, S.	Sarna	Williams
Frederick	Knickerbocker	Olson, E.	Schafer	Winter
Girard	Kostohryz	Olson, K.	Scheid	
Greenfield	Krueger	Omann	Segal	

Those who voted in the negative were:

Anderson, G.	Dempsey	Jaros	Osthoff	Spk. Vanasek
Bishop	Dille	Kahn	Rukavina	

The bill was passed and its title agreed to.

GENERAL ORDERS

Long moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Reding moved that the name of Trimble be added as an author on H. F. No. 1328. The motion prevailed.

Greenfield moved that the name of Tjornhom be added as an author on H. F. No. 1847. The motion prevailed.

Sviggum moved that the name of Dorn be added as an author on H. F. No. 1860. The motion prevailed.

Sviggum moved that the name of Dauner be added as an author on H. F. No. 1863. The motion prevailed.

Price moved that the name of Seaberg be added as an author on H. F. No. 1883. The motion prevailed.

Pappas moved that the name of Limmer be added as an author on H. F. No. 1884. The motion prevailed.

Dawkins moved that the name of Osthoff be added as an author on H. F. No. 1924. The motion prevailed.

Williams moved that the names of Girard and Kinkel be added as authors on H. F. No. 1929. The motion prevailed.

Battaglia moved that the name of Uphus be added as an author on H. F. No. 1960. The motion prevailed.

Jefferson moved that the names of Osthoff and O'Connor be added as authors on H. F. No. 1987. The motion prevailed.

Jefferson moved that the names of Osthoff and Scheid be added as authors on H. F. No. 1988. The motion prevailed.

Vellenga moved that her name be stricken as an author on H. F. No. 1992. The motion prevailed.

McEachern moved that his name be stricken as an author on H. F. No. 1992. The motion prevailed.

Carlson, L., moved that the name of Osthoff be added as an author on H. F. No. 2028. The motion prevailed.

Scheid moved that the names of Osthoff and Jefferson be added as authors on H. F. No. 2041. The motion prevailed.

Seaberg moved that the name of Tjornhom be added as an author on H. F. No. 2063. The motion prevailed.

Dawkins moved that the name of Welle be stricken and the name of Olsen, S., be added as an author on H. F. No. 2097. The motion prevailed.

Haukoos moved that his name be stricken as an author on H. F. No. 2105. The motion prevailed.

Greenfield moved that the name of Nelson, C., be added as an author on H. F. No. 2118. The motion prevailed.

Johnson, R., moved that the name of Ögren be stricken and the name of Ozment be added as an author on H. F. No. 2131. The motion prevailed.

Rest moved that the name of Stanius be added as an author on H. F. No. 2210. The motion prevailed.

Rodosovich moved that the names of Tjornhom and Haukoos be added as authors on H. F. No. 2219. The motion prevailed.

Swenson moved that the name of Milbert be stricken and the name of McGuire be added as an author on H. F. No. 2226. The motion prevailed.

Solberg moved that his name be stricken as an author on H. F. No. 2254. The motion prevailed.

Segal moved that the name of Nelson, K., be added as an author on H. F. No. 2263. The motion prevailed.

McGuire moved that the name of Swenson be added as an author on H. F. No. 2349. The motion prevailed.

Beard moved that the name of Sviggum be added as an author on H. F. No. 2398. The motion prevailed.

Rukavina moved that the name of Weaver be stricken and the name of Ozment be added as an author on H. F. No. 2444. The motion prevailed.

Welle moved that the names of Janezich and Kelly be added as authors on H. F. No. 2475. The motion prevailed.

Cooper moved that the name of Dempsey be added as an author on H. F. No. 2498. The motion prevailed.

Jefferson moved that the name of Clark be added as an author on H. F. No. 2504. The motion prevailed.

McLaughlin moved that the name of Trimble be added as an author on H. F. No. 2506. The motion prevailed.

Johnson, A., moved that the name of Runbeck be added as an author on H. F. No. 2507. The motion prevailed.

Pugh moved that the name of Dawkins be added as an author on H. F. No. 2530. The motion prevailed.

Girard moved that the name of Schafer be added as an author on H. F. No. 2537. The motion prevailed.

Bertram moved that the names of Olsen, S., and Tjornhom be added as authors on H. F. No. 2549. The motion prevailed.

Rest moved that the name of Segal be added as an author on H. F. No. 2568. The motion prevailed.

Bauerly moved that the names of Nelson, K., and Trimble be added as authors on H. F. No. 2577. The motion prevailed.

Milbert moved that the names of Price and Morrison be added as authors on H. F. No. 2609. The motion prevailed.

Begich moved that the names of Beard and Sarna be added as authors on H. F. No. 2623. The motion prevailed.

Wenzel moved that the names of Gruenes, Bertram and Bauerly be added as authors on H. F. No. 2642. The motion prevailed.

Bertram moved that the name of Olsen, S., be added as an author on H. F. No. 2644. The motion prevailed.

Uphus moved that the name of Omann be added as an author on H. F. No. 2700. The motion prevailed.

Blatz moved that the name of Olsen, S., be added as an author on House Advisory No. 37. The motion prevailed.

Sparby moved that H. F. No. 1816, now on General Orders, be

re-referred to the Committee on Appropriations. The motion prevailed.

Bauerly moved that H. F. No. 1995 be recalled from the Committee on Judiciary and be re-referred to the Committee on Appropriations. The motion prevailed.

Osthoff moved that H. F. No. 2741 be recalled from the Committee on Agriculture and be re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Kelly moved that H. F. No. 2530, now on Technical General Orders, be re-referred to the Committee on Taxes. The motion prevailed.

Pugh moved that H. F. No. 2678 be recalled from the Committee on Commerce and be re-referred to the Committee on Judiciary. The motion prevailed.

Reding moved that H. F. No. 2661 be recalled from the Committee on Governmental Operations and be re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Welle moved that H. F. No. 2380, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Price moved that H. F. No. 1948, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

McGuire moved that H. F. No. 2353, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Johnson, R., moved that H. F. No. 1963, now on Technical General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Milbert moved that H. F. No. 1976, now on Technical General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Redalen moved that H. F. No. 2427 be returned to its author. The motion prevailed.

Vanasek, Munger, McGuire, Kelso and Redalen introduced:

House Resolution No. 17, A house resolution designating and proclaiming April 22, 1990, as Earth Day 1990.

The resolution was referred to the Committee on Environment and Natural Resources.

Munger introduced:

House Resolution No. 18, A house resolution relating to Earth Day; April 22, 1990.

The resolution was referred to the Committee on Environment and Natural Resources.

Johnson, R.; Munger; Wagenius and Price introduced:

House Concurrent Resolution No. 4, A house concurrent resolution relating to local government packaging ordinances.

The concurrent resolution was referred to the Committee on Environment and Natural Resources.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 60:

Dille, Price and Jennings.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 2:30 p.m., Wednesday, March 14, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Wednesday, March 14, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SEVENTIETH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 14, 1990

The House of Representatives convened at 2:30 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Dr. Joseph Everson, Pastor of Hope Lutheran Church and Adjunct Professor, United Theological Seminary, St. Paul, Minnesota.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced that Jeff Conway in a letter addressed to the Governor resigned as State Representative from District 30B effective March 13, 1990.

The roll was called and the following members were present:

Abrams	Girard	Krueger	Onnen	Schreiber
Anderson, G.	Greenfield	Lasley	Orenstein	Seaberg
Anderson, R.	Gruenes	Lieder	Osthoff	Segal
Battaglia	Gutknecht	Limmer	Ostrom	Simoneau
Bauerly	Hartle	Long	Otis	Skoglund
Beard	Hasskamp	Lynch	Ozment	Solberg
Begich	Haukoos	Macklin	Pappas	Sparby
Bennett	Hausman	Marsh	Pauly	Stanius
Bertram	Heap	McDonald	Pellow	Steensma
Bishop	Henry	McEachern	Pelowski	Sviggum
Blatz	Hugoson	McGuire	Peterson	Swenson
Boo	Jacobs	McLaughlin	Poppenhagen	Tjornhom
Brown	Janezich	McPherson	Price	Tompkins
Burger	Jaros	Milbert	Pugh	Trimble
Carlson, L.	Jefferson	Miller	Quinn	Tunheim
Carruthers	Jennings	Morrison	Redalen	Uphus
Clark	Johnson, A.	Munger	Reding	Valento
Cooper	Johnson, R.	Murphy	Rest	Vellenga
Dauner	Johnson, V.	Nelson, C.	Rice	Wagenius
Dawkins	Kahn	Nelson, K.	Richter	Waltman
Dempsey	Kalis	O'Connor	Rodosovich	Weaver
Dille	Kelly	Ogren	Rukavina	Welle
Dorn	Kelso	Olsen, S.	Runbeck	Wenzel
Forsythe	Kinkel	Olson, E.	Sarna	Williams
Frederick	Knickerbocker	Olson, K.	Schafer	Winter
Frerichs	Kostohryz	Omann	Scheid	Spk. Vanasek

A quorum was present.

Carlson, D.; Himle and Neuenschwander were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Price 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. 232, 1784, 1870, 1924, 1960, 1963, 1976, 1977, 2001, 2002, 2028, 2057, 2097, 2116, 2134, 2138, 2147, 2163, 2173, 2189, 2202, 2219, 2252, 2291, 2296, 2336, 2350, 2384, 2407, 2426, 2448, 2462, 2494, 2505, 2594, 2628, 2637, 2645, 2650, 2657, 1894, 1939, 1970, 1987, 2043, 2056, 2090, 2092, 2105, 2124, 2131, 2148, 2156, 2211, 2222, 2223, 2234, 2321, 2351, 2397, 2459, 2507, 2534, 2541, 2614 and 2623 and S. F. Nos. 1695, 1813, 1906, 1943, 1922, 1947 and 1783 have been placed in the members' files.

S. F. No. 1922 and H. F. No. 2028, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Carlson, L., moved that S. F. No. 1922 be substituted for H. F. No. 2028 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1947 and H. F. No. 2090, 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. 1947 be substituted for H. F. No. 2090 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 31, A bill for an act relating to natural resources; prohibiting drainage of certain wetlands; amending Minnesota

Statutes 1988, sections 105.38; 105.391, by adding subdivisions; and 106A.701, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 105.37, subdivision 14, is amended to read:

Subd. 14. [PUBLIC WATERS.] “Public waters” includes and shall be limited to the following waters of the state:

(1) All waterbasins assigned a shoreland management classification by the commissioner pursuant to section 105.485, except wetlands less than 80 acres in size which are classified as natural environment lakes;

(2) All waters of the state which have been finally determined to be public waters or navigable waters by a court of competent jurisdiction;

(3) All meandered lakes, except for those which have been legally drained;

(4) All waterbasins previously designated by the commissioner for management for a specific purpose such as trout lakes and game lakes pursuant to applicable laws;

(5) All waterbasins designated as scientific and natural areas pursuant to section 84.033;

(6) All waterbasins located within and totally surrounded by publicly owned lands;

(7) All waterbasins where the state of Minnesota or the federal government holds title to any of the beds or shores, unless the owner declares that the water is not necessary for the purposes of the public ownership;

(8) All waterbasins where there is a publicly owned and controlled access which is intended to provide for public access to the waterbasin; ~~and~~

(9) All natural and altered natural watercourses with a total drainage area greater than two square miles, except that trout streams officially designated by the commissioner shall be public waters regardless of the size of their drainage area; and

(10) All types 3, 4, and 5 wetlands as defined in United States Fish and Wildlife Service Circular No. 39 (1971 edition), which are ten or more acres in unincorporated areas or 2-1/2 or more acres in incorporated areas, and are not included in clauses (1) to (9).

The public character of water shall not be determined exclusively by the proprietorship of the underlying, overlying, or surrounding land or by whether it is a body or stream of water which was navigable in fact or susceptible of being used as a highway for commerce at the time this state was admitted to the union.

For the purposes of statutes other than this section and sections 105.38 and 105.391, the term "public waters" shall include "wetlands" unless the statute expressly states otherwise.

Sec. 2. Minnesota Statutes 1988, section 105.37, subdivision 15, is amended to read:

Subd. 15. [WETLANDS.] "Wetlands" includes, and shall be limited to, all types 3, 4, and 5 wetlands, as defined in United States Fish and Wildlife Service Circular No. 39 (1971 edition), not included within the definition of public waters, which are ten or more acres in size in unincorporated areas or 2-1/2 or more acres in incorporated areas.

"Wetlands" means lands transitional between terrestrial and aquatic systems where the water table is usually at or near the surface or the land is covered by shallow water. For purposes of this definition, wetlands must have two or more of the following three attributes:

(1) at least periodically, the land supports predominantly hydrophytes;

(2) the substrate is predominantly undrained hydric soil; and

(3) the substrate is nonsoil and is saturated with water or covered by shallow water at some time during the growing season of each year.

Sec. 3. Minnesota Statutes 1988, section 105.37, is amended by adding a subdivision to read:

Subd. 19. [LOCAL WATER MANAGEMENT ORGANIZATION.] "Local water management organization" means the managers of a watershed district established under chapter 112. Where no watershed district has been established, the local water management organization shall be the governing board of the county, city, or the watershed management organization under section 473.876, subdivision 9.

Sec. 4. Minnesota Statutes 1988, section 105.37, is amended by adding a subdivision to read:

Subd. 20. [MITIGATION.] "Mitigation" is the quantification and replacement of an area's size, quality, character, and diversity through restoration or creation of equivalent quantities in another area after the impacts of the proposed project have been avoided and minimized to the extent possible and there are no feasible and practical alternatives.

Sec. 5. Minnesota Statutes 1988, section 105.37, is amended by adding a subdivision to read:

Subd. 21. [WATERSHED.] "Watershed" means the 81 major watershed units delineated by the "State of Minnesota Watershed Boundaries - 1979" map.

Sec. 6. Minnesota Statutes 1988, section 105.38, is amended to read:

105.38 [DECLARATION OF POLICY.]

Subdivision 1. [POLICY.] To conserve and use the state's water resources in the best interests of its people, and to promote the public health, safety, and welfare, the policy of the state is as follows:

(a) Subject to existing rights, public waters and wetlands are subject to the control of the state.

(b) The state, to the extent provided by law, shall control the appropriation and use of surface and underground waters of the state.

(c) The state shall control and supervise, so far as practicable, any activity that changes or will change the course, current, or cross-section of public waters or wetlands, including but not limited to the construction, reconstruction, repair, removal, abandonment, the making of any other change, or the transfer of ownership of dams, reservoirs, control structures, and waterway obstructions in public waters or wetlands of the state.

Subd. 2. [FINDINGS; PUBLIC INTEREST.] (a) The legislature finds that the wetlands of Minnesota provide public value by conserving surface waters, maintaining and improving water quality, preserving wildlife habitat, providing recreational opportunities, reducing runoff, providing for floodwater retention, reducing stream sedimentation, contributing to improved subsurface moisture, and enhancing the natural beauty of the landscape, and are important to comprehensive water management, and that it is in the public interest to:

(1) achieve no net loss in the quantity and quality of Minnesota's existing wetlands;

(2) increase the quantity and quality of Minnesota's wetlands by restoring or enhancing diminished or drained wetlands;

(3) avoid direct or indirect impacts from activities that destroy or diminish wetlands; and

(4) mitigate where avoidance is not feasible or practical.

(b) Mitigation must be guided by the following principles in descending order of priority:

(1) restoration of a wetland area;

(2) enhancement of a wetland area; or

(3) creation of new wetland.

(c) This subdivision controls the enforcement and administration of all other statutes affecting wetlands.

Sec. 7. Minnesota Statutes 1988, section 105.391, subdivision 1, is amended to read:

Subdivision 1. [INVENTORY, COUNTY BOARD REVIEW, HEARINGS.] On the basis of information available to the commissioner and the criteria in section 105.37, ~~subdivisions~~ subdivision 14 and 15, the commissioner shall inventory the waters of each county and make a preliminary designation as to which are public waters ~~and wetlands~~. The commissioner shall send a list and map of the waters preliminarily designated as public waters ~~and wetlands~~ in each county to the county board of that county for its review and comment.

The county board shall conduct at least one public informational meeting within the county regarding the commissioner's preliminary designation. After conducting the meetings and within 90 days after receipt of the list or maps, the county board shall present its recommendation to the commissioner, listing any waters regarding which the board disagrees with the commissioner's preliminary designation and stating with particularity the waters involved and the reasons for disagreement.

The commissioner shall review the county board's response and, if in agreement with any of the board's recommendations, shall revise the list and map to reflect the recommendations. Within 30 days after receiving the county board's recommendations, the commis-

sioner shall also notify the county board which recommendations are accepted and rejected and the reasons for the decision.

After the revision of the map and list, if any, or if no response is received from the county board within the 90 days review period, the commissioner shall file the revised list and map with the recorder of each county and shall have the list and map published in the official newspaper of the county. The published notice must also state that any person or any county may challenge the designation of specific waters as public waters or wetlands or may request the designation of additional waters as public waters or wetlands, by filing a petition for a hearing with the commissioner within 90 days following the date of publication. The petition must state with particularity the waters for which the commissioner's designation is disputed and the reasons for disputing the designation.

If any designations are disputed by petition, the commissioner shall order a public hearing to be held within the county within 60 days following the 90-day period. Notice of the hearing must be published in the State Register and the official newspaper of the county. The hearings must be conducted by a hearings unit. The unit is composed of: one person appointed by the affected county board; one person appointed by the commissioner; and one board member of the local soil and water conservation district or districts within the county who must be selected by the other two members at least 20 days before the hearing date. The expenses and per diem of any member of the hearings unit who is not a state employee must be paid as provided for in section 15.059, subdivision 3, within the limits of funds available from grants to the county under Laws 1979, chapter 199, section 16.

If there is a watershed district whose boundaries include the waters involved, the district may give the hearings unit its recommendations.

Within 60 days after completion of the hearing, the hearings unit shall issue its findings of fact, conclusions and an order, which must be considered the decision of an agency in a contested case for purposes of judicial review under sections 14.63 to 14.69. The commissioner, the county, or any person aggrieved by the decision of the hearings unit may appeal from the hearings unit's order. On receiving the order of the hearings unit and after the appeal period has expired, or on receiving the final order of the court in the case of an appeal, the commissioner shall publish a list of the waters determined to be public waters and wetlands. The commissioner shall complete the public waters and wetlands inventory by December 31, 1982.

Sec. 8. Minnesota Statutes 1988, section 105.391, subdivision 3, is amended to read:

Subd. 3. [PERMISSION TO DRAIN WATERS AND WETLANDS.] Except as provided below, no public waters or wetlands shall be drained, and no permit authorizing drainage of public waters or wetlands shall be issued, unless the public waters or wetlands being drained are replaced by public waters or wetlands that will have equal or greater public value. Wetlands, as defined in section 105.37, subdivision 14, clause (10), drainage of which is lawful, feasible, and practical and would provide high quality cropland and that is the projected land use, as determined by the commissioner, may be drained without a permit and without replacement of wetlands of equal or greater public value if the commissioner does not choose, within 60 days of receiving an application for a permit to drain the wetlands, to (1) place the wetlands in the state waterbank program under section 105.392, or (2) acquire it in fee under section 97A.145. The applicant, if not offered a choice of the above alternatives, is entitled to drain the wetlands involved.

In addition, the owner of lands underlying wetlands situated on privately owned lands may apply to the commissioner for a permit to drain the wetlands at any time more than ten years after their original designation. On receiving an application, the commissioner shall review the status and conditions of the wetlands. If the commissioner finds that the current status or conditions make it likely that the economic or other benefits from agricultural use to the owner from drainage would exceed the public benefits of maintaining the wetlands, the commissioner shall grant the application and issue a drainage permit. If the application is denied, the owner may not apply again for another ten years.

Sec. 9. Minnesota Statutes 1988, section 105.391, is amended by adding a subdivision to read:

Subd. 3a. [REPLACEMENT OF WETLANDS.] (a) Wetlands not inventoried under subdivision 1 which are identified on United States Fish and Wildlife Service National Wetlands Inventory maps, or which have been created or restored by public or private conservation programs, must not be drained or filled, wholly or partially, unless there are no feasible, practical, or prudent alternatives and unless replaced by creating wetland areas of at least equivalent size, quantity, character, and diversity under either a mitigation plan approved as provided in subdivision 3d or a mining reclamation plan approved by the commissioner under a permit to mine under section 93.481.

(b) Any mitigation or replacement shall be within the same watershed or county as the impacted wetlands, as based on the wetland evaluation.

(c) Wetlands that are created or restored as a result of an approved

mitigation plan are subject to the provisions of this section for any subsequent drainage or filling.

(d) All requests to add or delete a wetland from the jurisdiction of subdivision 3a must be approved in the same way as provided for mitigation plans by the committee for dispute resolution of the board of water and soil resources and must be based on substantial evidence that the wetland does or does not comply with established criteria for inclusion in the national wetlands inventory.

Sec. 10. Minnesota Statutes 1988, section 105.391, is amended by adding a subdivision to read:

Subd. 3b. [CALCAREOUS FENS.] Calcareous fens as identified by the commissioner may not be filled or drained, wholly or partially, by any activity.

Sec. 11. Minnesota Statutes 1988, section 105.391, is amended by adding a subdivision to read:

Subd. 3c. [EXCEPTIONS.] Wetlands identified in subdivision 3a are not subject to mitigation or replacement if:

(1) the wetland was planted and harvested with annually seeded crops or was in a crop rotation seeding six of the ten years prior to January 1, 1990;

(2) the wetland is a wetland restored under a contract or easement providing the landowner with the right to drain the restored wetland;

(3) the wetland is a type 2 wetland;

(4) the wetland is located between the banks of a ditch, as defined in section 106A.005, subdivision 8; or is located between the crowns of the leveled spoil banks planted with permanent grass, as provided in section 106A.021, and the opposite bank; and the wetland is drained pursuant to a ditch repair as defined in section 106A.701;

(5) the wetland is less than ten acres;

(6) except for bottomland hardwood wetlands, the wetland is a type 1 as defined in United States Fish and Wildlife Circular No. 39 (1971 edition);

(7) the wetland was included in a request for a commenced drainage determination provided for by the 1985 federal Food Security Act that was made to the county agricultural stabilization and conservation service office prior to September 19, 1988, and a ruling and any subsequent appeals or reviews have determined that

drainage of the wetland had been commenced prior to December 23, 1985;

(8) the wetland is located in a subdivision that has received plat approval before the effective date of this section;

(9) the wetland was created solely as a result of beaver dam construction, or the blockage of culverts through roadways maintained by a public authority; or

(10) the wetland is located in a development area in which the governing body or the developing company acting under local approvals has installed infrastructure improvements or made agreements and financial commitments for infrastructure improvements.

Sec. 12. Minnesota Statutes 1988, section 105.391, is amended by adding a subdivision to read:

Subd. 3d. [MITIGATION RULES.] (a) By July 1, 1992, the commissioner shall adopt rules governing the approval of mitigation plans under this section. These rules must address the criteria, procedure, timing, and location of acceptable mitigation; the establishment and administration of a wetland banking program for public transportation projects; the methodology to be used in identifying and evaluating wetland functions; the administrative, monitoring, and enforcement procedures to be used; and provide a procedure for the review and appeal of decisions under this section.

(b) Prior to the adoption of these rules, the mitigation plan must be approved by a four-member review panel. The review panel shall be composed of the regional administrator for the department of natural resources, one board member of the local soil and water conservation district or districts within the county, one manager of the watershed district, and one member of the local water planning group who must be appointed by the county board. Where there is no watershed district, a member of the governing board of the county or city shall be present on the review panel.

(c) After the adoption of these rules, the mitigation plan must be approved by a resolution of the governing board of the local water management organization, consistent with the provisions of the rules.

(d) By July 1, 1994, the commissioner shall review the feasibility of and may adopt rules extending wetland banking to projects in addition to public transportation projects.

Sec. 13. Minnesota Statutes 1988, section 105.391, is amended by adding a subdivision to read:

Subd. 3e. [EVALUATION.] Questions concerning the location, size, or type of a wetland shall be submitted to and decided by a technical evaluation panel. The technical evaluation panel shall be composed of a technical professional employee of the department of natural resources, a technical professional employee of the local soil and water conservation district or districts, and an engineer for the local water management organization. This panel shall provide this information to the authority that must approve a mitigation plan under subdivision 3d.

Sec. 14. Minnesota Statutes 1988, section 105.391, is amended by adding a subdivision to read:

Subd. 3f. [DECISION.] As provided in subdivision 3d, and upon receiving all required data, the local water management organization approving a mitigation plan must act on all applications for mitigation plan approval within 60 days.

Sec. 15. Minnesota Statutes 1988, section 105.391, is amended by adding a subdivision to read:

Subd. 3g. [NOTICE OF APPLICATION.] Within ten days of receiving an application for approval of a mitigation plan under this section, a copy of the application must be submitted for publication in the Environmental Quality Board Monitor and separate copies mailed to the commissioner, the board of supervisors of the soil and water conservation district, the managers of the watershed district, the board of county commissioners, and within the wetland watershed, the mayors of the cities.

Sec. 16. Minnesota Statutes 1988, section 105.391, is amended by adding a subdivision to read:

Subd. 3h. [NOTICE OF DECISION.] At least 30 days prior to the effective date of the approval or denial of a mitigation plan under this section, a copy of the approval or denial must be submitted for publication in the Environmental Quality Board Monitor and separate copies mailed to the applicant, the commissioner, the board of supervisors of the soil and water conservation district, the managers of the watershed district, the board of county commissioners, and the mayor of the city.

Sec. 17. Minnesota Statutes 1988, section 105.391, is amended by adding a subdivision to read:

Subd. 3i. [APPEAL.] Appeal of the decision may be obtained by mailing a notice of appeal to the board of water and soil resources within 30 days after the postmarked date of the mailing specified in subdivision 3h. If appeal is not sought within 30 days, the decision becomes final and is not thereafter subject to judicial review. Appeal

may be made by any of those to whom notice is required to be mailed under subdivision 3h, or by 25 landowners or residents in the county or watershed of the impacted wetland. All appeals must be heard by the committee for dispute resolution of the board of water and soil resources, and a decision made within 60 days of the appeal. The decision must be served by mail on the parties to the appeal, and is not subject to the provisions of chapter 14. The decision must be considered the decision of an agency in a contested case for purposes of judicial review under Minnesota Statutes, sections 14.63 to 14.69.

Sec. 18. Minnesota Statutes 1988, section 105.391, is amended by adding a subdivision to read:

Subd. 3j. [WETLAND HERITAGE ADVISORY COMMITTEE.] The commissioner shall establish a wetland heritage advisory committee consisting of a balanced diversity of interests including agriculture, environmental, sporting organizations, land development organizations, local government organizations, and other agencies. The committee shall advise the commissioner on the development of rules and, after rule adoption, shall meet twice a year to review implementation of the program, to identify strengths and weaknesses, and to recommend changes to the rules and the law to improve the program.

Sec. 19. Minnesota Statutes 1988, section 105.391, is amended by adding a subdivision to read:

Subd. 3k. [MITIGATION CREDITS.] No public or private wetland restoration, enhancement, or construction may be allowed for mitigation unless specifically designated for mitigation by the individual or organization performing the wetland restoration, enhancement, or construction.

Sec. 20. Minnesota Statutes 1988, section 105.391, is amended by adding a subdivision to read:

Subd. 3l. [DRAINING PUBLIC WATERS.] No public ditch may be repaired in such a way as to partially or completely drain a public water inventoried under subdivision 1, except as provided in subdivision 3. This section does not limit the rights of a landowner to maintain an existing drainage system within the criteria set forth in subdivision 3c.

Sec. 21. Minnesota Statutes 1988, section 105.391, subdivision 10, is amended to read:

Subd. 10. [LANDOWNER'S USE OF WETLANDS.] This chapter does not prevent a landowner from:

(1) using the bed of wetlands or public waters for pasture or cropland during periods of drought, if there is no;

(2) filling a wetland to accommodate wheeled booms on irrigation devices, so long as the fill does not impede normal drainage; or

(3) harvesting timber from a wetland as part of a forest management plan;

if the activities do not result in the construction of dikes, ditches, tile lines or buildings, and the agricultural or forestry use does not result in the drainage of the wetlands or public waters. This chapter does not prevent a landowner from filling a wetland to accommodate wheeled booms on irrigation devices so long as the fill does not impede normal drainage.

Sec. 22. Minnesota Statutes 1988, section 105.392, subdivision 2, is amended to read:

Subd. 2. [TWENTY-YEAR WATERBANK AGREEMENTS.] For the conservation of wetlands, whether or not included in the definition contained in section 105.37, subdivision 14, clause (10), and subdivision 15, the commissioner may acquire wetlands in fee pursuant to section 97A.145, or may enter into easement agreements with landowners for the conservation of wetlands and other waters. These easement agreements shall be conservation easements, as defined in section 84C.01, paragraph (1), but, in addition, may be made possessory as well as nonpossessory if agreed upon by the landowner and the commissioner. These easements must be entered into for a period of not less than 20 years, with provision for renewal for not less than 20-year periods, or the agreements may provide that the easement will be permanent in duration. Highest priority must be given to the selection of permanent easements. The commissioner may reexamine the payment rates at the beginning of a 20-year renewal period and adjust them giving consideration to current land and crop values.

Sec. 23. Minnesota Statutes 1988, 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 70 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 65 percent of the value of the permanent easement value for the time period when the application is made 90 percent of the average of the accepted bids for the federal Conservation Reserve Program in the county in 1989, or in the most recent year prior to 1989 in which bids were accepted, if no bids were accepted in 1989, as contained in Public Law Number 99-198, in the relevant geographic area and on bids accepted at the time of easement application; or

(3) an alternative payment system for easements based on cash rent or a similar system as may be determined by the commissioner.

Sec. 24. Minnesota Statutes 1988, section 106A.701, is amended by adding a subdivision to read:

Subd. 5. [WETLAND RESTORATION AND MITIGATION.] Repair of a drainage system may include the restoration or enhancement of wetlands; wetland mitigation under section 105.391, subdivision 3a; and the realignment of a drainage system to prevent drainage of a wetland.

Sec. 25. [APPROPRIATION; BONDING.]

Subdivision 1. [WETLANDS ENROLLMENT.] \$10,000,000 is appropriated from the bond proceeds fund to the commissioner of natural resources to enroll wetlands in the state waterbank program.

Subd. 2. [SALE OF BONDS.] To provide the money appropriated in this section from the bond proceeds fund, the commissioner of finance on request of the governor shall sell and issue bonds of the state in an amount up to \$10,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 3. [COMMISSIONER OF NATURAL RESOURCES.] \$1,000,000 is appropriated from the general fund to the commissioner of natural resources for administrative costs for the purposes of this act.

Subd. 4. [BOARD OF WATER AND SOIL RESOURCES.] \$1,000,000 is appropriated from the general fund to the board of water and soil resources for grants to local water management organizations and administrative costs for the purposes of this act.

Subd. 5. [RULE DEVELOPMENT.] \$50,000 is appropriated from the general fund to the commissioner of natural resources for development of draft rules and adoption of rules under section 18.

Sec. 26. [EFFECTIVE DATE.]

Section 18 is effective the day following final enactment. Section 25, subdivision 5, is effective July 1, 1990. Sections 1 to 17, 19 to 24, and section 25, subdivisions 1 to 4 are effective July 1, 1991.

Delete the title and insert:

“A bill for an act relating to waters; enacting the Wetlands Heritage Act of 1990; providing for wetlands identification, preservation, and management; prohibiting drainage of certain wetlands; appropriating money; amending Minnesota Statutes 1988, sections 105.37, subdivisions 14, 15, and by adding subdivisions; 105.38; 105.391, subdivisions 1, 3, 10, and by adding subdivisions; 105.392, subdivisions 2 and 4; 106A.701, 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.

McEachern from the Committee on Education to which was referred:

H. F. No. 45, A bill for an act relating to education; appropriating money to administer a “2 + 2” program at Anoka-Ramsey Community College.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [PLANNING.]

The state university board shall develop plans to expand the “2 + 2” program offered at Anoka-Ramsey Community College through St. Cloud State University. The planning must be done by the board in cooperation with the community college board. It must include relevant issues necessary to meet the students' needs, including at least the following: proposed academic program offerings, anticipated enrollment, need for additional faculty and facilities, availability of student support services, and estimated costs of the expansion.

Sec. 2. [REPORT.]

The state university board shall report its plans to the education committees and the education divisions of the appropriations and finance committees by January 14, 1991.

Sec. 3. [APPROPRIATION.]

\$ is appropriated in fiscal year 1991 to the state university board for the purpose of undertaking the planning in 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.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 173, A bill for an act relating to agriculture; requiring certain restaurants and retailers of prepared foods to disclose the use of cheese substitutes; exempting certain restaurants and retailers; proposing coding for new law in Minnesota Statutes, chapter 31.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [31.105] [ARTIFICIAL CHEESE DISCLOSURE.]

Subdivision 1. [APPLICATION; DISCLOSURE.] A restaurant or retailer whose principle business is serving or selling prepared foods that prepares foods containing artificial cheese shall:

(1) post in a clearly visible manner on or near each customer entrance to the premises a notice substantially as follows: “NOTICE: ONE OR MORE OF THE PRODUCTS SERVED OR SOLD BY THIS ESTABLISHMENT MAY CONTAIN ARTIFICIAL CHEESE”; or

(2) print on or affix to the menu or menu board a list of the foods that contain artificial cheese.

Subd. 2. [EXCEPTIONS.] A restaurant or retailer that prepares and serves or sells foods is exempt from the disclosure requirements of subdivision 1 if:

- (1) the foods do not contain artificial cheese;
- (2) the foods contain only minor quantities of artificial cheese used principally for cosmetic purposes; or
- (3) the foods containing artificial cheese are prepackaged and labeled in accordance with federal labeling regulations.

Subd. 3. [RULES.] The commissioner may adopt rules necessary to administer this section. The rules may include provisions governing the size, location, and wording of disclosure notices.

Delete the title and insert:

“A bill for an act relating to agriculture; providing customer information when artificial cheese is used in certain foods; proposing coding for new law in Minnesota Statutes, chapter 31.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 869, A bill for an act relating to motor carriers; establishing a joint legislative subcommittee on motor carrier regulation and requiring a report.

Reported the same back with the following amendments:

Page 1, line 23, delete “February” and insert “January”

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. 1067, A bill for an act relating to education; requiring students on all HECB advisory groups; amending Minnesota Statutes 1988, section 136A.02, subdivision 7, and by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 9, after "must" insert ", if requested by the student advisory council,"

Page 1, line 10, delete "each" and insert "an"

Page 1, line 12, after "student" insert "member or"

Pages 1 and 2, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1989 Supplement, 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) appoint student members to board advisory groups as provided in section 1;

(5) provide any reasonable assistance to the board; and

(6) select one of its members to serve as chair. 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 June 30, 1993."

Amend the title as follows:

Page 1, line 4, delete "subdivision 7, and"

Page 1, line 5, before the period insert "; Minnesota Statutes 1989 Supplement, section 136A.02, subdivision 7"

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. 1101, A bill for an act relating to probate; adopting the uniform anatomical gift act (1987); correcting cross-references; amending Minnesota Statutes 1988, 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 1988, sections 525.921 to 525.93.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 65B.44, subdivision 4, is amended to read:

Subd. 4. [FUNERAL AND BURIAL EXPENSES.] Funeral and burial benefits shall be reasonable expenses not in excess of \$2,000, including expenses for cremation or delivery under the uniform anatomical gift act (1987), sections 525.921 4 to 525.93 25.

Sec. 2. Minnesota Statutes 1988, section 171.07, subdivision 5, is amended to read:

Subd. 5. The department may provide a donor document to each person making application for a driver's license or a Minnesota

identification card whereby any such person may execute an anatomical gift, pursuant to the provisions of the uniform anatomical gift act (1987), sections ~~525.921 4~~ to ~~525.93 25~~. The commissioner of public safety shall prescribe the form of the donor document. If the donor is 18 years of age or older, the donor document must be signed by the donor in the presence of two witnesses who must sign the donor document in the donor's presence. If the donor cannot sign, the donor document may be signed for the donor at the donor's direction, in the donor's presence, and in the presence of two witnesses who must sign the donor document in the donor's presence. If the donor is a minor, the donor document must be signed by the minor donor, and both of the minor donor's parents, a legal guardian, or the parent or parents having legal custody. If the minor cannot sign, the donor document may not be signed for the minor. The department shall identify donors of anatomical gifts by the designation "donor" on the front side of the donor's driver's license or Minnesota identification card. The designation "donor" shall constitute sufficient legal authority for the removal of all body organs or parts upon death of the donor for the purpose of transplantation and the designation shall be removed only upon written notice to the department. Delivery of the license or Minnesota identification card during the donor's lifetime is not necessary to make the gift valid.

Sec. 3. Minnesota Statutes 1988, section 390.36, is amended to read:

390.36 [CORONER REMOVAL OF PITUITARY GLAND DURING AUTOPSY.]

A county coroner who performs an autopsy under section 390.11, 390.32, or any other general or local law relating to county coroners or medical examiners, may remove the pituitary gland from the body and give it to the national pituitary agency, or any other agency or organization, for research if the following conditions have been met:

(a) the removal would not alter a gift made under sections ~~525.921 4~~ to ~~525.93 25~~;

(b) the coroner or medical examiner has no knowledge of any objection to the removal by the decedent or other person having the right to control the disposition of the body; and

(c) the coroner or medical examiner has followed generally accepted ethical guidelines and the removal would not violate the tenets of the deceased's religion.

Sec. 4. Minnesota Statutes 1988, section 525.921, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] For the purposes of sections ~~525.921 4~~ to

525.93 25 the terms defined in this section have the meanings given them.

Sec. 5. Minnesota Statutes 1988, section 525.921, is amended by adding a subdivision to read:

Subd. 1a. [ANATOMICAL GIFT.] "Anatomical gift" means a donation of all or part of a human body to take effect upon or after death.

Sec. 6. Minnesota Statutes 1988, section 525.921, is amended by adding a subdivision to read:

Subd. 3a. [DOCUMENT OF GIFT.] "Document of gift" means a card, a statement attached to or imprinted on a motor vehicle operator's or chauffeur's license, a will, or other writing used to make an anatomical gift.

Sec. 7. Minnesota Statutes 1988, section 525.921, subdivision 4, is amended to read:

Subd. 4. [DONOR.] "Donor" means an individual who makes a anatomical gift of all or part of the individual's body.

Sec. 8. Minnesota Statutes 1988, section 525.921, is amended by adding a subdivision to read:

Subd. 4a. [ENUCLEATOR.] "Enucleator" means an individual who has completed a course in eye enucleation conducted and certified by the department of ophthalmology of any accredited college of medicine, and holds a valid certificate of competence for completing the course.

Sec. 9. Minnesota Statutes 1988, section 525.921, subdivision 5, is amended to read:

Subd. 5. [HOSPITAL.] "Hospital" means a hospital facility licensed, accredited, or approved as a hospital under the laws of any state; includes or a facility operated as a hospital operated by the United States government, a state, or a subdivision thereof, although not required to be licensed under state laws of a state.

Sec. 10. Minnesota Statutes 1988, section 525.921, subdivision 8, is amended to read:

Subd. 8. [PHYSICIAN OR SURGEON.] "Physician" or "surgeon" means a ~~physician or surgeon~~ an individual licensed or otherwise authorized to practice medicine and surgery or osteopathy and surgery under the laws of any state.

Sec. 11. Minnesota Statutes 1988, section 525.921, is amended by adding a subdivision to read:

Subd. 8a. [PROCUREMENT ORGANIZATION.] "Procurement organization" means a person licensed, accredited, or approved under the laws of any state for procurement, distribution, or storage of human bodies or parts.

Sec. 12. Minnesota Statutes 1988, section 525.921, is amended by adding a subdivision to read:

Subd. 10. [TECHNICIAN.] "Technician" means an individual who is appropriately trained to remove or process a part.

Sec. 13. [525.9211] [MAKING, AMENDING, REVOKING, AND REFUSING TO MAKE ANATOMICAL GIFTS BY INDIVIDUAL.]

(a) An individual who is at least 18 years of age, or a minor with the written consent of a parent or legal guardian, may (i) make an anatomical gift for any of the purposes stated in section 17, paragraph (a), (ii) limit an anatomical gift to one or more of those purposes, or (iii) refuse to make an anatomical gift.

(b) An anatomical gift may be made by a will or by a document of gift signed by the donor. If the donor cannot sign, the document of gift must be signed by another individual and by two witnesses, all of whom have signed at the direction and in the presence of the donor and of each other, and state that it has been so signed.

(c) If a document of gift is attached to or imprinted on a donor's motor vehicle operator's or chauffeur's license, the document of gift must comply with paragraph (b). Revocation, suspension, expiration, or cancellation of the license does not invalidate the anatomical gift.

(d) A document of gift may designate a particular physician or surgeon to carry out the appropriate procedures. In the absence of a designation or if the designee is not available, the donee or other person authorized to accept the anatomical gift may employ or authorize any physician, surgeon, technician, or enucleator to carry out the appropriate procedures.

(e) An anatomical gift by will takes effect upon death of the testator, whether or not the will is probated. If, after death, the will is declared invalid for testamentary purposes, the validity of the anatomical gift is unaffected.

(f) A donor may amend or revoke an anatomical gift, not made by will, only by:

- (1) a signed statement;
- (2) an oral statement made in the presence of two individuals;
- (3) any form of communication during a terminal illness or injury addressed to a health care professional or member of the clergy; or
- (4) the delivery of a signed statement to a specified donee to whom a document of gift had been delivered.

(g) The donor of an anatomical gift made by will may amend or revoke the gift in the manner provided for amendment or revocation of wills, or as provided in paragraph (f).

(h) An anatomical gift that is not revoked by the donor before death is irrevocable and does not require the consent or concurrence of any person after the donor's death.

(i) An individual may refuse to make an anatomical gift of the individual's body or part by (i) a writing signed in the same manner as a document of gift, or (ii) any other writing used to identify the individual as refusing to make an anatomical gift. During a terminal illness or injury, the refusal may be an oral statement or other form of communication.

(j) In the absence of contrary indications by the donor, an anatomical gift of a part is neither a refusal to give other parts nor a limitation on an anatomical gift under section 14 or on a removal or release of other parts under section 15.

(k) In the absence of contrary indications by the donor, a revocation or amendment of an anatomical gift is not a refusal to make another anatomical gift. If the donor intends a revocation to be a refusal to make an anatomical gift, the donor shall make the refusal pursuant to paragraph (i).

Sec. 14. [525.9212] [MAKING, REVOKING, AND OBJECTING TO ANATOMICAL GIFTS, BY OTHERS.]

(a) Any member of the following classes of persons, in the order of priority listed, may make an anatomical gift of all or a part of the decedent's body for an authorized purpose, unless the decedent has made a refusal to make that anatomical gift that is unrevoked at the time of death:

- (1) the spouse of the decedent;
- (2) an adult son or daughter of the decedent;
- (3) either parent of the decedent;

(4) an adult brother or sister of the decedent;

(5) a grandparent of the decedent; and

(6) a guardian of the person of the decedent at the time of death.

(b) An anatomical gift may not be made by a person listed in paragraph (a) if:

(1) a person in a prior class is available at the time of death to make an anatomical gift;

(2) the person proposing to make an anatomical gift knows of a refusal or contrary indications by the decedent; or

(3) the person proposing to make an anatomical gift knows of an objection to making an anatomical gift by a member of the person's class or a prior class.

(c) An anatomical gift by a person authorized under paragraph (a) must be made by (i) a document of gift signed by the person, or (ii) the person's telegraphic, recorded telephonic, or other recorded message, or other form of communication from the person that is contemporaneously reduced to writing and signed by the recipient.

(d) An anatomical gift by a person authorized under paragraph (a) may be revoked by any member of the same or a prior class if, before procedures have begun for the removal of a part from the body of the decedent, the physician, surgeon, technician, or enucleator removing the part knows of the revocation.

(e) A failure to make a decision as to an anatomical gift under paragraph (a) is not an objection to the making of an anatomical gift.

Sec. 15. [525.9213] [AUTHORIZATION BY CORONER OR MEDICAL EXAMINER OR LOCAL PUBLIC HEALTH OFFICIAL.]

(a) The coroner or medical examiner may release and permit the removal of a part from a body within that official's custody, for transplantation or therapy, if:

(1) the official has received a request for the part from a hospital, physician, surgeon, or procurement organization;

(2) the official has made a reasonable effort, taking into account the useful life of the part, to locate and examine the decedent's medical records and inform persons listed in section 14, paragraph (a), of their option to make, or object to making, an anatomical gift;

(3) the official does not know of a refusal or contrary indication by the decedent or objection by a person having priority to act as listed in section 14, paragraph (a);

(4) the removal will be by a physician, surgeon, or technician; but in the case of eyes, by one of them or by an enucleator;

(5) the removal will not interfere with any autopsy or investigation; and

(6) the removal will be in accordance with accepted medical standards.

(b) If the body is not within the custody of the coroner or medical examiner, the local public health officer may release and permit the removal of any part from a body in the local public health officer's custody for transplantation or therapy if the requirements of paragraph (a) are met.

(c) An official releasing and permitting the removal of a part shall maintain a permanent record of the name of the decedent, the person making the request, the date and purpose of the request, the part requested, and the person to whom it was released.

Sec. 16. [525.9214] [ROUTINE INQUIRY AND REQUIRED REQUEST; SEARCH AND NOTIFICATION.]

(a) If, at or near the time of death of a patient, there is no documentation in the medical record that the patient has made or refused to make an anatomical gift, the hospital administrator or a representative designated by the administrator shall discuss with the patient or a relative of the patient the option to make or refuse to make an anatomical gift and may request the making of an anatomical gift pursuant to section 13 or 14. The request must be made with reasonable discretion and sensitivity to the circumstances of the family. A request is not required if the gift is not suitable, based upon accepted medical standards, for a purpose specified in section 17. An entry must be made in the medical record of the patient, stating the name of the individual making the request, and of the name, response, and relationship to the patient of the person to whom the request was made.

(b) The following persons shall make a reasonable search for a document of gift or other information identifying the bearer as a donor or as an individual who has refused to make an anatomical gift:

(1) a law enforcement officer, firefighter, paramedic, or other emergency rescuer finding an individual who the searcher believes is dead or near death;

(2) a hospital or emergency care facility, upon the admission or presentation of an individual at or near the time of death, if there is not immediately available any other source of that information; and

(3) a medical examiner or coroner upon receipt of a body.

(c) If a document of gift or evidence of refusal to make an anatomical gift is located by the search required by paragraph (b), clause (1), and the individual or body to whom it relates is taken to a hospital, the hospital must be notified of the contents and the document or other evidence must be sent to the hospital.

(d) If, at or near the time of death of a patient, a hospital knows that an anatomical gift has been made pursuant to section 14, paragraph (a), or a release and removal of a part has been permitted pursuant to section 15, or that a patient or an individual identified as in transit to the hospital is a donor, the hospital shall notify the donee if one is named and known to the hospital; if not, it shall notify an appropriate procurement organization. The hospital shall cooperate in the implementation of the anatomical gift or release and removal of a part.

(e) A person who fails to discharge the duties imposed by this section is not subject to criminal or civil liability.

Sec. 17. [525.9215] [PERSONS WHO MAY BECOME DONEES; PURPOSES FOR WHICH ANATOMICAL GIFTS MAY BE MADE.]

(a) The following persons may become donees of anatomical gifts for the purposes stated:

(1) a hospital, nonprofit organization in medical education and research, physician, surgeon, or procurement organization for transplantation, therapy, medical or dental education, research, or advancement of medical or dental science;

(2) an accredited medical or dental school, college, or university for education, research, advancement of medical or dental science;

(3) an approved chiropractic college for education; or

(4) a designated individual for transplantation or therapy needed by that individual.

(b) An anatomical gift may be made to a designated donee or without designating a donee. If a donee is not designated or if the donee is not available or rejects the anatomical gift, the anatomical gift may be accepted by any hospital or procurement organization.

(c) If the donee knows of the decedent's refusal or contrary indications to make an anatomical gift or that an anatomical gift by a member of a class having priority to act is opposed by a member of the same class or a prior class under section 14, paragraph (a), the donee may not accept the anatomical gift.

Sec. 18. [525.9216] [DELIVERY OF DOCUMENT OF GIFT.]

(a) Delivery of a document of gift during the donor's lifetime is not required for the validity of an anatomical gift.

(b) If an anatomical gift is made to a designated donee, the document of gift, or a copy, may be delivered to the donee to expedite the appropriate procedures after death. The document of gift, or a copy, may be deposited in any hospital, procurement organization, or registry office that accepts it for safekeeping or for facilitation of procedures after death. On request of an interested person, upon or after the donor's death, the person in possession shall allow the interested person to examine or copy the document of gift.

Sec. 19. [525.9217] [RIGHTS AND DUTIES AT DEATH.]

(a) Rights of a donee created by an anatomical gift are superior to rights of others except with respect to autopsies under section 22, paragraph (b). A donee may accept or reject an anatomical gift. If a donee accepts an anatomical gift of an entire body, the donee, subject to the terms of the gift, may allow embalming and use of the body in funeral services. If the gift is of a part of a body, the donee, upon the death of the donor and before embalming, shall cause the part to be removed without unnecessary mutilation. After removal of the part, custody of the remainder of the body vests in the person under obligation to dispose of the body.

(b) The time of death must be determined by a physician or surgeon who attends the donor at death or, if none, the physician or surgeon who certifies the death. Neither the physician or surgeon who attends the donor at death nor the physician or surgeon who determines the time of death may participate in the procedures for removing or transplanting a part unless the document of gift designates a particular physician or surgeon pursuant to section 13, paragraph (d).

(c) If there has been an anatomical gift, a technician may remove any donated parts and an enucleator may remove any donated eyes or parts of eyes, after determination of death by a physician or surgeon.

Sec. 20. [525.9218] [COORDINATION OF PROCUREMENT AND USE.]

The organ procurement organizations, after consultation with hospitals, shall establish agreements or affiliations for coordination of procurement and use of human bodies and parts.

Sec. 21. [525.9219] [SALE OR PURCHASE OF PARTS PROHIBITED.]

(a) A person may not knowingly, for valuable consideration, purchase or sell a part for transplantation or therapy, if removal of the part is intended to occur after the death of the decedent.

(b) Valuable consideration does not include reasonable payment for the removal, processing, disposal, preservation, quality control, storage, transportation, or implantation of a part.

(c) A person who violates this section is guilty of a felony and upon conviction is subject to a fine not exceeding \$50,000 or imprisonment not exceeding five years, or both.

Sec. 22. [525.9220] [EXAMINATION, AUTOPSY, LIABILITY.]

(a) An anatomical gift authorizes any reasonable examination necessary to assure medical acceptability of the gift for the purposes intended.

(b) The provisions of sections 4 to 25 are subject to the laws of this state governing autopsies.

(c) A hospital, physician, surgeon, coroner, medical examiner, local public health officer, enucleator, technician, or other person, who acts in accordance with sections 4 to 25 or with the applicable anatomical gift law of another state or a foreign country or attempts in good faith to do so is not liable for that act in a civil action or criminal proceeding.

(d) An individual who makes an anatomical gift pursuant to section 5 or 6 and the individual's estate are not liable for any injury or damage that may result from the making or the use of the anatomical gift.

Sec. 23. [525.9221] [TRANSITIONAL PROVISIONS.]

Sections 4 to 25 apply to a document of gift, revocation, or refusal to make an anatomical gift signed by the donor or a person authorized to make or object to making an anatomical gift before, on, or after the effective date of sections 4 to 25.

Sec. 24. [525.9222] [UNIFORMITY OF APPLICATION AND CONSTRUCTION.]

Sections 4 to 25 shall be applied and construed to effectuate their general purpose to make uniform the law with respect to the subject of sections 4 to 25 among states enacting it.

Sec. 25. [525.9223] [SHORT TITLE.]

Sections 4 to 25 may be cited as the "uniform anatomical gift act (1987)."

Sec. 26. [REPEALER.]

Minnesota Statutes 1988, sections 525.921, subdivision 2; 525.922; 525.923; 525.924; 525.925; 525.926; 525.927; 525.928; 525.929; 525.93; and 525.94, as amended by Laws 1989, chapter 209, article 1, section 42, are repealed."

Amend the title as follows:

Page 1, line 5, delete "and" and after "390.36;" insert "and 525.921, subdivisions 1, 4, 5, 8, and by adding subdivisions;"

Page 1, line 7, before "to" insert ", subdivision 2; and 525.922"

Page 1, line 8, delete "525.93" and insert "525.94, 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. 1439, A bill for an act relating to creditors remedies; regulating executions and garnishments; amending Minnesota Statutes 1988, section 550.142; proposing coding for new law in Minnesota Statutes, chapters 550 and 557; proposing coding for new law as Minnesota Statutes, chapter 551; repealing Minnesota Statutes 1988, sections 550.041; 550.05; 550.14; 550.141; 571.41; 571.42; 571.43; 571.44; 571.45; 571.46; 571.471; 571.495; 571.50; 571.51; 571.52; 571.53; 571.54; 571.55; 571.56; 571.57; 571.58; 571.59; 571.60; 571.61; 571.62; 571.63; 571.64; 571.65; 571.66; 571.67; 571.68; and 571.69.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

SHERIFF'S LEVY ON PROPERTY, MONEY, OR
INDEBTEDNESS

Section 1. [550.051] [TERM OF WRIT OF EXECUTION; INVENTORY; SATISFACTION.]

Subdivision 1. [TIME PERIODS.] The writ of execution expires 180 days after its issuance by the court administrator. A levy that is served with a writ of execution that has expired is void. If the officer having the writ levies upon property or earnings before the expiration of 180 days, the officer may retain the writ until the officer sells the property or completes the levy upon earnings in the manner prescribed by law. Upon a demand of the judgment creditor or the creditor's attorney within 180 days, the officer shall pay to the judgment creditor or the judgment creditor's attorney all money collected upon execution after deducting the officer's fees. Upon expiration of the writ or full satisfaction of the judgment, if earlier, the officer shall make a full inventory of the property levied on and return it with the execution.

Subd. 2. [SATISFACTION.] In case of satisfaction, either partial or in full, the officer shall return the writ to the court administrator originally issuing it and return a duplicate copy of it to the court administrator of the officer's own county, if execution is upon judgment transcribed from another county. The court administrator to whom a duplicate is returned shall enter the record of the satisfaction upon the judgment docket and note in the margin that the entry is made upon "duplicate return." If the writ of execution is being returned when the judgment has been wholly satisfied, the writ shall be filed with the court administrator within ten days after the final payment or within 30 days if the payment is by check or other noncertified funds. If the writ of execution is being returned partially satisfied, the officer shall include a statement setting forth the dates and amounts of payments made upon the judgment after the most recent partial satisfaction filed, if any.

Sec. 2. [550.135] [SHERIFF'S LEVY ON OTHER PERSONAL PROPERTY, MONEY, OR INDEBTEDNESS.]

Subdivision 1. [SCOPE OF GENERAL AND SPECIFIC PROVISIONS.] General provisions relating to the sheriff's levy upon personal property not covered elsewhere in this chapter and upon money or indebtedness are set forth in this section. Specific provisions relating to a sheriff's levy upon earnings are set forth in sections 550.136 and 550.142. Specific provisions relating to a sheriff's levy upon funds at a financial institution are set forth in section 550.143. Summary execution of judgment debts by an attorney for the judgment creditor is governed by chapter 551.

Subd. 2. [OTHER PERSONAL PROPERTY.] Other personal property shall be levied on by leaving a copy of the writ of execution and a notice specifying the property levied on, with the person holding it; or, if a debt, with the judgment debtor; or, if stock or interest in stock of a corporation, with its president, secretary, treasurer, cashier, officer, or managing agent.

Subd. 3. [MONEY OR INDEBTEDNESS.] The sheriff may levy upon money or other indebtedness owed by a third party to the judgment debtor. The sheriff may serve a copy of the writ of execution through a registered or certified letter or by personal service to the third party. Upon receipt, unless governed by section 550.136 or 550.143, the third party shall remit to the sheriff as much of the amount due under section 550.04 as the third party's own debt equals.

Subd. 4. [PROPERTY NOT ATTACHABLE.] The following property is not subject to attachment by a writ of execution served pursuant to this chapter:

(1) any indebtedness or money due to the judgment debtor, unless at the time of the service of the writ of execution the same is due absolutely or does not depend upon any contingency;

(2) any judgment owing by the third party to the judgment debtor, if the third party or the third party's property is liable on an execution levy upon the judgment;

(3) any debt owing by the third party to the judgment debtor for which any negotiable instrument has been issued or endorsed by the third party;

(4) any indebtedness or money due to the judgment debtor where the judgment debtor is a bank, savings bank, trust company, credit union, savings and loan association, or industrial loan and thrift company with deposit liabilities;

(5) any indebtedness or money due to the judgment debtor with a cumulative value of less than \$10; and

(6) any disposable earnings, indebtedness, or money that is exempt under Minnesota or federal law.

Subd. 5. [THIRD PARTY FEE.] If the levy is upon earnings or upon funds at a financial institution, the third party shall be paid a \$15 fee at the time of the service of the writ of execution. Failure to pay the fee renders the levy void, and the third party shall take no action. The \$15 shall not be paid where the funds being levied on are being retained pursuant to a garnishment previously served in compliance with chapter 571. This fee may be recovered by the

judgment creditor as an allowable cost. The judgment creditor shall provide the \$15 fee to the sheriff to be paid to the third party. If a third party is required to appear and submit to oral examination, the third party shall be tendered, in advance of the examination, fees and mileage for attendance at the rate allowed by law to a witness. These fees may be recovered by the judgment creditor as an allowable disbursement. In extraordinary cases, the third party may be allowed additional sums the court considers reasonable for attorney fees and other necessary expenses. The court shall then determine which party bears the burden of this expense.

Subd. 6. [THIRD PARTY DISCLOSURE AND REMITTANCE.] Within 15 days after receipt of the writ of execution, unless governed by section 550.136 or 550.143, the third party shall make the required disclosure and remittance to the sheriff. The remittance shall be as much of the amount due under section 550.04 as the third party's own debt equals.

Subd. 7. [ORAL DISCLOSURE.] Before or after the service of a written disclosure by a third party under subdivision 6, upon a showing by affidavit upon information and belief that an oral examination of the third party would provide a complete disclosure of relevant facts, any party to the execution proceedings may obtain an ex parte order requiring the third party, or a representative of the third party designated by name or by title, to appear for oral examination before the court or a referee appointed by the court. Notice of the examination shall be given to all parties.

Subd. 8. [SUPPLEMENTAL COMPLAINT.] If a third party holds property, money, earnings, or other indebtedness by a title that is void as to the judgment debtor's creditors, the property may be levied on although the judgment debtor would be barred from maintaining an action to recover the property, money, earnings, or other indebtedness. In this and all other cases where the third party denies liability, the judgment creditor may move the court at any time before the third party is discharged, on notice to both the judgment debtor and the third party for an order making the third party a party to the supplemental action and granting the judgment creditor leave to file a supplemental complaint against the third party and the judgment debtor. The supplemental complaint shall set forth the facts upon which the judgment creditor claims to charge the third party. If probable cause is shown, the motion shall be granted. The supplemental complaint shall be served upon the third party and the judgment debtor and any other parties. The parties served shall answer or respond pursuant to the Minnesota Rules of Civil Procedure for the District Courts, and if they fail to do so, judgment by default may be entered against them.

Subd. 9. [JUDGMENT AGAINST THIRD PARTY UPON FAILURE TO DISCLOSE OR REMIT.] Judgment may be entered against a third party who has been served with a writ of execution and fails

to disclose or remit the levied funds as required in this chapter. Upon order to show cause served on the third party, and notice of motion supported by affidavit of facts and affidavit of service upon the judgment debtor, the court may render judgment against the third party for an amount not exceeding 110 percent of the amount claimed in the writ of execution. The court upon good cause shown may remove the default and permit the third party to disclose or remit on just terms.

Subd. 10. [FORMS.] No judgment creditor shall use a form that contains alterations or changes from the statutory forms that mislead judgment debtors as to their rights and the execution procedure generally. If a court finds that a judgment creditor has used a misleading form, the judgment debtor shall be awarded actual damages, costs, reasonable attorney's fees resulting from additional proceedings, and an amount not to exceed \$100. All forms must be clearly legible and printed in not less than the equivalent of 10-point type. A form that uses both sides of a sheet must clearly indicate on the front side that there is additional information on the back side of the sheet.

Subd. 11. [THIRD PARTY GOOD FAITH REQUIREMENT.] The third party is not liable to the judgment debtor, judgment creditor, or other person for wrongful retention if the third party retains or remits disposable earnings, indebtedness, or money of the judgment debtor or any other person, pending the third party's disclosure or consistent with the disclosure the third party makes, if the third party has a good faith belief that the property retained or remitted is subject to the writ of execution. In addition, the third party may, at any time before or after disclosure, proceed under Rule 67 of the Minnesota Rules of Civil Procedure for the District Courts to make deposit into court. No third party is liable for damages if the third party complies with the provisions of this chapter.

Subd. 12. [BAD FAITH CLAIM.] If, in a proceeding brought under section 550.143, subdivision 10, or a similar proceeding under this chapter to determine a claim of exemption, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the judgment creditor shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional proceedings, and an amount not to exceed \$100. If the claim of exemption is upheld, and the court finds that the judgment creditor disregarded the claim of exemption in bad faith, the judgment debtor shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional proceedings, and an amount not to exceed \$100. The underlying judgment shall be modified to reflect assessment of damages, costs, and attorney fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to that party's attorney for fees, the attorney's fee award shall be made directly to the attorney and if not paid, an appropriate judgment in favor of the attorney shall be entered. Any action by a judgment

creditor made in bad faith and in violation of this chapter renders the execution levy void and the judgment creditor liable to the judgment debtor named in the execution levy in the amount of \$100, actual damages, and reasonable attorney's fees and costs.

Subd. 13. [DISCHARGE OF A THIRD PARTY.] Subject to subdivisions 6 and 14, the third party, after disclosure, shall be discharged of any further obligation to the judgment creditor when one of the following conditions is met:

(a) The third party discloses that the third party is not indebted to the judgment debtor or does not possess any property, money, or earnings belonging to the judgment debtor that is attachable as defined in this chapter. The disclosure is conclusive against the judgment creditor and discharges the third party from any further obligation to the judgment creditor other than to retain and remit all nonexempt disposable earnings, indebtedness, or money of the judgment debtor that was disclosed.

(b) The third party discloses that the third party is indebted to the judgment debtor as indicated on the execution disclosure form. The disclosure is conclusive against the judgment creditor and discharges the third party from any further obligation to the judgment creditor other than to retain and remit all nonexempt disposable earnings, indebtedness, or money of the judgment debtor that was disclosed.

(c) The court may, upon motion of an interested person, discharge the third party as to any disposable earnings, money, property, or indebtedness in excess of the amount that may be required to satisfy the judgment creditor's claim.

Subd. 14. [EXCEPTIONS TO DISCHARGE OF A THIRD PARTY.] The third party is not discharged if:

(a) Within 20 days of the service of the third party's disclosure, an interested person serves a motion relating to the execution levy. The hearing on the motion must be scheduled to be heard within 30 days of the service of the motion.

(b) The judgment creditor moves the court for leave to file a supplemental complaint against the third party, as provided for in subdivision 8, and the court upon proper showing, vacates the discharge of the third party.

Subd. 15. [JOINDER AND INTERVENTION BY PERSONS IN INTEREST.] If it appears that a person, who is not a party to the action, has or claims an interest in any of the disposable earnings, other indebtedness, or money, the court shall permit that person to intervene or join in the execution proceeding under this chapter. If

that person does not appear, the court may summon that person to appear or order the claim barred. The person so appearing or summoned shall be joined as a party and be bound by the judgment.

Subd. 16. [APPEAL.] A party to an execution proceeding aggrieved by an order or final judgment may appeal as in other civil cases.

Sec. 3. [550.136] [SHERIFF'S LEVY OF EARNINGS.]

Subdivision 1. [PROCEDURE.] When earnings are levied upon by the sheriff, this section must be complied with, in addition to the general provisions specified in section 550.135.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them:

(a) "earnings" means:

(1) compensation paid or payable to an employee for personal service whether denominated as wages, salary, commissions, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement program; or

(2) compensation paid or payable to the producer for the sale of agricultural products; livestock or livestock products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2;

(b) "disposable earnings" means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld;

(c) "employee" means an individual who performs services subject to the right of the employer to control both what is done and how it is done; and

(d) "employer" means a person for whom an individual performs services as an employee.

Subd. 3. [LIMITATION ON LEVY ON EARNINGS.] Unless the judgment is for child support, the maximum part of the aggregate disposable earnings of an individual for any pay period subjected to an execution levy may not exceed the lesser of:

(1) 25 percent of the judgment debtor's disposable earnings; or

(2) the amount by which the judgment debtor's disposable earnings exceed the following product: 40 times the federal minimum hourly wages prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938, United States Code, title 29, section 206(a)(1), in effect at the time the earnings are payable, times the number of work weeks in the pay period. When a pay period consists of other than a whole number of work weeks, each day of that pay period in excess of the number of completed work weeks shall be counted as a fraction of a work week equal to the number of excess work days divided by the number of days in the normal work week.

If the judgment is for child support, the levy may not exceed:

(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child;

(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child; or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received).

No court may make, execute, or enforce an order or any process in violation of this section.

Subd. 4. [MULTIPLE LEVIES ON EARNINGS.] Except as otherwise provided in this chapter or section 518.611, subdivision 6, the priority of multiple earnings execution levies is determined by the order in which the execution levies were served on the employer. If the employer is served with two or more writs of execution at the same time on the same day, the writ of execution issued pursuant to the first judgment entered has priority. If two or more execution levies are served on the same day and are based on judgments entered on the same day, then the employer shall select the priority of the earnings levies. However, in all cases, the execution levies shall be effective no longer than 70 days from the date of the service of the writ of execution.

Subd. 5. [EARNINGS ATTACHABLE.] Subject to the exemptions provided by sections 550.37 and 571.922, and any other applicable statute, the service of a writ of execution under this chapter attaches all unpaid nonexempt disposable earnings owing or to be owed by the third party and earned or to be earned by the judgment debtor

before and within the pay period in which the writ of execution is served and within all subsequent pay periods whose paydays occur within the 70 days after the date of service of the writ of execution. "Paydays" means the days upon which the third party pays earnings to the judgment debtor in the ordinary course of business. If the judgment debtor has no regular paydays, paydays means the 15th day and the last day of each month. If the levy attaches less than \$10, the third party shall not retain and remit the sum.

Subd. 6. [EARNINGS EXEMPTION NOTICE.] Before the first levy on earnings under this chapter, the judgment creditor shall serve upon the judgment debtor no less than ten days before the service of the writ of execution, a notice that the writ of execution may be served on the judgment debtor's employer. The notice must: (1) be substantially in the form set forth below; (2) be served personally, in the manner of a summons and complaint, or by first class mail to the last known address of the judgment debtor; (3) inform the judgment debtor that an execution levy may be served on the judgment debtor's employer in ten days, and that the judgment debtor may, within that time, cause to be served on the judgment creditor a signed statement under penalties of perjury asserting an entitlement to an exemption from execution; (4) inform the judgment debtor of the earnings exemptions contained in section 550.37, subdivision 14; and (5) advise the judgment debtor of the relief set forth in this chapter to which the debtor may be entitled if a judgment creditor in bad faith disregards a valid claim and the fee, costs, and penalty that may be assessed against a judgment debtor who in bad faith falsely claims an exemption or in bad faith takes action to frustrate the execution process. The notice requirement of this subdivision does not apply to a levy on earnings being retained by an employer pursuant to a garnishment previously served in compliance with chapter 571.

The ten-day notice informing a judgment debtor that a writ of execution may be used to levy the earnings of an individual must be substantially in the following form:

STATE OF MINNESOTA
COUNTY OF
..... (Judgment Creditor)
against

DISTRICT COURT
..... JUDICIAL DISTRICT

..... (Judgment Debtor)
and

EXECUTION EXEMPTION
NOTICE AND NOTICE OF
INTENT TO LEVY ON
EARNINGS WITHIN TEN
DAYS

..... (Third Party)

THE STATE OF MINNESOTATO THE ABOVE-NAMED JUDGMENT DEBTOR

PLEASE TAKE NOTICE that a levy may be served upon your employer or other third parties, without any further court proceedings or notice to you, ten days or more from the date hereof. Your earnings are completely exempt from execution levy if you are now a recipient of relief based on need, if you have been a recipient of relief within the last six months, or if you have been an inmate of a correctional institution in the last six months.

Relief based on need includes Aid to Families with Dependent Children (AFDC), AFDC-Emergency Assistance (AFDC-EA), Medical Assistance (MA), General Assistance (GA), General Assistance Medical Care (GAMC), Emergency General Assistance (EGA), Work Readiness, Minnesota Supplemental Aid (MSA), MSA Emergency Assistance (MSA-EA), Supplemental Security Income (SSI), and Energy Assistance.

If you wish to claim an exemption, you should fill out the appropriate form below, sign it, and send it to the judgment creditor's attorney.

You may wish to contact the attorney for the judgment creditor in order to arrange for a settlement of the debt or contact an attorney to advise you about exemptions or other rights.

PENALTIES

(1) Be advised that even if you claim an exemption, an execution levy may still be served on your employer. If your earnings are levied on after you claim an exemption, you may petition the court for a determination of your exemption. If the court finds that the judgment creditor disregarded your claim of exemption in bad faith, you will be entitled to costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100.

(2) HOWEVER, BE WARNED if you claim an exemption, the judgment creditor can also petition the court for a determination of your exemption, and if the court finds that you claimed an exemption in bad faith, you will be assessed costs and reasonable attorney's fees plus an amount not to exceed \$100.

(3) If after receipt of this notice, you in bad faith take action to frustrate the execution levy, thus requiring the judgment creditor to petition the court to resolve the problem, you will be liable to the judgment creditor for costs and reasonable attorney's fees plus an amount not to exceed \$100.

DATED:

 (Attorney for Judgment Creditor)

 Address

 Telephone

JUDGMENT DEBTOR'S EXEMPTION CLAIM NOTICE

I hereby claim that my earnings are exempt from execution because:

(1) I am presently a recipient of relief based on need. (Specify the program, case number, and the county from which relief is being received.)

.....
 Program Case Number (if known) County

(2) I am not now receiving relief based on need, but I have received relief based on need within the last six months. (Specify the program, case number, and the county from which relief has been received.)

.....
 Program Case Number (if known) County

(3) I have been an inmate of a correctional institution with the last six months. (Specify the correctional institution and location.)

.....
 Correctional Institution Location

I hereby authorize any agency that has distributed relief to me or any correctional institution in which I was an inmate to disclose to the above-named judgment creditor or the judgment creditor's attorney only whether or not I am or have been a recipient of relief based on need or an inmate of a correctional institution within the last six months. I have mailed or delivered a copy of this form to the judgment creditor or judgment creditor's attorney.

.....
 Debtor

 Address

Subd. 7. [ADDITIONAL NOTICES.] If the execution levy has not been served within one year after service of the exemption notice, the judgment creditor or its attorney shall serve another notice upon the judgment debtor before serving the execution levy on the judgment debtor's employer. If more than one year has passed since

the service of the judgment creditor's most recent execution levy, the judgment creditor shall, no less than ten days before service of a subsequent execution levy, serve notice that another execution levy may be served.

Subd. 8. [PROCEEDINGS IF NO EXEMPTION STATEMENT IS RECEIVED.] If no statement of exemption is received by the judgment creditor's attorney (or the creditor if not represented by an attorney) on an earnings levy within ten days after the service of the notice, the judgment creditor may proceed with the execution levy. Failure of the judgment debtor to serve a statement does not constitute a waiver of any right the judgment debtor may have to an exemption. If the statement of exemption is received by the judgment creditor, the judgment creditor may still cause a levy to be served subject to sanctions provided in section 550.143, subdivision 10.

Subd. 9. [EXECUTION EARNINGS DISCLOSURE FORM AND WORKSHEET.] The judgment creditor shall provide to the sheriff for service upon the judgment debtor's employer an execution earnings disclosure form and an earnings disclosure worksheet with the writ of execution, that must be substantially in the form set forth below.

<u>STATE OF MINNESOTA</u>	<u>DISTRICT COURT</u>
<u>COUNTY OF</u>	<u>..... JUDICIAL DISTRICT</u>
<u>..... (Judgment Creditor)</u>	<u>FILE NO.</u>
<u>against</u>	<u>EARNINGS</u>
<u>..... (Judgment Debtor)</u>	<u>EXECUTION</u>
<u>and</u>	<u>DISCLOSURE</u>
<u>..... (Third Party)</u>	

DEFINITIONS

"EARNINGS": For the purpose of execution, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement.

"DISPOSABLE EARNINGS": Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)

"PAYDAY": For the purpose of execution, "payday(s)" means the date(s) upon which the employer pays earnings to the debtor in the

ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.

THE THIRD PARTY/EMPLOYER MUST ANSWER THE FOLLOWING QUESTIONS:

(1) Do you now owe, or within 70 days from the date the execution levy was served on you, will you or may you owe money to the judgment debtor for earnings?

.....
Yes

.....
No

(2) Does the judgment debtor earn more than \$. . . per week? (this amount is the federal minimum wage per week)

.....
Yes

.....
No

INSTRUCTIONS FOR COMPLETING THE EARNINGS DISCLOSURE

A. If your answer to either questions 1 or 2 is "No," then you must sign the affirmation below and return this disclosure to the sheriff within 20 days after it was served on you, and you do not need to answer the remaining questions.

B. If your answers to both questions 1 and 2 are "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 70 days from the date the execution levy was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 3 through 11 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.

Each payday, you must retain the amount of earnings listed in column 1 on the Earnings Disclosure Worksheet.

You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the sheriff and deliver a copy of the disclosure and worksheet to the judgment debtor within ten days after the last payday that falls within the 70-day period. If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 70-day period, your disclosure and remittance should be made

within ten days after the last payday for which earnings were attached.

For steps 3 through 11, "columns" refers to columns on the Earnings Disclosure Worksheet.

(3) COLUMN A. Enter the date of judgment debtor's payday.

(4) COLUMN B. Enter judgment debtor's gross earnings for each payday.

(5) COLUMN C. Enter judgment debtor's disposable earnings for each payday.

(6) COLUMN D. Enter 25 percent of disposable earnings. (Multiply column C by .25.)

(7) COLUMN E. Enter here 40 times the hourly federal minimum wage (\$. . .) times the number of work weeks included in each payday. (Note: if a payday includes days in excess of whole work weeks, the additional days should be counted as a fraction of a work week equal to the number of work days in excess of a whole work week divided by the number of work days in a normal work week.)

(8) COLUMN F. Subtract the amount in column E from the amount in column C, and enter here.

(9) COLUMN G. Enter here the lesser of the amount in column D and the amount in column F.

(10) COLUMN H. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest which would reduce the amount of earnings owing to the judgment debtor. (Note: Any indebtedness to you, or any assignment of wages, that was incurred or made by the judgment debtor within ten days prior to your receipt of the execution levy is void.)

You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.

Enter zero in column H if there are no claims by you or others which would reduce the amount of earnings owing to the judgment debtor.

(11) COLUMN I. Subtract the amount in column H from the amount in column G and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.

AFFIRMATION

I, (person signing Affirmation) am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated:

Signature

Title

Telephone Number

EARNINGS DISCLOSURE WORKSHEET

Debtor's Name

<u>A</u> <u>Payday</u> <u>Date</u>	<u>B</u> <u>Gross</u> <u>Earnings</u>	<u>C</u> <u>Disposable</u> <u>Earnings</u>
1.	\$	\$
2.
3.
4.
5.
6.
7.
8.
9.
10.

<u>D</u> <u>25% of</u> <u>Column C</u>	<u>E</u> <u>40 X Min.</u> <u>Wage</u>	<u>F</u> <u>Column C</u> <u>minus</u> <u>Column E</u>
1.
2.
3.
4.
5.
6.
7.
8.
9.
10.

<u>G</u> <u>Lesser of</u> <u>Column D</u> <u>and</u> <u>Column F</u>	<u>H</u> <u>Setoff, Lien,</u> <u>Adverse</u> <u>Interest, or</u> <u>Other Claims</u>	<u>I</u> <u>Column G</u> <u>minus</u> <u>Column H</u>
1.
2.
3.
4.
5.
6.
7.
8.
9.
10.

TOTAL OF COLUMN I \$

*If you entered any amount in column H for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of such persons, and the nature of their claim, if known.

.....
.....
.....

AFFIRMATION

I, (person signing Affirmation) am the third party or I am authorized by the third party to complete this earnings disclosure worksheet, and have done so truthfully and to the best of my knowledge.

.....
Signature

Dated: (.)
Title Phone Number

Subd. 10. [EXECUTION EARNINGS DISCLOSURE FORM AND WORKSHEET FOR CHILD SUPPORT JUDGMENTS.] The judgment creditor shall provide to the sheriff for service upon a child support judgment debtor's employer an execution earnings disclosure form and an earnings disclosure worksheet with the writ of execution, that must be substantially in the form set forth below.

STATE OF MINNESOTA

COUNTY OF

DISTRICT COURT

JUDICIAL DISTRICT

FILE NO.

.....(Judgment Creditor)

against

.....(Judgment Debtor)

and

.....(Third Party)

EARNINGS
EXECUTION
DISCLOSURE

DEFINITIONS

“EARNINGS”: For the purpose of execution, “earnings” means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement, workers’ compensation, or unemployment compensation.

“DISPOSABLE EARNINGS”: Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)

“PAYDAY”: For the purpose of execution, “payday(s)” means the date(s) upon which the employer pays earnings to the debtor in the ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.

THE THIRD PARTY/EMPLOYER MUST ANSWER THE FOLLOWING QUESTION:

(1) Do you now owe, or within 70 days from the date the execution levy was served on you, will you or may you owe money to the judgment debtor for earnings?

.....
Yes

.....
No

INSTRUCTIONS FOR COMPLETING THE EARNINGS
DISCLOSURE

A. If your answer to question 1 is “No,” then you must sign the affirmation below and return this disclosure to the sheriff within 20

days after it was served on you, and you do not need to answer the remaining questions.

B. If your answer to question 1 is "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 70 days from the date the execution levy was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 2 through 8 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.

Each payday, you must retain the amount of earnings listed in column G on the Earnings Disclosure Worksheet.

You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the sheriff and deliver a copy of the disclosure and worksheet to the judgment debtor within ten days after the last payday that falls within the 70-day period. If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 70-day period, your disclosure and remittance should be made within ten days after the last payday for which earnings were attached.

For steps 2. through 8, "columns" refers to columns on the Earnings Disclosure Worksheet.

(2) COLUMN A. Enter the date of judgment debtor's payday.

(3) COLUMN B. Enter judgment debtor's gross earnings for each payday.

(4) COLUMN C. Enter judgment debtor's disposable earnings for each payday.

(5) COLUMN D. Enter either 50, 55, 60, or 65 percent of disposable earnings, based on which of the following descriptions fits the child support judgment debtor:

(a) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child;

(b) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(c) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child; or

(d) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received). (Multiply column C by .50, .55, .60, or .65, as appropriate.)

(6) COLUMN E. Subtract the amount in column D from the amount in column C, and enter here.

(7) COLUMN F. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest that would reduce the amount of earnings owing to the judgment debtor. (Note: Any indebtedness to you, or any assignment of wages, that was incurred or made by the judgment debtor within ten days prior to your receipt of the execution levy is void.)

You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.

Enter zero in column F if there are no claims by you or others that would reduce the amount of earnings owing to the judgment debtor.

(8) COLUMN G. Subtract the amount in column F from the amount in column E and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.

AFFIRMATION

I, (person signing Affirmation) am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated:

Signature

Title

Telephone Number

EARNINGS DISCLOSURE WORKSHEET

Debtor's Name

A
Payday
Date

B
Gross
Earnings

C
Disposable
Earnings

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

- \$
-
-
-
-
-
-
-
-
-

- \$
-
-
-
-
-
-
-
-
-

D
Either 50, 55,
60, or 65% of
Column C

E
Column C
minus
Column D

F
Setoff, Lien,
Adverse
Interest, or
Other Claims

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

-
-
-
-
-
-
-
-
-
-

-
-
-
-
-
-
-
-
-
-

G
Column E
minus
Column F

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

-
-
-
-
-
-
-
-
-
-

TOTAL OF COLUMN G \$

*If you entered any amount in column F for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of such persons, and the nature of their claim, if known.

.....
.....
.....

AFFIRMATION

I, (person signing Affirmation) am the third party or I am authorized by the third party to complete this earnings disclosure worksheet, and have done so truthfully and to the best of my knowledge.

.....
Signature

Dated:

.....
Title

(.....)
.....
Phone Number

Subd. 11. [POSTEXECUTION NOTICE TO JUDGMENT DEBTOR.] The judgment creditor shall serve by mail upon the judgment debtor not later than five days after service is made on the judgment debtor's employer, a copy of the writ of execution and copies of all other papers served on the judgment debtor's employer.

Subd. 12. [THIRD PARTY DISCLOSURE AND REMITTANCE OBLIGATION.] If there are no attachable earnings, the third party shall serve the execution earnings disclosure form upon the sheriff within 20 days after service of the writ of execution. However, if the judgment debtor has attachable earnings, the third party shall serve the execution earnings disclosure form and remit to the sheriff the attached earnings within ten days of the last payday to occur within the 70 days after the date of the service of the execution. If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 70-day period, the disclosure and remittance should be made within ten days after the last payday for which earnings were attached. The amount of the third party's execution earnings disclosure form and remittance need not exceed 110 percent of the amount of the judgment creditor's judgment that remains unpaid, after subtracting the total of setoffs, defenses, exemption, or other adverse interests. If the disclosure is by a corporation, it shall be made by an officer or a managing agent having knowledge of the facts.

Subd. 13. [PENALTY FOR RETALIATION OR DISCHARGE.] (a) An employer shall not discharge or otherwise discipline an employee as a result of an earnings levy authorized by this chapter.

(b) If an employer violates this section, a court may order the reinstatement of an aggrieved party who demonstrates a violation of this section, and other relief the court considers appropriate. The aggrieved party may bring a civil action within 90 days of the date of the prohibited action. If an employer-employee relationship existed before the violation of this section, the employee shall recover twice the wages lost as a result of this violation.

(c) The rights guaranteed by this section are not subject to abridgment and may not be altered by employment contract.

Sec. 4. Minnesota Statutes 1988, section 550.142, is amended to read:

550.142 [PUBLIC EMPLOYEES; WAGES, EXECUTION LEVY.]

The salary or wages earnings of any public employee or officer may be levied upon and disposed of on execution pursuant to sections 550.135 and 550.136. Where the person judgment debtor is an officer, the writ shall be served upon the auditor, treasurer, or clerk of the subdivision or department of which the person judgment debtor is an officer. Where the person judgment debtor is an employee other than an officer, the writ shall be served upon the person in charge of the office or department in which the employee works.

When payment has been made pursuant to levy, a copy of the writ of execution with certificate of satisfaction shall be delivered to the treasurer as a voucher for such payment.

Sec. 5. [550.143] [LEVY ON FUNDS AT A FINANCIAL INSTITUTION.]

Subdivision 1. [PROCEDURE.] When the sheriff is levying upon funds at a financial institution, this section must be complied with, in addition to the general provisions set forth in section 550.135.

Subd. 2. [DISCLOSURE FORM.] Along with the writ of execution and the exemption notice described in subdivision 3, the sheriff shall serve upon the financial institution an execution disclosure form which must be substantially in the following form:

STATE OF MINNESOTA
COUNTY OF
 (Judgment Creditor)
 against
 (Judgment Debtor)
 and
 (Third Party)

DISTRICT COURT
JUDICIAL DISTRICT
FINANCIAL INSTITUTIONS
EXECUTION
DISCLOSURE

On the day of, 19.., the time of service of execution herein, there was due and owing the judgment debtor from the third party the following:

(1) Money. Enter on the line below any amounts due and owing the judgment debtor, except earnings, from the third party.

.....

(2) Setoff. Enter on the line below the amount of any setoff, defense, lien, or claim which the third party claims against the amount set forth on line (1). State the facts by which such setoff, defense, lien, or claim is claimed. (Any indebtedness to a third party incurred by the judgment debtor within ten days prior to the receipt of the first execution levy on a debt is void as to the judgment creditor.)

.....

(3) Exemption. Enter on the line below any amounts or property claimed by the judgment debtor to be exempt from execution.

.....

(4) Adverse Interest. Enter on the line below any amounts claimed by other persons by reason of ownership or interest in the judgment debtor's property.

.....

(5) Enter on the line below the total of lines (2), (3), and (4).

.....

(6) Enter on the line below the difference obtained (never less than zero when line (5) is subtracted from the amount on line (1)).

.....

(7) Enter on the line below 110 percent of the amount of the judgment creditor's claim which remains unpaid.

(8) Enter on the line below the lessor of line (6) and line (7). You are hereby instructed to remit this amount only if it is \$10 or more.

AFFIRMATION

I, (person signing Affirmation) am the third party or I am authorized by the third party to complete this nonearnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated:

Signature

Title

Telephone Number

Subd. 3. [EXEMPTION NOTICE.] If the levy is on funds of a judgment debtor who is a natural person and if the funds to be levied are held on deposit at any financial institution, the judgment creditor or its attorney shall provide the sheriff with two copies of an exemption notice, which must be substantially in the form set forth below. The sheriff shall serve both copies of the exemption notice on the financial institution, along with the writ of execution. Failure of the sheriff to serve the exemption notices renders the levy void, and the financial institution shall take no action. However, if this subdivision is being used to execute on funds that have previously been garnished in compliance with section 571.71, the judgment creditor is not required to serve additional exemption notices. In that event, the execution levy shall only be effective as to the funds that were subject to the prior garnishment. Upon receipt of the writ of execution and exemption notices, the financial institution shall retain as much of the amount due under section 550.04 as the financial institution has on deposit owing to the judgment debtor, but not more than 110 percent of the amount remaining due on the judgment.

STATE OF MINNESOTA
COUNTY OF
..... (Judgment Creditor)
..... (Judgment Debtor)

DISTRICT COURT
..... JUDICIAL DISTRICT

TO: Debtor

EXEMPTION NOTICE

An order for attachment, garnishment summons, or levy of execution (strike inapplicable language) has been served on

..... (Bank or other financial institution where you have an account.)

Your account balance is \$

The amount being held is \$

However, all or a portion of the funds in your account will normally be exempt from creditors' claims if they are in one of the following categories:

(1) relief based on need. This includes: Aid to Families with Dependent Children (AFDC), AFDC-Emergency Assistance (AFDC-EA), Medical Assistance (MA), General Assistance (GA), General Assistance Medical Care (GAMC), Emergency General Assistance (EGA), Work Readiness, Minnesota Supplemental Aid (MSA), MSA Emergency Assistance (MSA-EA), Supplemental Security Income (SSI), and Energy Assistance;

(2) Social Security benefits (Old Age, Survivors, or Disability Insurance);

(3) unemployment compensation, workers' compensation, or veterans' benefits;

(4) an accident, disability, or retirement pension or annuity;

(5) life insurance proceeds;

(6) the earnings of your minor child; or

(7) money from a claim for damage or destruction of exempt property (such as household goods, farm tools, business equipment, a mobile home, or a car.)

The following funds are also exempt:

(8) all earnings of a person in category (1);

(9) all earnings of a person who has received relief based on need, or who has been an inmate of a correctional institution, within the last six months;

(10) 75 percent of every debtor's after tax earnings; and

(11) all of a judgment debtor's after tax earnings below 40 times the federal minimum wage.

TIME LIMIT ON EXEMPTIONS AFTER DEPOSIT IN BANK:

Categories (10) and (11): 20 days

Categories (8) and (9): 60 days

All others: no time limit, as long as funds are traceable to the exempt source. (In tracing funds, the first-in, first-out method is used. This means money deposited first is spent first.) The money being sought by the judgment creditor is being held in your account to give you a chance to claim an exemption.

TO CLAIM AN EXEMPTION:

Fill out, sign, and mail or deliver one copy of the attached exemption claim form to the institution which sent you this notice and mail or deliver one copy to the judgment creditor's attorney. In the event that there is no attorney for the judgment creditor, then the notice shall be sent directly to the judgment creditor. The address for the judgment creditor's attorney or the judgment creditor is set forth below. Both copies must be mailed or delivered on the same day.

If the financial institution does not get the exemption claim back from you within 14 days of the date they mailed or gave it to you, they will be free to turn the money over to the sheriff or the judgment creditor. If you are going to claim an exemption, do so as soon as possible, because your money may be held until it is decided.

IF YOU CLAIM AN EXEMPTION:

(1) nonexempt money can be turned over to the judgment creditor or sheriff;

(2) the financial institution will keep holding the money claimed to be exempt; and

(3) seven days after receiving your exemption claim, the financial institution will release the money to you unless before then it receives an objection to your exemption claim.

IF THE JUDGMENT CREDITOR OBJECTS TO YOUR EXEMPTION CLAIM:

the institution will hold the money until a court decides if your exemption claim is valid, BUT ONLY IF the institution gets a copy of your court motion papers asserting the exemption WITHIN TEN DAYS after the objection is mailed or given to you. You may wish to consult an attorney at once if the creditor objects to your exemption claim.

MOTION TO DETERMINE EXEMPTION:

At any time after your funds have been held, you may ask for a court decision on the validity of your exemption claim by filing a request for hearing which may be obtained at the office of the clerk of the above court.

PENALTIES:

If you claim an exemption in bad faith, or if the judgment creditor wrongly objects to an exemption in bad faith, the court may order the person who acted in bad faith to pay costs, actual damages, attorney fees, and an additional amount of up to \$100.

.....
.....
.....
.....

Name and address of (Attorney for) Judgment Creditor

EXEMPTION:

(a) Amount of exemption claim.

// I claim ALL the funds being held are exempt.

// I claim SOME of the funds being held are exempt.

The exempt amount is \$

(b) Basis for exemption.

Of the 11 categories listed above, I am in category number (If more than one category applies, you may fill in as many as apply.) The source of the exempt funds is the following:

.....
.....
.....

(If the source is a type of relief based on need, list the case number and county:

case number:

county:

I hereby authorize any agency that has distributed relief to me or any correctional institution in which I was an inmate to disclose to the above named creditor or its attorney only whether or not I am or

have been a recipient of relief based on need or an inmate of a correctional institute within the last six months.

I have mailed or delivered a copy of the exemption notice to the judgment creditor or judgment creditor's attorney if represented.

.....
DEBTOR

DATED:

.....
DEBTOR ADDRESS

Subd. 4. [EFFECT OF EXEMPTION NOTICE.] Within two business days after receipt of the writ of execution and exemption notices, the financial institution shall serve upon the judgment debtor two copies of the exemption notice. The financial institution shall serve the notice by first class mail to the last known address of the judgment debtor. If no claim of exemption is received by the financial institution within 14 days after the exemption notices are mailed to the judgment debtor, the funds remain subject to the execution levy and shall be remitted to the sheriff within seven days. If the judgment debtor elects to claim an exemption, the judgment debtor shall complete the exemption notice, sign it under penalty of perjury, and deliver one copy to the financial institution and one copy to the attorney for the judgment creditor within 14 days of the date postmarked on the correspondence mailed to the debtor containing the exemption notices. In the event that there is no attorney for the judgment creditor, then the notice must be sent directly to the judgment creditor. Failure of the judgment debtor to deliver the executed exemption notice does not constitute a waiver of any claimed right to an exemption. Upon timely receipt of a claim of exemption, funds not claimed to be exempt by the debtor remain subject to the execution levy. All money claimed to be exempt shall be released to the judgment debtor upon the expiration of seven days after the date postmarked on the envelope containing the executed exemption notice mailed to the financial institution, or the date of personal delivery of the executed exemption notice to the financial institution, unless within that time the judgment creditor interposes an objection to the exemption.

Subd. 5. [OBJECTION TO EXEMPTION CLAIM.] Objection shall be interposed by mailing or delivering one copy of the written objection to the financial institution and one copy of the written objection to the judgment debtor along with a copy of the judgment debtor's claimed exemption form. Both copies of an objection to an exemption claim shall be mailed or delivered on the same date. The financial institution may rely on the date of mailing or delivery of a notice to it in computing any time periods in this section. The written objection must be substantially in the form specified in subdivision 7.

Subd. 6. [DUTIES OF FINANCIAL INSTITUTION IF OBJECTION IS MADE TO EXEMPTION CLAIM.] Upon receipt of a written objection from the judgment creditor or its attorney within the specified seven-day period, the financial institution shall retain the funds claimed to be exempt. Unless the financial institution receives a request for hearing and notice of hearing from the judgment debtor asserting exemption rights within ten days after receipt of a written objection to the exemption, the funds remain subject to the execution levy as if no claim of exemption had been made and shall be remitted to the sheriff within seven days. If a request for hearing and notice of hearing to determine the validity of a claim of exemption is received by the financial institution within the period provided, it shall retain the funds claimed to be exempt until otherwise ordered by the court.

Subd. 7. [NOTICE OF OBJECTION.] (a) The written objection to the judgment debtor's claim of exemption must be in substantially the following form:

<u>STATE OF MINNESOTA</u>	<u>DISTRICT COURT</u>
<u>COUNTY OF</u>	<u>JUDICIAL DISTRICT</u>
<u>.....(Judgment Creditor)</u>	<u>OBJECTION TO</u>
<u>.....(Judgment Debtor)</u>	<u>EXEMPTION CLAIM</u>
<u>.....(Garnishee) (Third Party)</u>	

The judgment creditor objects to your claim for exemption from garnishment, levy of execution, order for attachment (strike inapplicable language) for the following reason(s):

.....

Because of this objection, your financial institution will retain the funds you claimed to be exempt for an additional ten days. If you wish to request a hearing on your exemption claim, you should do so within ten days of your receipt of this objection. You may request a hearing by completing the attached form and filing it with the court administrator.

1. The court administrator's office shall provide clerical assistance to help with the writing and filing of a Request for Hearing by any person not represented by counsel. The court administrator may charge a fee of \$1 for the filing of a Request for Hearing.

2. Upon the filing of a Request for Hearing, the clerk shall schedule the matter for a hearing no later than five business days from the date of filing. The court administrator shall forthwith send a completed copy of the request, including the hearing date, time and place to the adverse party and to the financial institution by first class mail.

3. If it is possible that the financial institution might not receive the request mailed from the court administrator within ten days, then you may want to personally deliver a copy of the request to the financial institution after you have filed your request with the court.

4. An order stating whether your funds are exempt shall be issued by the court within three days of the date of the hearing.

If you do not file a Request for Hearing within ten days of the date you receive this objection, your financial institution may turn your funds over to your creditor.

If you file a Request for Hearing and your financial institution receives it within ten days of the date it received this objection, your financial institution will retain your funds claimed to be exempt until otherwise ordered by the court.

.....
Judgment Creditor or Attorney

Subd. 8. [REQUEST FOR HEARING AND NOTICE FOR HEARING.] The request for hearing accompanying the objection notice must be in substantially the following form:

STATE OF MINNESOTA DISTRICT COURT
COUNTY OF JUDICIAL DISTRICT
..... (Judgment Creditor) REQUEST FOR HEARING
..... (Judgment Debtor) AND
..... (Third Party) NOTICE FOR HEARING

I hereby request a hearing to resolve the exemption claim which has been made in this case regarding funds in the account of
..... (Judgment Debtor) at the (Financial Institution).

I believe the property being held is exempt because

.....

Dated:

(JUDGMENT DEBTOR)

(ADDRESS)

HEARING DATE: TIME:

HEARING PLACE:

(Note to both parties: Bring with you to the hearing all documents and materials relevant to the exemption claim and objection. Failure to do so could delay the court's decision.)

Subd. 9. [RELEASE OF FUNDS.] At any time during the proce-

dure specified in this section, the judgment debtor or the judgment creditor may, by a writing dated after the service of the execution, direct the sheriff to release the funds in question to the other party. Upon receipt of a release, the sheriff shall release the funds as directed.

Subd. 10. [SUBSEQUENT PROCEEDINGS; BAD FAITH CLAIMS.] If in subsequent proceedings brought by the judgment debtor or the judgment creditor, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the judgment creditor shall be awarded actual damages, costs, and reasonable attorney fees resulting from the additional proceedings, and an amount not to exceed \$100. If the claim of exemption is upheld, and the court finds that the judgment creditor disregarded the claim of exemption in bad faith, the judgment debtor shall be awarded costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100. The underlying judgment must be modified to reflect assessment of damages, costs, and attorney fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to the party's attorney for fees, the attorney's fee award shall be made directly to the attorney and, if not paid, an appropriate judgment in favor of the attorney shall be entered. Upon motion of any party in interest, on notice, the court shall determine the validity of any claim of exemption, and may make any order necessary to protect the rights of those interested. No financial institution is liable for damages for complying with this section. Both copies of an exemption claim or an objection to an exemption claim must be mailed or delivered on the same date. The financial institution may rely on the date of mailing or delivery of a notice to it in computing any time periods in this section.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective October 1, 1989, and apply to executions begun on or after that date.

ARTICLE 2

ATTORNEY'S SUMMARY EXECUTIONS

Section 1. [551.01] [ATTORNEY'S SUMMARY EXECUTION OF JUDGMENT DEBTS; WHEN AUTHORIZED.]

An attorney for a judgment creditor may execute on a money judgment by levying on indebtedness owed to the judgment debtor by a third party, pursuant to this chapter. The attorney for the judgment creditor must obtain a writ of execution issued under section 550.04 before the attorney can execute pursuant to this chapter. No more than \$5,000 may be recovered by a single execution levy pursuant to this section.

Sec. 2. [551.02] [SCOPE OF GENERAL AND SPECIFIC PROVISIONS.]

General provisions and definitions relating to attorney's summary execution, as authorized in this chapter, are set forth in sections 551.03 and 551.04. Specific provisions relating to attorney's summary execution on funds at a financial institution are set forth in section 551.05. Specific provisions relating to attorney's summary execution of earnings are set forth in section 551.06. When an attorney is levying against either funds at a financial institution or earnings, the specific provisions of section 551.05 or 551.06 must be complied with in addition to the general provisions set forth in sections 551.03 and 551.04. Provisions contained in the statutory forms are incorporated in this chapter and have the same force of law as any other provisions in this chapter.

Sec. 3. [551.03] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. [JUDGMENT CREDITOR.] "Judgment creditor" means a party who has a judgment for the recovery of money in the civil action whether that party is the plaintiff, defendant, or other party in the civil action and who is serving the execution levy.

Subd. 3. [JUDGMENT DEBTOR.] "Judgment debtor" means a party against whom the judgment creditor has a judgment for the recovery of money in the civil action whether that party is the plaintiff, defendant, or other party in the civil action.

Subd. 4. [THIRD PARTY.] "Third party" means the person or entity upon whom the execution levy is served.

Subd. 5. [CLAIM.] "Claim" means the unpaid balance of the creditor's judgment against the judgment debtor, including all lawful interest and costs incurred.

Sec. 4. [551.04] [GENERAL PROVISIONS.]

Subdivision 1. [RULES OF CIVIL PROCEDURE.] Unless this chapter specifically provides otherwise, the Minnesota Rules of Civil Procedure for the District Courts shall apply in all proceedings under this chapter.

Subd. 2. [PROPERTY ATTACHABLE.] Subject to the exemptions provided by subdivision 3 and section 550.37, and any other applicable statute, the service of a writ of execution under this chapter attaches:

(a) All unpaid nonexempt disposable earnings owing or to be owed by the third party and earned or to be earned by the judgment debtor within the pay period in which the writ of execution is served and within all subsequent pay periods whose paydays occur within the 70 days after the date of service of the writ of execution. "Payday" means the day upon which the third party pays earnings to the judgment debtor in the ordinary course of business. If the judgment debtor has no regular paydays, payday means the 15th day and the last day of each month.

(b) All other nonexempt indebtedness or money due or belonging to the judgment debtor and owing by the third party or in the possession or under the control of the third party at the time of service of the writ of execution, whether or not the same, has become payable. The third party shall not be compelled to pay or deliver the same before the time specified by any agreement unless the agreement was fraudulently contracted to defeat an execution levy or other collection remedy.

Subd. 3. [PROPERTY NOT ATTACHABLE.] The following property is not subject to attachment by a writ of execution served pursuant to this chapter:

(1) any indebtedness or money due to the judgment debtor, unless at the time of the service of the writ of execution the same is due absolutely or does not depend upon any contingency;

(2) any judgment owing by the third party to the judgment debtor, if the third party or the third party's property is liable on an execution levy upon the judgment;

(3) any debt owing by the third party to the judgment debtor for which any negotiable instrument has been issued or endorsed by the third party;

(4) any indebtedness or money due to the judgment debtor where the judgment debtor is a bank, savings bank, trust company, credit union, savings and loan association, or industrial loan and thrift company with deposit liabilities;

(5) any indebtedness or money due to the judgment debtor with a cumulative value of less than \$10; and

(6) any disposable earnings, indebtedness, or money that is exempt under Minnesota or federal law.

Subd. 4. [SERVICE OF THIRD PARTY LEVY; NOTICE AND DISCLOSURE FORMS.] When levying upon money or earnings owed to the judgment debtor by a third party, the attorney for the judgment creditor shall serve a copy of the writ of execution upon

the third party either by registered or certified mail, or by personal service. Along with a copy of the writ of execution, the attorney shall serve upon the third party a notice of third party levy and disclosure form that must be substantially in the form set forth below. If the levy is upon earnings, the attorney shall serve upon the third party the notice of third party levy and disclosure form as set forth in section 551.06, subdivision 9.

STATE OF MINNESOTA
County of

DISTRICT COURT
..... JUDICIAL DISTRICT
File No.

..... (Judgment Creditor)
against

NOTICE OF THIRD PARTY
LEVY AND DISCLOSURE
(OTHER THAN EARNINGS)

..... (Judgment Debtor)
and

..... (Third Party)

PLEASE TAKE NOTICE that pursuant to Minnesota Statutes, chapter 551, the undersigned, as attorney for the judgment creditor, hereby makes demand and levies execution upon all money due and owing by you (up to \$5,000) to the judgment debtor for the amount of the judgment specified below. A copy of the writ of execution issued by the court is enclosed. The unpaid judgment balance is \$

In responding to this levy, you are to complete the attached disclosure form and mail it to the undersigned attorney for the judgment creditor, together with your check payable to the above-named judgment creditor, for the nonexempt amount owed by you to the judgment debtor or for which you are obligated to the judgment debtor, within the time limits set forth in chapter 551.

If you are a financial institution and the judgment debtor is a natural person, two exemption notices are also enclosed pursuant to Minnesota Statutes, section 551.02. Only natural persons are entitled to exemptions under this statute.

Attorney for the Judgment Creditor
Address

(.....)
Phone number

DISCLOSURE

On the day of, 19.., the time of service of the execution levy herein, there was due and owing the judgment debtor from the third party the following:

(1) Money. Enter on the line below any amounts due and owing the judgment debtor, except earnings, from the third party.

.....

(2) Setoff. Enter on the line below the amount of any setoff, defense, lien, or claim which the third party claims against the amount set forth on line (1). State the facts by which such setoff, defense, lien, or claim is claimed. (Any indebtedness to a third party incurred by the judgment debtor within ten days prior to the receipt of the first execution levy on a debt is void as to the judgment creditor.)

.....

(3) Exemption. Enter on the line below any amounts or property claimed by the judgment debtor to be exempt from execution.

.....

(4) Adverse Interest. Enter on the line below any amounts claimed by other persons by reason of ownership or interest in the judgment debtor's property.

.....

(5) Enter on the line below the total of lines (2), (3), and (4).

.....

(6) Enter on the line below the difference obtained (never less than zero when line (5) is subtracted from the amount on line (1).)

.....

(7) Enter on the line below 100 percent of the amount of the judgment creditor's claim which remains unpaid.

.....

(8) Enter on the line below the lessor of line (6) and line (7). You are hereby instructed to remit this amount only if it is \$10 or more.

.....

AFFIRMATION

I, (person signing Affirmation) am the

third party or I am authorized by the third party to complete this nonearnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated:
Signature
Title
Telephone Number

Subd. 5. [THIRD PARTY FEES.] If the levy is upon earnings or upon funds at a financial institution, the third party shall be paid a \$15 fee at the time of the service of the writ of execution. Failure to pay the fee renders the levy void, and the third party shall take no action. The \$15 shall not be paid where the funds being levied on are being held pursuant to a garnishment previously served in compliance with chapter 571. This fee may be recovered by the judgment creditor as an allowable disbursement. If a third party is required to appear and submit to oral examination, the third party shall be tendered, in advance of the examination, fees and mileage for attendance at the rate allowed by law to a witness. These fees may be recovered by the judgment creditor as an allowable disbursement. In extraordinary cases, the third party may be allowed additional sums the court considers reasonable for attorney's fees and other necessary expenses. The court shall then determine which party bears the burden of this expense.

Subd. 6. [THIRD PARTY DISCLOSURE AND REMITTANCE.] Within 15 days after receipt of the writ of execution, unless governed by section 551.05 or 551.06, the third party shall disclose and remit to the judgment creditor's attorney as much of the amount due under section 550.04, but not more than \$5,000, as the third party's own debt equals to the judgment debtor. The attorney for the judgment creditor shall proceed in all other respects like the sheriff making a similar execution levy. No more than \$5,000 may be recovered by a single execution levy pursuant to this section.

Subd. 7. [ORAL DISCLOSURE.] Before or after the service of a written disclosure by a third party under subdivision 6, upon a showing by affidavit upon information and belief that an oral examination of the third party would provide a complete disclosure of relevant facts, any party to the execution proceedings may obtain an ex parte order requiring the third party, or a representative of the third party designated by name or by title, to appear for oral examination before the court or a referee appointed by the court. Notice of the examination must be given to all parties.

Subd. 8. [SUPPLEMENTAL COMPLAINT.] If a third party holds property, money, earnings, or other indebtedness by a title that is void as to the judgment debtor's creditors, the property may be

levied on although the judgment debtor would be barred from maintaining an action to recover the property, money, earnings, or other indebtedness. In this and all other cases where the third party denies liability, the judgment creditor may move the court at any time before the third party is discharged, on notice to both the judgment debtor and the third party for an order making the third party a party to the supplemental action and granting the judgment creditor leave to file a supplemental complaint against the third party and the judgment debtor. The supplemental complaint shall set forth the facts upon which the judgment creditor claims to charge the third party. If probable cause is shown, the motion shall be granted. The supplemental complaint shall be served upon the third party and the judgment debtor and any other parties. The parties served shall answer or respond pursuant to the Minnesota Rules of Civil Procedure for the District Courts, and if they fail to do so, judgment by default may be entered against them.

Subd. 9. [JUDGMENT AGAINST THIRD PARTY UPON FAILURE TO DISCLOSE OR REMIT.] Judgment may be entered against a third party who has been served with a writ of execution and fails to disclose or remit the levied funds as required in this chapter. Upon order to show cause served on the third party and notice of motion supported by affidavit of facts and affidavit of service upon both the judgment debtor and third party, the court may render judgment against the third party for an amount not exceeding 100 percent of the amount claimed in the execution or \$5,000, whichever is less. Judgment against the third party pursuant to this section shall not bar the judgment creditor from further remedies under this chapter as a result of any subsequent defaults by the third party. The court upon good cause shown may remove the default and permit the third party to disclose or remit on just terms.

Subd. 10. [COSTS; SATISFACTION.] Except as provided for in subdivision 5, neither the judgment creditor nor its attorney shall be allowed costs from any party other than the judgment creditor for a levy in accordance with this section. Upon expiration, the attorney making the execution shall endorse on the writ partial satisfaction by amount or the total satisfaction and return the original writ of execution to the court administrator of that court, pursuant to section 550.051, subdivision 2, for filing without charge.

Subd. 11. [FORMS.] No judgment creditor shall use a form that contains alterations or changes from the statutory forms that mislead judgment debtors as to their rights and the execution procedure generally. If a court finds that a judgment creditor has used a misleading form, the judgment debtor shall be awarded actual damages, costs, reasonable attorney's fees resulting from additional proceedings, and an amount not to exceed \$100. All forms must be clearly legible and printed in not less than the equivalent of 10-point type. A form that uses both sides of a sheet must clearly

indicate on the front side that there is additional information on the back side of the sheet.

Subd. 12. [THIRD PARTY GOOD FAITH REQUIREMENT.] The third party is not liable to the judgment debtor, judgment creditor, or other person for wrongful retention if the third party retains or remits disposable earnings, indebtedness, or money of the judgment debtor or any other person, pending the third party's disclosure or consistent with the disclosure the third party makes, if the third party has a good faith belief that the property retained or remitted is subject to the execution. In addition, the third party may, at any time before or after disclosure, proceed under Rule 67 of the Minnesota Rules of Civil Procedure for the District Courts to make deposit into court. No third party is liable for damages if the third party complies with the provisions of this chapter.

Subd. 13. [BAD FAITH CLAIM.] If, in a proceeding brought under section 551.05, subdivision 8, or a similar proceeding under this chapter to determine a claim of exemption, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the judgment creditor shall be awarded actual damages, costs, reasonable attorney's fees resulting from the additional proceedings, and an amount not to exceed \$100. If the claim of exemption is upheld, and the court finds that the judgment creditor disregarded the claim of exemption in bad faith, the judgment debtor shall be awarded actual damages, costs, reasonable attorney's fees resulting from the additional proceedings, and an amount not to exceed \$100. The underlying judgment shall be modified to reflect assessment of damages, costs, and attorney's fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to that party's attorney for fees, the attorney's fee award shall be made directly to the attorney, and if not paid, an appropriate judgment in favor of the attorney shall be entered. Any action by a judgment creditor made in bad faith and in violation of this chapter renders the execution levy void and the judgment creditor liable to the judgment debtor named in the execution levy in the amount of \$100, actual damages, and reasonable attorney's fees and costs.

Subd. 14. [DISCHARGE OF A THIRD PARTY.] Subject to subdivisions 6 and 15, the third party, after disclosure, shall be discharged of any further obligation to the judgment creditor earnings when one of the following conditions is met:

(a) The third party discloses that the third party is not indebted to the judgment debtor or does not possess any earnings, property, money, or indebtedness belonging to the judgment debtor that is attachable as defined in subdivision 2. The disclosure is conclusive against the judgment creditor and discharges the third party from any further obligation to the judgment creditor other than to retain and remit all nonexempt disposable earnings, property, indebtedness, or money of the judgment debtor which was disclosed.

(b) The third party discloses that the third party is indebted to the judgment debtor as indicated on the execution disclosure form. The disclosure is conclusive against the judgment creditor and discharges the third party from any further obligation to the judgment creditor other than to retain and remit all nonexempt disposable earnings, property, indebtedness, or money of the judgment debtor that was disclosed.

(c) The court may, upon motion of an interested person, discharge the third party as to any disposable earnings, money, property, or indebtedness in excess of the amount that may be required to satisfy the judgment creditor's claim.

Subd. 15. [EXCEPTIONS TO DISCHARGE OF A THIRD PARTY.] The third party is not discharged if:

(a) Within 20 days of the service of the third party's disclosure, an interested person serves a motion relating to the execution levy. The hearing on the motion must be scheduled to be heard within 30 days of the service of the motion.

(b) The judgment creditor moves the court for leave to file a supplemental complaint against the third party, as provided for in subdivision 8, and the court upon proper showing vacates the discharge of the third party.

Subd. 16. [JOINDER AND INTERVENTION BY PERSONS IN INTEREST.] If it appears that a person, who is not a party to the action, has or claims an interest in any of the disposable earnings, other indebtedness, or money, the court shall permit that person to intervene or join in the execution proceeding under this chapter. If that person does not appear, the court may summon that person to appear or order the claim barred. The person so appearing or summoned shall be joined as a party and be bound by the judgment.

Subd. 17. [APPEAL.] A party to an execution proceeding aggrieved by an order or final judgment may appeal as in other civil cases.

Sec. 5. [551.05] [ATTORNEY'S SUMMARY EXECUTION UPON FUNDS AT A FINANCIAL INSTITUTION.]

When levying upon funds at a financial institution, this section must be complied with, in addition to the general provisions specified in section 551.04.

Subdivision 1. [EXEMPTION NOTICE.] If the writ of execution is being used by the attorney to levy funds of a judgment debtor who is a natural person and if the funds to be levied are held on deposit at any financial institution, the attorney for the judgment creditor

shall serve with the writ of execution two copies of an exemption notice. The notice must be substantially in the form set forth below. Failure of the attorney for the judgment creditor to send the exemption notice renders the execution levy void, and the financial institution shall take no action. However, if this subdivision is being used to execute on funds that have previously been garnished in compliance with section 571.71, the attorney for judgment creditor is not required to serve an additional exemption notice. In that event, the execution levy shall only be effective as to the funds that were subject to the prior garnishment. Upon receipt of the writ of execution and exemption notices, the financial institution shall retain as much of the amount due under section 550.04 as the financial institution has on deposit owing to the judgment debtor, but not more than 100 percent of the amount remaining due on the judgment, or \$5,000, whichever is less.

The notice informing a judgment debtor that an execution levy has been used to attach funds of the judgment debtor to satisfy a claim, must be substantially in the following form:

STATE OF MINNESOTA	DISTRICT COURT
County of .....	..... JUDICIAL DISTRICT
.....(Judgment Creditor)	
.....(Judgment Debtor)	
TO: Judgment Debtor	EXEMPTION NOTICE

An order for attachment, garnishment summons, or levy of execution (strike inapplicable language) has been served on (Bank or other financial institution where you have an account.)

Your account balance is \$

The amount being held is \$

However, all or a portion of the funds, in your account will normally be exempt from creditors' claims if they are in one of the following categories:

(1) relief based on need. This includes: Aid to Families with Dependent Children (AFDC), AFDC-Emergency Assistance (AFDC-EA), Medical Assistance (MA), General Assistance (GA), General Assistance Medical Care (GAMC), Emergency General Assistance (EGA), Work Readiness, Minnesota Supplemental Aid (MSA), MSA Emergency Assistance (MSA-EA), Supplemental Security Income (SSI), and Energy Assistance;

(2) Social Security benefits (Old Age, Survivors, or Disability Insurance);

(3) unemployment compensation, workers' compensation, or veterans' benefits;

(4) an accident, disability, or retirement pension or annuity;

(5) life insurance proceeds;

(6) the earnings of your minor child; or

(7) money from a claim for damage or destruction of exempt or property (such as household goods, farm tools, business equipment, a mobile home, or a car.)

The following funds are also exempt:

(8) all earnings of a person in category (1);

(9) all earnings of a person who has received relief based on need, or who has been an inmate of a correctional institution, within the last six months;

(10) 75 percent of every judgment debtor's after tax earnings; or

(11) all of a judgment debtor's after tax earnings below 40 times the federal minimum wage.

TIME LIMIT ON EXEMPTIONS AFTER DEPOSIT IN BANK:

Categories (10) and (11): 20 days

Categories (8) and (9): 60 days

All others: no time limit, as long as funds are traceable to the exempt source. (In tracing funds, the first-in, first-out method is used. This means money deposited first is spent first.) The money being sought by the judgment creditor is being held in your account to give you a chance to claim an exemption.

TO CLAIM AN EXEMPTION:

Fill out, sign, and mail or deliver one copy of the attached exemption claim form to the institution which sent you this notice and mail or deliver one copy to the judgment creditor's attorney. The address for the judgment creditor's attorney is set forth below. Both copies must be mailed or delivered on the same day.

If they do not get the exemption claim back from you within 14 days of the date they mailed or gave it to you, they will be free to turn the money over to the attorney for the judgment creditor. If you

are going to claim an exemption, do so as soon as possible, because your money may be held until it is decided.

IF YOU CLAIM AN EXEMPTION:

(1) nonexempt money can be turned over to the judgment creditor or sheriff;

(2) the financial institution will keep holding the money claimed to be exempt; and

(3) seven days after receiving your exemption claim, the financial institution will release the money to you unless before then it receives an objection to your exemption claim.

IF THE JUDGMENT CREDITOR OBJECTS TO YOUR EXEMPTION CLAIM:

the institution will hold the money until a court decides if your exemption claim is valid, BUT ONLY IF the institution gets a copy of your court motion papers asserting the exemption WITHIN TEN DAYS after the objection is mailed or given to you. You may wish to consult an attorney at once if the judgment creditor objects to your exemption claim.

MOTION TO DETERMINE EXEMPTION:

At any time after your funds have been held, you may ask for a court decision on the validity of your exemption claim by filing a request for hearing which may be obtained at the office of the clerk of the above court.

PENALTIES:

If you claim an exemption in bad faith, or if the judgment creditor wrongly objects to an exemption in bad faith, the court may order the person who acted in bad faith to pay costs, actual damages, attorney fees, and an additional amount of up to \$100.

.....
.....
.....
.....
.....
Name and address of (Attorney
for) Judgment Creditor

EXEMPTION:

(a) Amount of exemption claim.

// I claim ALL the funds being held are exempt.

// I claim SOME of the funds being held are exempt.

The exempt amount is \$

(b) Basis for exemption.

Of the 11 categories listed above, I am in category number
..... (If more than one category applies, you may fill in as many
as apply.) The source of the exempt funds is the following:

.....
.....
.....

(If the source is a type of relief based on need, list the case number
and county:

case number:

county:

I hereby authorize any agency that has distributed relief to me or
any correctional institution in which I was an inmate to disclose to
the above named judgment creditor's attorney only whether or not I
am or have been a recipient of relief based on need or an inmate of
a correctional institute within the last six months.

I have mailed or delivered a copy of the exemption notice to the
judgment creditor's attorney.

.....
DEBTOR

DATED:

.....
DEBTOR ADDRESS

Subd. 2. [EFFECT OF EXEMPTION NOTICE.] Within two busi-
ness days after receipt of the execution levy and exemption notices,
the financial institution shall serve upon the judgment debtor two
copies of the exemption notice. The financial institution shall serve
the notice by first class mail to the last known address of the
judgment debtor. If no claim of exemption is received by the
financial institution within 14 days after the exemption notices are
mailed to the judgment debtor, the funds remain subject to the
execution levy and shall be remitted to the judgment creditor's
attorney within seven days. If the judgment debtor elects to claim an

exemption, the judgment debtor shall complete the exemption notice, sign it under penalty of perjury, and deliver one copy to the financial institution and one copy to the attorney for the judgment creditor within 14 days of the date postmarked on the correspondence mailed to the judgment debtor containing the exemption notices. Failure of the judgment debtor to deliver the executed exemption notice does not constitute a waiver of any claimed right to an exemption. Upon timely receipt of a claim of exemption, funds not claimed to be exempt by the judgment debtor remain subject to the execution levy. All money claimed to be exempt shall be released to the judgment debtor upon the expiration of seven days after the date postmarked on the envelope containing the executed exemption notice mailed to the financial institution, or the date of personal delivery of the executed exemption notice to the financial institution, unless within that time the attorney for the judgment creditor interposes an objection to the exemption.

Subd. 3. [OBJECTION TO EXEMPTION CLAIM.] Objection shall be interposed by mailing or delivering one copy of the written objection to the financial institution and one copy of the written objection to the judgment debtor along with a copy of the judgment debtor's claimed exemption form. Both copies of an objection to an exemption claim shall be mailed or delivered on the same date. The financial institution may rely on the date of mailing or delivery of a notice to it in computing any time periods in this section. The written objection must be substantially in the form specified in subdivision 5.

Subd. 4. [DUTIES OF FINANCIAL INSTITUTION IF OBJECTION IS MADE TO EXEMPTION CLAIM.] Upon receipt of a written objection from the judgment creditor within the specified seven-day period, the financial institution shall retain the funds claimed to be exempt. Unless the financial institution receives a request for hearing and notice of hearing from the judgment debtor asserting exemption rights within ten days after receipt of a written objection to the exemption, the funds remain subject to the execution levy as if no claim of exemption had been made and shall be remitted to the judgment creditor's attorney within seven days. If a request for hearing and notice of hearing to determine the validity of a claim of exemption is received by the financial institution within the period provided, it shall retain the funds claimed to be exempt until otherwise ordered by the court.

Subd. 5. [NOTICE OF OBJECTION.] (a) The written objection to the judgment debtor's claim of exemption must be in substantially the following form:

STATE OF MINNESOTA

DISTRICT COURT

County of
.....(Judgment Creditor)
.....(Judgment Debtor)
.....(Garnishee) (Third Party)

JUDICIAL DISTRICT
OBJECTION TO
EXEMPTION CLAIM

The judgment creditor objects to your claim for exemption from garnishment, levy of execution, order for attachment (strike inapplicable language) for the following reason(s):

.....
.....
.....

Because of this objection, your financial institution will retain the funds you claimed to be exempt for an additional ten days. If you wish to request a hearing on your exemption claim, you should do so within ten days of your receipt of this objection. You may request a hearing by completing the attached form and filing it with the court administrator.

1. The court administrator's office shall provide clerical assistance to help with the writing and filing of a Request for Hearing by any person not represented by counsel. The court administrator may charge a fee of \$1 for the filing of a Request for Hearing.

2. Upon the filing of a Request for Hearing, the clerk shall schedule the matter for a hearing no later than five business days from the date of filing. The court administrator shall forthwith send a completed copy of the request, including the hearing date, time and place to the adverse party and to the financial institution by first class mail.

3. If it is possible that the financial institution might not receive the request mailed from the court administrator within ten days, then you may want to personally deliver a copy of the request to the financial institution after you have filed your request with the court.

4. An order stating whether your funds are exempt shall be issued by the court within three days of the date of the hearing.

If you do not file a Request for Hearing within ten days of the date you receive this objection, your financial institution may turn your funds over to your judgment creditor.

If you file a Request for Hearing and your financial institution receives it within ten days of the date it received this objection, your

financial institution will retain your funds claimed to be exempt until otherwise ordered by the court.

Attorney for Judgment Creditor

Subd. 6. [REQUEST FOR HEARING AND NOTICE FOR HEARING.] The request for hearing accompanying the objection notice must be in substantially the following form:

<u>STATE OF MINNESOTA</u>	<u>DISTRICT COURT</u>
<u>County of</u>	<u>JUDICIAL DISTRICT</u>
<u>..... (Judgment Creditor)</u>	<u>REQUEST FOR HEARING</u>
<u>..... (Judgment Debtor)</u>	<u>AND NOTICE FOR</u>
<u>..... (Garnishee) (Third Party)</u>	<u>HEARING</u>

I hereby request a hearing to resolve the exemption claim which has been made in this case regarding funds in the account of (Judgment Debtor) at the (Financial Institution).

I believe the property being held is exempt because

.....
.....

Dated: (JUDGMENT DEBTOR)

(ADDRESS)
.....

HEARING DATE: TIME:

HEARING PLACE:

(Note to both parties: Bring with you to the hearing all documents and materials relevant to the exemption claim and objection. Failure to do so could delay the court's decision.)

Subd. 7. [RELEASE OF FUNDS.] At any time during the procedure specified in this section, the judgment debtor or the attorney for the judgment creditor may, by a writing dated after the service of the writ of execution, direct the financial institution to release the funds in question to the other party. Upon receipt of a release, the financial institution shall release the funds as directed.

Subd. 8. [SUBSEQUENT PROCEEDINGS; BAD FAITH CLAIMS.] If in subsequent proceedings brought by the judgment debtor or the judgment creditor, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the judgment creditor shall be awarded actual damages, costs, and reasonable attorney fees resulting from the additional proceedings,

and an amount not to exceed \$100. If the claim of exemption is upheld, and the court finds that the judgment creditor disregarded the claim of exemption in bad faith, the judgment debtor shall be awarded costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100. The underlying judgment must be modified to reflect assessment of damages, costs, and attorney fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to the party's attorney for fees, the attorney's fee award shall be made directly to the attorney and if not paid, an appropriate judgment in favor of the attorney shall be entered. Upon motion of any party in interest, on notice, the court shall determine the validity of any claim of exemption, and may make any order necessary to protect the rights of those interested. No financial institution is liable for damages for complying with this section. Both copies of an exemption claim or an objection to an exemption claim must be mailed or delivered on the same date. The financial institution may rely on the date of mailing or delivery of a notice to it in computing any time periods in this section.

Sec. 6. [551.06] [ATTORNEY'S SUMMARY EXECUTION UPON EARNINGS.]

Subdivision 1. [PROCEDURE.] When earnings are levied upon this section must be complied with, in addition to the general provisions specified in section 551.04.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them:

(a) "earnings" means:

(1) compensation paid or payable to an employee for personal service whether denominated as wages, salary, commissions, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement program; or

(2) compensation paid or payable to the producer for the sale of agricultural products; livestock or livestock products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2;

(b) "disposable earnings" means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld;

(c) "employee" means an individual who performs services subject to the right of the employer to control both what is done and how it is done; and

(d) "employer" means a person for whom an individual performs services as an employee.

Subd. 3. [LIMITATION ON LEVY ON EARNINGS.] Unless the judgment is for child support, the maximum part of the aggregate disposable earnings of an individual for any pay period subjected to an execution levy may not exceed the lesser of:

(1) 25 percent of the judgment debtor's disposable earnings; or

(2) the amount by which the judgment debtor's disposable earnings exceed the following product: 40 times the federal minimum hourly wages prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938, United States Code, title 29, section 206(a)(1), in effect at the time the earnings are payable, times the number of work weeks in the pay period. When a pay period consists of other than a whole number of work weeks, each day of that pay period in excess of the number of completed work weeks shall be counted as a fraction of a work week equal to the number of excess work days divided by the number of days in the normal work week.

If the judgment is for child support, the levy may not exceed:

(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child;

(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child; or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received).

No court may make, execute, or enforce an order or any process in violation of this section.

Subd. 4. [MULTIPLE LEVIES ON EARNINGS.] Except as otherwise provided in this chapter or section 518.611, subdivision 6, the priority of multiple earnings execution levies is determined by the order in which the execution levies were served on the employer. If the employer is served with two or more writs of execution at the same time on the same day, the writ of execution issued pursuant to the first judgment entered has priority. If two or more execution levies are served on the same day, and are based on judgments

entered on the same day, then the employer shall select the priority of the earnings levies. However, in all cases, the execution levies shall be effective no longer than 70 days from the date of the service of the writ of execution.

Subd. 5. [EARNINGS ATTACHABLE.] Subject to the exemptions provided by sections 550.37 and 551.06, subdivision 3, and any other applicable statute, the service of a writ of execution under this chapter attaches all unpaid nonexempt disposable earnings owing or to be owed by the third party and earned or to be earned by the judgment debtor before and within the pay period in which the writ of execution is served and within all subsequent pay periods whose paydays occur within the 70 days after the date of service of the writ of execution. "Paydays" means the days upon which the third party pays earnings to the judgment debtor in the ordinary course of business. If the judgment debtor has no regular paydays, paydays means the 15th day and the last day of each month. If the levy attaches less than \$10, the third party shall not retain and remit the sum.

Subd. 6. [EARNINGS EXEMPTION NOTICE.] Before the first levy on earnings, the attorney for the judgment creditor shall serve upon the judgment debtor no less than ten days before the service of the writ of execution, a notice that the writ of execution may be served on the judgment debtor's employer. The notice must: (1) be substantially in the form set forth below; (2) be served personally, in the manner of a summons and complaint, or by first class mail to the last known address of the judgment debtor; (3) inform the judgment debtor that an execution levy may be served on the judgment debtor's employer in ten days, and that the judgment debtor may, within that time, cause to be served on the judgment creditor's attorney a signed statement under penalties of perjury asserting an entitlement to an exemption from execution; (4) inform the judgment debtor of the earnings exemptions contained in section 550.37, subdivision 14; and (5) advise the judgment debtor of the relief set forth in this chapter to which the judgment debtor may be entitled if a judgment creditor in bad faith disregards a valid claim and the fee, costs, and penalty that may be assessed against a judgment debtor who in bad faith falsely claims an exemption or in bad faith takes action to frustrate the execution process. The notice requirement of this subdivision does not apply to a levy on earnings being held by an employer pursuant to a garnishment summons served in compliance with chapter 571.

The ten-day notice informing a judgment debtor that a writ of execution may be used to levy the earnings of an individual must be substantially in the following form:

STATE OF MINNESOTA
COUNTY OF
..... (Judgment Creditor)
against

DISTRICT COURT
JUDICIAL DISTRICT

..... (Judgment Debtor)
and
..... (Third Party)

EXECUTION EXEMPTION
NOTICE AND NOTICE OF
INTENT TO LEVY ON
EARNINGS WITHIN TEN
DAYS

THE STATE OF MINNESOTA
TO THE ABOVE-NAMED JUDGMENT DEBTOR

PLEASE TAKE NOTICE that a levy may be served upon your employer or other third parties, without any further court proceedings or notice to you, ten days or more from the date hereof. Your earnings are completely exempt from execution levy if you are now a recipient of relief based on need, if you have been a recipient of relief within the last six months, or if you have been an inmate of a correctional institution in the last six months.

Relief based on need includes Aid to Families with Dependent Children (AFDC), AFDC-Emergency Assistance (AFDC-EA), Medical Assistance (MA), General Assistance (GA), General Assistance Medical Care (GAMC), Emergency General Assistance (EGA), Work Readiness, Minnesota Supplemental Aid (MSA), MSA Emergency Assistance (MSA-EA), Supplemental Security Income (SSI), and Energy Assistance.

If you wish to claim an exemption, you should fill out the appropriate form below, sign it, and send it to the judgment creditor's attorney.

You may wish to contact the attorney for the judgment creditor in order to arrange for a settlement of the debt or contact an attorney to advise you about exemptions or other rights.

PENALTIES

(1) Be advised that even if you claim an exemption, an execution levy may still be served on your employer. If your earnings are levied on after you claim an exemption, you may petition the court for a determination of your exemption. If the court finds that the judgment creditor disregarded your claim of exemption in bad faith, you will be entitled to costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100.

(2) HOWEVER, BE WARNED if you claim an exemption, the

judgment creditor can also petition the court for a determination of your exemption, and if the court finds that you claimed an exemption in bad faith, you will be assessed costs and reasonable attorney's fees plus an amount not to exceed \$100.

(3) If after receipt of this notice, you in bad faith take action to frustrate the execution levy, thus requiring the judgment creditor to petition the court to resolve the problem, you will be liable to the judgment creditor for costs and reasonable attorney's fees plus an amount not to exceed \$100.

DATED:
.....
..... (Attorney for Judgment Creditor)
..... Address
..... Telephone

JUDGMENT DEBTOR'S EXEMPTION CLAIM NOTICE

I hereby claim that my earnings are exempt from execution because:

(1) I am presently a recipient of relief based on need. (Specify the program, case number, and the county from which relief is being received.)

.....
.....
..... Program Case Number (if known) County

(2) I am not now receiving relief based on need, but I have received relief based on need within the last six months. (Specify the program, case number, and the county from which relief has been received.)

.....
.....
..... Program Case Number (if known) County

(3) I have been an inmate of a correctional institution with the last six months. (Specify the correctional institution and location.)

.....
.....
..... Correctional Institution Location

I hereby authorize any agency that has distributed relief to me or any correctional institution in which I was an inmate to disclose to the above-named judgment creditor or the judgment creditor's attorney only whether or not I am or have been a recipient of relief based on need or an inmate of a correctional institution within the last six months. I have mailed or delivered a copy of this form to the creditor or creditor's attorney.

DATE:
Judgment Debtor

Address

Subd. 7. [ADDITIONAL NOTICES.] If the execution levy has not been served within one year after service of the exemption notice, the judgment creditor's attorney shall serve another notice upon the judgment debtor before serving the execution levy on the judgment debtor's employer. If more than one year has passed since the service of the judgment creditor's most recent execution levy, the judgment creditor shall, no less than ten days before service of a subsequent execution levy, serve notice that another execution levy may be served.

Subd. 8. [PROCEEDINGS IF NO EXEMPTION STATEMENT IS RECEIVED.] If no statement of exemption is received by the attorney for the judgment creditor on an earnings levy within ten days from the service of the notice, the attorney for the judgment creditor may proceed with the execution levy. Failure of the judgment debtor to serve a statement does not constitute a waiver of any right the judgment debtor may have to an exemption. If the statement of exemption is received by the attorney for the judgment creditor, the attorney may still cause a levy to be served subject to sanctions provided in section 551.05, subdivision 8.

Subd. 9. [NOTICE OF LEVY ON EARNINGS, DISCLOSURE, AND WORKSHEET.] The attorney for the judgment creditor shall serve upon the judgment debtor's employer a notice of levy on earnings and an execution earnings disclosure form and an earnings disclosure worksheet with the writ of execution, that must be substantially in the form set forth below.

STATE OF MINNESOTA
COUNTY OF

DISTRICT COURT
JUDICIAL DISTRICT
FILE NO.

..... (Judgment Creditor)
against

NOTICE OF LEVY ON
EARNINGS AND
DISCLOSURE

..... (Judgment Debtor)
and

..... (Third Party)

PLEASE TAKE NOTICE that pursuant to Minnesota Statutes, sections 551.04 and 551.06, the undersigned, as attorney for the judgment creditor, hereby makes demand and levies execution upon all earnings due and owing by you (up to \$5,000) to the judgment debtor for the amount of the judgment specified below. A copy of the writ of execution issued by the court is enclosed. The unpaid judgment balance is \$

This levy attaches all unpaid nonexempt disposable earnings owing or to be owed by you and earned or to be earned by the judgment debtor before and within the pay period in which the writ of execution is served and within all subsequent pay periods whose paydays occur within the 70 days after the service of this levy.

In responding to this levy, you are to complete the attached disclosure form and worksheet and mail it to the undersigned attorney for the judgment creditor, together with your check payable to the above-named judgment creditor, for the nonexempt amount owed by you to the judgment debtor or for which you are obligated to the judgment debtor, within the time limits set forth in the aforementioned statutes.

.....
Attorney for the Judgment Creditor
.....

Address
.....
.....
.....

()
Phone Number
.....

DISCLOSURE

DEFINITIONS

“EARNINGS”: For the purpose of execution, “earnings” means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement.

“DISPOSABLE EARNINGS”: Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)

“PAYDAY”: For the purpose of execution, “payday(s)” means the date(s) upon which the employer pays earnings to the judgment debtor in the ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.

THE THIRD PARTY/EMPLOYER MUST ANSWER THE FOLLOWING QUESTIONS:

1. Do you now owe, or within 70 days from the date the execution levy was served on you, will you or may you owe money to the judgment debtor for earnings?

Yes No

2. Does the judgment debtor earn more than \$. . . per week? (This amount is the federal minimum wage per week.)

Yes No

INSTRUCTIONS FOR COMPLETING THE EARNINGS DISCLOSURE

A. If your answer to either questions 1 or 2 is "No," then you must sign the affirmation on page 2 and return this disclosure to the judgment creditor's attorney within 20 days after it was served on you, and you do not need to answer the remaining questions.

B. If your answers to both questions 1 and 2 are "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 70 days from the date the execution levy was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 3 through 11 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.

Each payday, you must retain the amount of earnings listed in column I on the Earnings Disclosure Worksheet.

You must pay the attached earnings and return this Earnings Disclosure Form and the Earnings Disclosure Worksheet to the judgment creditor's attorney and deliver a copy to the judgment debtor within ten days after the last payday that falls within the 70-day period.

If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 70-day period, your disclosure and remittance should be made within ten days after the last payday for which earnings were attached.

For steps 3 through 11, "columns" refers to columns on the Earnings Disclosure Worksheet.

3. COLUMN A. Enter the date of judgment debtor's payday.
4. COLUMN B. Enter judgment debtor's gross earnings for each payday.
5. COLUMN C. Enter judgment debtor's disposable earnings for each payday.
6. COLUMN D. Enter 25 percent of disposable earnings. (Multiply Column C by .25.)
7. COLUMN E. Enter here 40 times the hourly federal minimum wage (\$. . .) times the number of work weeks included in each payday. (Note: If a pay period includes days in excess of whole work weeks, the additional days should be counted as a fraction of a work week equal to the number of work days in excess of a whole work week divided by the number of work days in a normal work week.)
8. COLUMN F. Subtract the amount in Column E from the amount in Column C, and enter here.
9. COLUMN G. Enter here the lesser of the amount in Column D and the amount in Column F.
10. COLUMN H. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest which would reduce the amount of earnings owing to the judgment debtor. (Note: Any indebtedness to you, or any assignment of wages, that was incurred or made by the judgment debtor within ten days before your receipt of the execution levy is void.)

You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.

Enter zero in Column H if there are no claims by you or others which would reduce the amount of earnings owing to the judgment debtor.

11. COLUMN I.

Subtract the amount in Column H from the amount in Column G and enter here. This is the amount of earnings that you must retain for the payday for which the calculations were made. The total of all amounts entered in Column I is the amount to be remitted to the attorney for the judgment creditor.

AFFIRMATION

I, (person signing Affirmation) am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated:

Signature

Title

Telephone Number

EARNINGS DISCLOSURE WORKSHEET

Judgment Debtor's Name

A
Payday
Date

B
Gross
Earnings

C
Disposable
Earnings

<u>1.</u>	<u>\$</u>	<u>\$</u>
<u>2.</u> .....	.....	.....
<u>3.</u> .....	.....	.....
<u>4.</u> .....	.....	.....
<u>5.</u> .....	.....	.....
<u>6.</u> .....	.....	.....
<u>7.</u> .....	.....	.....
<u>8.</u> .....	.....	.....
<u>9.</u> .....	.....	.....
<u>10.</u> .....	.....	.....

D
25% of
Column C

E
40 X Min.
Wage

F
Column C
minus
Column E

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

-
-
-
-
-
-
-
-
-
-

-
-
-
-
-
-
-
-
-
-

G
Lesser of
Column D
and
Column F

H
Setoff, Lien,
Adverse
Interest, or
Other Claims

I
Column G
minus
Column H

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

-
-
-
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-
-
-
-
-

TOTAL OF COLUMN I \$

*If you entered any amount in Column H for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of these persons, and the nature of their claim, if known.

.....
.....
.....

AFFIRMATION

I, (person signing Affirmation) am the third party or I am authorized by the third party to complete this earnings disclosure worksheet, and have done so truthfully and to the best of my knowledge.

Dated: Title
 ()
 Signature Phone Number

Subd. 10. [NOTICE OF LEVY ON EARNINGS, DISCLOSURE, AND WORKSHEET FOR CHILD SUPPORT JUDGMENT.] The attorney for the judgment creditor shall serve upon the judgment debtor's employer a notice of levy on earnings and an execution earnings disclosure form and an earnings disclosure worksheet with the writ of execution, that must be substantially in the form set forth below.

STATE OF MINNESOTA
 COUNTY OF

DISTRICT COURT
 JUDICIAL DISTRICT
 FILE NO.

..... (Judgment Creditor)
 against

NOTICE OF LEVY ON
 EARNINGS AND
 DISCLOSURE

..... (Judgment Debtor)
 and

..... (Third Party)

PLEASE TAKE NOTICE that pursuant to Minnesota Statutes, sections 551.04 and 551.06, the undersigned, as attorney for the judgment creditor, hereby makes demand and levies execution upon all earnings due and owing by you (up to \$5,000) to the judgment debtor for the amount of the judgment specified below. A copy of the writ of execution issued by the court is enclosed. The unpaid judgment balance is \$

This levy attaches all unpaid nonexempt disposable earnings owing or to be owed by you and earned or to be earned by the judgment debtor before and within the pay period in which the writ of execution is served and within all subsequent pay periods whose paydays occur within the 70 days after the service of this levy.

In responding to this levy, you are to complete the attached disclosure form and worksheet and mail it to the undersigned attorney for the judgment creditor, together with your check payable to the above-named judgment creditor, for the nonexempt amount owed by you to the judgment debtor or for which you are obligated to the judgment debtor, within the time limits set forth in the aforementioned statutes.

.....
 Attorney for the Judgment Creditor
 Address

 ()
 Phone Number

DISCLOSUREDEFINITIONS

"EARNINGS": For the purpose of execution, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement, workers' compensation, or unemployment compensation.

"DISPOSABLE EARNINGS": Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)

"PAYDAY": For the purpose of execution, "payday(s)" means the date(s) upon which the employer pays earnings to the debtor in the ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.

THE THIRD PARTY/EMPLOYER MUST ANSWER THE FOLLOWING QUESTION:

(1) Do you now owe, or within 70 days from the date the execution levy was served on you, will you or may you owe money to the judgment debtor for earnings?

.....
Yes

.....
No

INSTRUCTIONS FOR COMPLETING THE EARNINGS DISCLOSURE

A. If your answer to question 1 is "No," then you must sign the affirmation below and return this disclosure to the judgment creditor's attorney within 20 days after it was served on you, and you do not need to answer the remaining questions.

B. If your answer to question 1 is "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 70 days from the date the execution levy was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 2 through

8 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.

Each payday, you must retain the amount of earnings listed in column G on the Earnings Disclosure Worksheet.

You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the judgment creditor's attorney and deliver a copy of the disclosure and worksheet to the judgment debtor within ten days after the last payday that falls within the 70-day period. If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 70-day period, your disclosure and remittance should be made within ten days after the last payday for which earnings were attached.

For steps 2 through 8, "columns" refers to columns on the Earnings Disclosure Worksheet.

(2) COLUMN A. Enter the date of judgment debtor's payday.

(3) COLUMN B. Enter judgment debtor's gross earnings for each payday.

(4) COLUMN C. Enter judgment debtor's disposable earnings for each payday.

(5) COLUMN D. Enter either 50, 55, 60, or 65 percent of disposable earnings, based on which of the following descriptions fits the child support judgment debtor:

(a) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child;

(b) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(c) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child; or

(d) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received). (Multiply column C by .50, .55, .60, or .65, as appropriate.)

(6) COLUMN E. Subtract the amount in column D from the amount in column C, and enter here.

(7) COLUMN F. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest that would reduce the amount of earnings owing to the judgment debtor. (Note: Any indebtedness to you, or any assignment of wages, that was incurred or made by the judgment debtor within ten days prior to your receipt of the execution levy is void.)

You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.

Enter zero in column F if there are no claims by you or others that would reduce the amount of earnings owing to the judgment debtor.

(8) COLUMN G. Subtract the amount in column F from the amount in column E and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.

AFFIRMATION

I,, (person signing Affirmation) am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated:
Signature
Title
Telephone Number

EARNINGS DISCLOSURE WORKSHEET

Debtor's Name

<u>A</u> <u>Payday</u> <u>Date</u>	<u>B</u> <u>Gross</u> <u>Earnings</u>	<u>C</u> <u>Disposable</u> <u>Earnings</u>
1.	\$	\$
2.
3.
4.
5.
6.
7.
8.
9.
10.

D
Either 50, 55,
60, or 65% of
Column C

E
Column C
minus
Column D

F
Setoff, Lien,
Adverse
Interest, or
Other Claims

<u>1.</u> .....	.....	.....
<u>2.</u> .....	.....	.....
<u>3.</u> .....	.....	.....
<u>4.</u> .....	.....	.....
<u>5.</u> .....	.....	.....
<u>6.</u> .....	.....	.....
<u>7.</u> .....	.....	.....
<u>8.</u> .....	.....	.....
<u>9.</u> .....	.....	.....
<u>10.</u> .....	.....	.....

G
Column E
minus
Column F

<u>1.</u> .....	.....
<u>2.</u> .....	.....
<u>3.</u> .....	.....
<u>4.</u> .....	.....
<u>5.</u> .....	.....
<u>6.</u> .....	.....
<u>7.</u> .....	.....
<u>8.</u> .....	.....
<u>9.</u> .....	.....
<u>10.</u> .....	.....

TOTAL OF COLUMN G \$

*If you entered any amount in column F for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of such persons, and the nature of their claim, if known.

.....
.....
.....

AFFIRMATION

I, (person signing Affirmation) am the third party or I am authorized by the third party to complete this earnings disclosure worksheet, and have done so truthfully and to the best of my knowledge.

.....
Signature

Dated: ()
Title Phone Number

Subd. 11. [POSTEXECUTION NOTICE TO JUDGMENT DEBTOR.] The attorney for the judgment creditor shall serve by mail upon the judgment debtor not later than five days after service is made on the judgment debtor's employer, a copy of the writ of execution and copies of all other papers served on the judgment debtor's employer.

Subd. 12. [THIRD PARTY DISCLOSURE AND REMITTANCE OBLIGATION.] If there are no attachable earnings, the third party shall serve the execution earnings disclosure form upon the attorney for the judgment creditor within 20 days after service of the writ of execution. However, if the judgment debtor has attachable earnings, the third party shall serve the execution earnings disclosure form upon both the attorney for the judgment creditor and the judgment debtor and remit to the attorney for the judgment creditor the attached earnings within ten days of the last payday to occur within the 70 days after the date of the service of the writ of execution. If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 70-day period, the disclosure and remittance should be made within ten days after the last payday for which earnings were attached. The amount of the third party's execution earnings disclosure form and remittance need not exceed 100 percent of the amount of the judgment creditor's judgment that remains unpaid, after subtracting the total of setoffs, defenses, exemption, or other adverse interests. If the disclosure is by a corporation, it shall be made by an officer or a managing agent having knowledge of the facts.

Subd. 13. [PENALTY FOR RETALIATION FOR EXECUTION.]
(a) An employer shall not discharge or otherwise discipline an employee as a result of an earnings levy authorized by this chapter.

(b) If an employer violates this section, a court may order the reinstatement of an aggrieved party who demonstrates a violation of this section, and other relief the court considers appropriate. The aggrieved party may bring a civil action within 90 days of the date of the prohibited action. If an employer-employee relationship existed before the violation of this section, the employee shall recover twice the wages lost as a result of this violation.

(c) The rights guaranteed by this section are not subject to abridgment and may not be altered by employment contract.

Subd. 14. [PUBLIC EMPLOYEES, LEVY ON EARNINGS.] The salary or earnings of any public employee or officer may be levied

upon pursuant to this chapter. Where the person is an officer, the writ shall be served upon the auditor, treasurer, or clerk of the subdivision or department of which the person is an officer. Where the person is an employee other than an officer, the writ must be served upon the person in charge of the office or department in which the employee works.

When payment has been made pursuant to levy, a copy of the execution with certificate of satisfaction shall be delivered to the treasurer as a voucher for such payment.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective October 1, 1989, and apply to attorney's summary executions begun on or after that date.

ARTICLE 3
GARNISHMENTS

Section 1. [571.71] [GARNISHMENT: WHEN AUTHORIZED.]

As an ancillary proceeding to a civil action for the recovery of money, a creditor may issue a garnishment summons as provided in this chapter against any third party in the following instances:

(1) at the time the civil action is commenced or at any time after the commencement of the civil action, but before the entry of a judgment, if the court orders the issuance of the garnishment summons pursuant to section 571.93;

(2) at any time 40 days or more after service of the summons and complaint upon the debtor in the civil action when a judgment by default could have, but has not, been entered pursuant to Rule 55.01(a) of the Minnesota Rules of Civil Procedure for the District Courts. No filing of a pleading or other documents by the creditor is required to issue a garnishment summons under this clause; however, the creditor must comply with the service requirement of section 571.72, subdivision 4; or

(3) at any time after entry of a money judgment in the civil action.

Sec. 2. [571.711] [SCOPE OF GENERAL AND SPECIFIC PROVISIONS.]

General provisions and definitions relating to all garnishment proceedings, as authorized in this chapter, are set forth in sections 571.71 to 571.90. Specific provisions relating to garnishments involving financial institutions are set forth in sections 571.911 to 571.915. Specific provisions relating to the garnishment of earnings

are set forth in sections 571.92 to 571.927. When a garnishment summons is issued against either earnings or funds in a financial institution, the applicable provisions cited in this chapter must be complied with in addition to the general provisions and definitions relating to all garnishment proceedings. Provisions contained in the statutory forms are incorporated in this chapter and have the same force of law as any other provision in this chapter.

Sec. 3. [571.712] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. (a) "Creditor" means the party who has a claim for the recovery of money in the civil action whether that party is the plaintiff, defendant, or other party in the civil action and who is issuing or requesting the issuance of a garnishment summons.

(b) "Debtor" means a party against whom the creditor has a claim for the recovery of money in the civil action whether that party is the plaintiff, defendant, or other party in the civil action.

(c) "Garnishee" means the third party upon whom the garnishment summons is served.

(d) "Claim" means the unpaid balance of the creditor's judgment against the debtor or, in a prejudgment garnishment proceeding, the unpaid balance of the creditor's claim against the debtor and all lawful interest and costs and disbursements paid or incurred in the civil action or in the garnishment proceedings.

Subd. 3. [DESIGNATION OF PARTIES.] Each pleading or other document in the ancillary proceeding of garnishment must designate each party as creditor or debtor or garnishee.

Sec. 4. [571.72] [GENERAL GARNISHMENT PROVISIONS.]

Subdivision 1. [RULES OF CIVIL PROCEDURE.] Unless this chapter specifically provides otherwise, the Rules of Civil Procedure for the District Courts shall apply in all proceedings under this chapter.

Subd. 2. [SERVICE OF A GARNISHMENT SUMMONS.] To enforce a claim asserted in a civil action venued in a court of record, a garnishment summons may be issued by a creditor and served upon the garnishee in the same manner as other summons in that court of record, except that service may not be made by publication. Service of a garnishment summons on the garnishee may also be made by certified mail, return receipt requested. The effective date of service by certified mail is the time of receipt by the garnishee. A

single garnishment summons may be addressed to two or more garnishees but must state whether each is summoned separately or jointly.

The garnishment summons must state:

(1) the full name of the debtor, the debtor's last known mailing address, and the amount of the claim that remains unpaid;

(2) the date of the entry of judgment against the debtor or that the debtor is in default pursuant to Rule 55.01 of the Minnesota Rules of Civil Procedure for the District Courts. Where there is a pre-judgment garnishment pursuant to section 571.93, the garnishment summons must include a copy of the court order;

(3) if the garnishment is on any indebtedness, money, or property other than earnings, the garnishee shall serve upon the creditor and upon the debtor within 20 days after service of the garnishment summons, a written disclosure, of the garnishee's indebtedness, money, or other property owing to the debtor and answers to all written interrogatories that are served with the garnishment summons. The garnishment summons shall also state that if the garnishment is on earnings and the debtor has garnishable earnings, the garnishee shall serve the disclosure within ten days of the last payday to occur within the 70 days after the date of service of the garnishment summons;

(4) that the creditor shall not require disclosure of the disposable earnings, indebtedness, money, or property of debtor in the garnishee's possession or under the garnishee's control in excess of 110 percent of the amount of the claim that remains unpaid;

(5) that the garnishee shall retain disposable earnings, indebtedness, money, or property of the debtor in the garnishee's possession or under the garnishee's control not in excess of 110 percent of the amount of the claim that remains unpaid, until the creditor causes a writ of execution to be served upon the garnishee, until the debtor authorizes release to the creditor, upon court order, or by operation of law;

(6) that after the expiration of the period of time specified in section 571.79 from the date of service of the garnishment summons, the garnishee's retention obligation automatically expires;

(7) that an assignment of wages made by the debtor or indebtedness to the garnishee incurred by the debtor within ten days before the service of the first garnishment summons on a debt is void.

Subd. 3. [REPRESENTATION BY AN ATTORNEY.] Whenever a creditor is represented by an attorney, a responsive pleading or

document from the garnishee or debtor under this chapter must be served on the creditor's attorney.

Subd. 4. [SERVICE OF GARNISHMENT SUMMONS ON DEBTOR.] A copy of the garnishment summons and copies of all other papers served on the garnishee must be served by mail at the last known mailing address of the debtor not later than five days after the service is made upon the garnishee. The first time a garnishment summons is served on the debtor pursuant to section 571.71, clause (2), the creditor shall also serve a copy of the affidavit of service of the original summons and complaint. Service of the garnishment documents on the debtor is effective upon mailing.

Subd. 5. [GARNISHMENT DISCLOSURE FORM.] The creditor shall serve with the garnishment summons the applicable garnishment disclosure form substantially in the form set forth in section 571.75. The creditor may also serve written interrogatories with the garnishment summons.

Subd. 6. [BAD FAITH CLAIM.] If, in a proceeding brought under section 571.91, or a similar proceeding under this chapter to determine a claim of exemption, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the creditor shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional proceedings, and an amount not to exceed \$100. If the claim of exemption is upheld, and the court finds that the creditor disregarded the claim of exemption in bad faith, the debtor shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional proceedings, and an amount not to exceed \$100. The underlying judgment shall be modified to reflect assessment of damages, costs, and attorney fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to that party's attorney for fees, the attorney's fee award shall be made directly to the attorney and if not paid an appropriate judgment in favor of the attorney shall be entered.

Subd. 7. [FORMS.] No creditor shall use a form that contains alterations or changes from the statutory forms that mislead debtors as to their rights and the garnishment procedure generally. If a court finds that a creditor has used a misleading form, the debtor shall be awarded actual damages, costs, reasonable attorney's fees resulting from additional proceedings, and an amount not to exceed \$100. All forms must be clearly legible and printed in not less than the equivalent of 10-point type. A form that uses both sides of a sheet must clearly indicate on the front side that there is additional information on the back side of the sheet.

Subd. 8. [EXEMPTION NOTICE.] In every garnishment where the debtor is a natural person, the debtor shall be provided with a garnishment exemption notice. If the creditor is garnishing earn-

ings, the earnings exemption notice provided in section 571.924 must be served ten or more days before the service of the first garnishment summons. If the creditor is garnishing funds in a financial institution, the exemption notice provided in section 571.912 must be served with the garnishment summons. In all other cases, the exemption notice must be in the following form and served on the debtor with a copy of the garnishment summons.

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF
.....(Creditor)

..... JUDICIAL DISTRICT

against

.....(Debtor)

EXEMPTION NOTICE

and

.....(Garnishee)

A Garnishment Summons is being served upon you. Some of your property may be exempt and cannot be garnished. The following is a list of some of the more common exemptions. It is not complete and is subject to section 550.37 of the Minnesota Statutes and other state and federal laws. The dollar amounts contained in this list are subject to the provisions of section 550.37, subdivision 4a, at the time of garnishment. If you have questions about an exemption, you should obtain legal advice.

(1) a homestead or the proceeds from the sale of a homestead;

(2) household furniture, appliances, phonographs, radios, and televisions up to a total current value of \$5,850;

(3) a manufactured (mobile) home used as your home;

(4) one motor vehicle currently worth less than \$2,600 after deducting any security interest;

(5) farm machinery used by an individual principally engaged in farming, or tools, machines, or office furniture used in your business or trade. This exemption is limited to \$13,000;

(6) relief based on need. This includes:

(i) Aid to Families with Dependent Children (AFDC);

(ii) AFDC-Emergency Assistance (AFDC-EA);

(iii) Medical Assistance (MA);

(iv) General Assistance (GA);

(v) General Assistance Medical Care (GAMC);

- (vi) Emergency General Assistance (EGA);
- (vii) Work Readiness, Minnesota Supplemental AID (MSA);
- (viii) MSA-Emergency Assistance (MSA-EA);
- (ix) Supplemental Security Income (SSI); and
- (x) Energy Assistance;
- (7) social security benefits;
- (8) unemployment compensation, workers' compensation, or veteran's benefits;
- (9) an accident, disability, or retirement pension or annuity;
- (10) life insurance proceeds;
- (11) earnings of your minor child; and
- (12) money from a claim for damage or destruction of exempt property (such as household goods, farm tools, business equipment, a manufactured (mobile) home, or a car.)

Subd. 9. [MOTION TO DETERMINE OBJECTIONS.] Upon motion of any party in interest, on notice, the court shall determine the validity of any claim of exemption and may make any order necessary to protect the rights of those interested.

Sec. 5. [571.73] [PROPERTY ATTACHABLE BY GARNISHMENT; GOOD FAITH REQUIREMENT.]

Subdivision 1. [RETENTION OBLIGATION.] Except as provided in subdivision 4 and section 571.79, service of the garnishment summons upon the garnishee shall obligate the garnishee to retain possession and control of the disposable earnings, indebtedness, money, and property of the debtor specified in subdivision 3, except that the garnishee shall not retain possession and control of disposable earnings, indebtedness, money, or property of the debtor in the garnishee's possession or under the garnishee's control in excess of 110 percent of the amount claimed by the creditor in the garnishment summons.

Subd. 2. [GARNISHEE GOOD FAITH REQUIREMENT.] The garnishee is not liable to the debtor, creditor, or other person for wrongful retention if the garnishee retains disposable earnings, indebtedness, money, or property of the debtor or any other person, pending the garnishee's disclosure or consistent with the disclosure the garnishee makes, if the garnishee has a good faith belief that the

property retained is subject to the garnishment summons. In addition, the garnishee may, at any time before or after disclosure, proceed under Rule 67 of the Minnesota Rules of Civil Procedure for the District Courts to make deposit into court. No garnishee is liable for damages if the garnishee complies with the provisions of this chapter.

Subd. 3. [PROPERTY ATTACHABLE.] Subject to the exemptions provided by sections 550.37 and 571.922 and any other applicable statute, the service of a garnishment summons under this chapter attaches:

(1) all unpaid nonexempt disposable earnings owed or to be owed by the garnishee and earned or to be earned by the debtor within the pay period in which the garnishment summons is served and within all subsequent pay periods whose paydays occur within the 70 days after the date of service of the garnishment summons. "Payday" means the day upon which the garnishee pays earnings to the debtor in the ordinary course of business. If the debtor has no regular paydays, "payday" means the 15th day and the last day of each month;

(2) all other nonexempt indebtedness, money or other property due or belonging to the debtor and owing by the garnishee or in the possession or under the control of the garnishee at the time of service of the garnishment summons, whether or not the same has become payable. The garnishee shall not be compelled to pay or deliver the same before the time specified by any agreement unless the agreement was fraudulently contracted to defeat a garnishment or other collection remedy; and

(3) all other nonexempt intangible or tangible personal property of the debtor in the possession or under the control of the garnishee at the time of service of the garnishment summons, including property of any kind due from or in the hands of an executor, administrator, personal representative, receiver, or trustee, and all written evidences of indebtedness whether or not negotiable or not yet underdue or overdue.

Subd. 4. [PROPERTY NOT ATTACHABLE.] The following property is not subject to attachment by garnishment:

(1) any indebtedness, money, or other property due to the debtor, unless at the time of the garnishment summons the same is due absolutely or does not depend upon any contingency;

(2) any judgment in favor of the debtor against the garnishee, if the garnishee or the garnishee's property is liable on an execution levy upon the judgment;

(3) any debt owed by the garnishee to the debtor for which any negotiable instrument has been issued or endorsed by the garnishee;

(4) any indebtedness, money, or other property due to the debtor where the debtor is a bank, savings bank, trust company, credit union, savings and loan association, or industrial loan and thrift companies with deposit liabilities;

(5) any indebtedness, money, or other property due to the debtor with a cumulative value of less than \$10; and

(6) any disposable earnings, indebtedness, money, or property that is exempt under Minnesota or federal law.

Sec. 6. [571.74] [GARNISHMENT SUMMONS AND NOTICE TO DEBTOR.]

The garnishment summons and notice to debtor must be substantially in the following form. The notice to debtor must be in no smaller than 14-point type.

GARNISHMENT SUMMONS

<u>STATE OF MINNESOTA</u>	<u>DISTRICT COURT</u>
<u>COUNTY OF</u>	<u>JUDICIAL DISTRICT</u>
..... (Creditor)	
..... (Debtor)	<u>UNPAID BALANCE</u>
..... (Debtor's Address)	
..... (Garnishee)	

GARNISHMENT SUMMONS

The State of Minnesota

To the Garnishee named above:

You are hereby summoned and required to serve upon the creditor's attorney (or the creditor if not represented by an attorney) and on the debtor within 20 days after service of this garnishment summons upon you, a written disclosure, of the indebtedness, money, or other property that you owe to the debtor and answers to all written interrogatories that are served with the garnishment summons. However, if the garnishment is on earnings and the debtor has garnishable earnings, you shall serve the completed disclosure form on the creditor's attorney, or the creditor if not represented by an attorney, within ten days of the last payday to occur within the 70 days after the date of the service of this garnishment summons. "Payday" means the day which you pay earnings in the ordinary course of business. If the debtor has no

regular paydays, "payday" means the 15th day and the last day of each month.

Your disclosure need not exceed 110 percent of the amount of the creditor's claim that remains unpaid.

You shall retain garnishable earnings, other indebtedness, money, or other property in your possession in an amount not to exceed 110 percent of the creditor's claim until such time as the creditor causes a writ of execution to be served upon you, until the debtor authorizes you in writing to release the property to the creditor, or until the expiration of days from the date of service of this garnishment summons upon you, at which time you shall return the disposable earnings, other indebtedness, money, or other property to the debtor.

EARNINGS

In the event you are summoned as a garnishee because you owe "earnings" (as defined on the Earnings Garnishment Disclosure form attached to this Garnishment Summons, if applicable) to the debtor, then you are required to serve upon the creditor's attorney, or the creditor if not represented by an attorney, a written earnings disclosure form within the time limit set forth above.

In the case of earnings you are further required to retain in your possession all unpaid nonexempt disposable earnings owed or to be owed by you and earned or to be earned to the debtor within the pay period in which this garnishment summons in served and within all subsequent pay periods whose paydays (defined above) occur within the 70 days after the date of service of this garnishment summons.

Any assignment of earnings made by the debtor to any party, or any indebtedness to you incurred by the debtor within the ten days before the receipt of the first garnishment on a debt is void as to the creditor.

You are prohibited by law from discharging or disciplining the debtor because the debtor's earnings have been subject to garnishment.

This Garnishment Summons includes:

(check applicable box)

- Earnings garnishment
(see attached Earnings Disclosure Form)
- Nonearnings garnishment
(see attached Nonearnings Disclosure Form)

..... Both Earnings and Nonearnings garnishment
(see both attached Earning and Nonearnings
Disclosure Form)

NOTICE TO DEBTOR

A Garnishment Summons, Earnings Garnishment Disclosure
form, Nonwage Garnishment Disclosure form, Garnishment Ex-
emption Notices and/or written Interrogatories (strike out if not
applicable), copies of which are hereby served on you were served
upon the Garnishee by delivering copies to the Garnishee. The
Garnishee was paid \$5.

Dated:

Attorney for Creditor
(or creditor)

Address

Telephone

Attorney I.D. No.

Sec. 7. [571.75] [GARNISHEE DISCLOSURE.]

Subdivision 1. [GARNISHEE TO DISCLOSE.] The garnishee
shall serve on both the creditor and the debtor, within 20 days after
service of the garnishment summons, a written disclosure of the
garnishee's indebtedness, money, or other property owing to the
debtor. However, if the garnishment is on earnings and the debtor
has garnishable earnings, the garnishee shall serve the disclosure
and earnings disclosure worksheet within ten days after the last
payday to occur within the 70 days after the date of the service of
this garnishment summons. "Payday" means the day upon which
the garnishee pays earnings to the debtor in the ordinary course of
business. If the debtor has no regular paydays, "payday" means the
15th day and the last day of each month. The amount of the
garnishee's disclosure need not exceed 110 percent of the amount of
the creditor's claim that remains unpaid, after subtracting the total
of setoffs, defenses, exemptions, ownership claims, or other inter-
ests. The answers to the garnishment disclosure form may be served
personally or by first class mail. If the disclosure is by a corporation,
it shall be made by an officer, managing agent, or other authorized
person having knowledge of the facts.

Subd. 2. [CONTENTS OF DISCLOSURE.] The disclosure must
state:

(a) If an earnings garnishment disclosure, the amount of disposable earnings earned by the debtor within the debtor's pay periods as specified in section 571.921.

(b) If a nonearnings garnishment disclosure, a description of any personal property or any instrument or papers relating to this property belonging to the judgment debtor or in which the debtor is interested or other indebtedness of the garnishee to the debtor.

(c) If the garnishee asserts any setoff, defense, claim, or lien on disposable earnings, other indebtedness, money, or property, the garnishee shall disclose the amount and the facts concerning the same.

(d) Whether the debtor asserts any exemption, or any other objection, known to the garnishee against the right of the creditor to garnish the disposable earnings, other indebtedness, money, or property disclosed.

(e) If other persons assert claims to any disposable earnings, other indebtedness, money, or property disclosed, the garnishee shall disclose the names and addresses of these claimants and, so far as known by the garnishee, the nature of their claims.

(f) The garnishment disclosure forms and earnings disclosure worksheet must be the same or substantially similar to the following forms. If the garnishment affects earnings of the debtor, the creditor shall use the earnings garnishment disclosure form. If the garnishment affects any indebtedness, money, or property of the debtor, other than earnings, the creditor shall use the nonearnings garnishment disclosure form. Nothing contained in this paragraph limits the simultaneous use of the earnings and nonearnings garnishment disclosure forms.

EARNINGS DISCLOSURE FORM AND WORKSHEET

STATE OF MINNESOTA

COUNTY OF

..... (Creditor)

..... (Debtor)

..... (Garnishee)

DISTRICT COURT

JUDICIAL DISTRICT

GARNISHMENT
EARNINGS DISCLOSURE

DEFINITIONS

"EARNINGS": For the purpose of garnishment, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a

family farm, a family farm corporation or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement.

“DISPOSABLE EARNINGS”: Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)

“PAYDAY”: For the purpose of garnishment, “payday(s)” means the date(s) upon which the employer pays earnings to the debtor in the ordinary course of business. If the debtor has no regular payday, payday(s) means the fifteenth and the last day of each month.

THE GARNISHEE MUST ANSWER THE FOLLOWING QUESTIONS:

1. Do you now owe, or within 70 days from the date the garnishment summons was served on you, will you or do you expect to owe money to the debtor for earnings?

Yes No

2. Does the debtor earn more than \$ per week? (This amount is the federal minimum wage per week.)

Yes No

INSTRUCTIONS FOR COMPLETING THE EARNINGS DISCLOSURE

A. If your answer to either questions 1 or 2 is “No,” then you must sign the affirmation on Page 2 and return this disclosure to the creditor’s attorney (or the creditor if not represented by an attorney) within 20 days after it was served on you, and you do not need to answer the remaining questions.

B. If your answers to both questions 1 and 2 are “Yes,” you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 70 days from the date the garnishment summons was served on you, YOU MUST calculate the amount of earnings to be retained by completing Steps 3 through 11, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE

CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.

Each payday, you must retain the amount of earnings listed in Column I on the Earnings Disclosure Worksheet.

You must return this Earnings Disclosure Form and the Earnings Disclosure Worksheet to the creditor's attorney (or the creditor if not represented by an attorney) and deliver a copy to the debtor within ten days after the last payday that falls within the 70-day period.

If the claim is wholly satisfied or if the debtor's employment ends before the expiration of the 70-day period, your disclosure should be made within ten days after the last payday for which earnings were attached.

For Steps 3 through 11, "Columns" refers to columns on the Earnings Disclosure Worksheet.

3. COLUMN A. Enter the date of debtor's payday.
4. COLUMN B. Enter debtor's gross earnings for each payday.
5. COLUMN C. Enter debtor's disposable earnings for each payday.
6. COLUMN D. Enter 25 percent of disposable earnings. (Multiply Column C by .25.)
7. COLUMN E. Enter here 40 times the hourly federal minimum wage (\$. . .) times the number of work weeks included in each payday. (Note: If a pay period includes days in excess of whole work weeks, the additional days should be counted as a fraction of a work week equal to the number of work days in excess of a whole work week divided by the number of work days in a normal work week.)
8. COLUMN F. Subtract the amount in Column E from the amount in Column C, and enter here.
9. COLUMN G. Enter here the lesser of the amount in Column D and the amount in Column F.

10. COLUMN H.

Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest which would reduce the amount of earnings owing to the debtor. (Note: Any indebtedness to you, or any assignment of wages, that was incurred or made by the debtor within ten days before your receipt of the garnishment summons is void.)

You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.

Enter zero in Column H if there are no claims by you or others which would reduce the amount of earnings owing to the debtor.

11. COLUMN I.

Subtract the amount in Column H from the amount in Column G and enter here. This is the amount of earnings that you must retain for the payday for which the calculations were made.

AFFIRMATION

I,, (person signing Affirmation) am the garnishee or I am authorized by the garnishee to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated:

Signature

Title

Telephone Number

EARNINGS DISCLOSURE WORKSHEET

.....
Debtor's Name

A
Payday
Date

B
Gross
Earnings

C
Disposable
Earnings

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Other Claims

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TOTAL OF COLUMN I \$

*If you entered any amount in Column H for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others you must both state the names and addresses of these persons, and the nature of their claim, if known.

.....
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AFFIRMATION

I, (person signing Affirmation) am the third party or I am authorized by the third party to complete this earnings disclosure worksheet, and have done so truthfully and to the best of my knowledge.

Dated:

Signature

Title

Telephone Number (. . .)

EARNINGS DISCLOSURE FORM AND WORKSHEET FOR CHILD SUPPORT DEBTOR

STATE OF MINNESOTA
COUNTY OF
..... (Creditor)
..... (Debtor)
..... (Garnishee)

DISTRICT COURT
JUDICIAL DISTRICT
GARNISHMENT
EARNINGS DISCLOSURE

DEFINITIONS

"EARNINGS": For the purpose of execution, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement, workers' compensation, or unemployment compensation.

"DISPOSABLE EARNINGS": Means that part of the earnings of an individual remaining after the deduction from those earnings of

amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)

“PAYDAY”: For the purpose of execution, “payday(s)” means the date(s) upon which the employer pays earnings to the debtor in the ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.

THE GARNISHEE MUST ANSWER THE FOLLOWING QUESTION:

(1) Do you now owe, or within 70 days from the date the execution levy was served on you, will you or may you owe money to the debtor for earnings?

.....
Yes

.....
No

INSTRUCTIONS FOR COMPLETING THE EARNINGS DISCLOSURE

A. If your answer to question 1 is “No,” then you must sign the affirmation below and return this disclosure to the creditor’s attorney (or the creditor if not represented by an attorney) within 20 days after it was served on you, and you do not need to answer the remaining questions.

B. If your answer to question 1 is “Yes,” you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 70 days from the date the garnishment summons was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 2 through 8 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE. Each payday, you must retain the amount of earnings listed in column G on the Earnings Disclosure Worksheet. You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the creditor’s attorney (or the creditor if not represented by an attorney) and deliver a copy to the debtor within ten days after the last payday that falls within the 70-day period. If the claim is wholly satisfied or if the debtor’s employment ends before the expiration of the 70-day period, your disclosure should be made

within ten days after the last payday for which earnings were attached. For steps 2 through 8, "columns" refers to columns on the Earnings Disclosure Worksheet.

(2) COLUMN A. Enter the date of debtor's payday.

(3) COLUMN B. Enter debtor's gross earnings for each payday.

(4) COLUMN C. Enter debtor's disposable earnings for each payday.

(5) COLUMN D. Enter either 50, 55, 60, or 65 percent of disposable earnings, based on which of the following descriptions fits the child support judgment debtor:

(a) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child;

(b) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(c) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child; or

(d) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received). (Multiply column C by .50, .55, .60, or .65, as appropriate.)

(6) COLUMN E. Subtract the amount in column D from the amount in column C, and enter here.

(7) COLUMN F. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest that would reduce the amount of earnings owing to the debtor. (Note: Any indebtedness to you, or any assignment of wages, that was incurred or made by the debtor within ten days prior to your receipt of the execution levy is void.)

You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.

Enter zero in column F if there are no claims by you or others that would reduce the amount of earnings owing to the judgment debtor.

(8) COLUMN G. Subtract the amount in column F from the amount in column E and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.

AFFIRMATION

I,, (person signing Affirmation) am the garnishee or I am authorized by the garnishee to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated:
Signature
Title
Telephone Number

EARNINGS DISCLOSURE WORKSHEET

Debtor's Name

<u>A</u> <u>Payday</u> <u>Date</u>	<u>B</u> <u>Gross</u> <u>Earnings</u>	<u>C</u> <u>Disposable</u> <u>Earnings</u>
1.
2.
3.
4.
5.
6.
7.
8.
9.
10.

<u>D</u> <u>Either 50, 55,</u> <u>60, or 65% of</u> <u>Column C</u>	<u>E</u> <u>Column C</u> <u>minus</u> <u>Column D</u>	<u>F</u> <u>Setoff, Lien,</u> <u>Adverse</u> <u>Interest, or</u> <u>Other Claims</u>
1.
2.
3.
4.
5.
6.

7.	.....	.....	.....
8.	.....	.....	.....
9.	.....	.....	.....
10.	.....	.....	.....

G
Column E
 minus
Column F

1.	.....	.....	.....
2.	.....	.....	.....
3.	.....	.....	.....
4.	.....	.....	.....
5.	.....	.....	.....
6.	.....	.....	.....
7.	.....	.....	.....
8.	.....	.....	.....
9.	.....	.....	.....
10.	.....	.....	.....

TOTAL OF COLUMN G \$

*If you entered any amount in column F for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of such persons, and the nature of their claim, if known.

.....

AFFIRMATION

I, (person signing Affirmation) am the third party or I am authorized by the third party to complete this earnings disclosure worksheet, and have done so truthfully and to the best of my knowledge.

.....
Signature

Dated:

.....
Title

(...)

Phone Number

NONEARNINGS DISCLOSURE FORM

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF
.....(Creditor)

.....JUDICIAL DISTRICT

against
.....(Debtor)

NONEARNINGS DISCLOSURE

and
.....(Garnishee)

On the day of, 19 . . . , the time of service of garnishment summons herein, there was due and owing the debtor from the garnishee the following:

(1) Money. Enter on the line below any amounts due and owing the debtor, except earnings, from the garnishee.

.....

(2) Property. Describe on the line below any personal property, instruments, or papers belonging to the debtor and in the possession of the garnishee.

.....

(3) Setoff. Enter on the line below the amount of any setoff, defense, lien, or claim which the garnishee claims against the amount set forth on lines (1) and (2) above. State the facts by which the setoff, defense, lien, or claim is claimed. (Any indebtedness to a garnishee incurred by the debtor within ten days before the receipt of the first garnishment on a debt is void as to the creditor.)

.....

(4) Exemption. Enter on the line below any amounts or property claimed by the debtor to be exempt from execution.

.....

(5) Adverse Interest. Enter on the line below any amounts claimed by other persons by reason of ownership or interest in the debtor's property.

.....

(6) Enter on the line below the total of lines (4), (5), and (6).

.....

(7) Enter on the line below the difference obtained (never less than zero) when line (6) is subtracted from the sum of lines (1) and (2).

(8) Enter on the line below 110 percent of the amount of the creditor's claim which remains unpaid.

(9) Enter on the line below the lessor of line (8) and line (9). Retain this amount only if it is \$10 or more.

AFFIRMATION

I, (person signing Affirmation) am the garnishee or I am authorized by the garnishee to complete this nonearnings garnishment disclosure, and have done so truthfully and to the best of my knowledge.

Dated:

Signature

Title

Telephone Number

Subd. 3. [ORAL DISCLOSURE.] Before or after the service of a written disclosure by a garnishee under subdivision 1, upon a showing by affidavit upon information and belief that an oral examination of the garnishee would provide a complete disclosure of relevant facts, any party to the garnishment proceedings may obtain an ex parte order requiring the garnishee, or a representative of the garnishee designated by name or by title, to appear for oral examination before the court or a referee appointed by the court. Notice of the examination must be given to all parties.

Subd. 4. [SUPPLEMENTAL COMPLAINT] If a garnishee holds property, money, or other indebtedness by a title that is void as to the debtor's creditors, the property may be garnished although the debtor would be barred from maintaining an action to recover the property, money, or indebtedness. In this and all other cases where the garnishee denies liability, the creditor may move the court at any time before the garnishee is discharged, on notice to both the debtor and the garnishee for an order making the garnishee a party to the civil action and granting the creditor leave to file a supplemental complaint against the garnishee and the debtor. The sup-

plemental complaint shall set forth the facts upon which the creditor claims to charge the garnishee. If probable cause is shown, the motion shall be granted. The supplemental complaint shall be served upon the garnishee and the debtor and any other parties. The parties served shall answer or respond pursuant to the Minnesota Rules of Civil Procedure for the District Courts, and if they fail to do so, judgment by default may be rendered against them pursuant to section 571.82.

Sec. 8. [571.76] [GARNISHEE FEES.]

A garnishee shall be paid a \$15 fee by the creditor at the time of service of a garnishment summons. Failure to pay the fee renders the garnishment void, and the garnishee shall take no action. If a garnishee is required to appear and submit to oral examination the garnishee shall be tendered, in advance of the examination, fees and mileage for attendance at the rate allowed by law to a witness. These fees may be recovered by the creditor as an allowable disbursement. In extraordinary cases, the garnishee may be allowed additional sums the court considers reasonable for attorneys fees and other necessary expenses. The court shall then determine which party bears the burden of this expense. If specific articles of personal property are garnished, the garnishee is not required to deliver the property to any person until payment of the garnishee's reasonable charges for storage.

Sec. 9. [571.77] [SALARY OF PUBLIC SERVANTS.]

The salary or wages of an official or employee of a county, town, city, or school district, or any department of these bodies, is subject to garnishment. The garnishment summons shall be served upon the auditor, treasurer, or clerk of the body, or head of the department of the body of which that person is an official or employee. The disclosure shall be made by the officer or person so served, or by some person designated by that person having knowledge of the facts. If payment is made by the county, town, city, or school district, or any department of these bodies pursuant to a judgment against it as garnishee, a certified copy of the judgment with a certificate of satisfaction to the extent of the payment endorsed on it shall be delivered to the treasurer as a voucher for the payment.

Sec. 10. [571.78] [DUTIES OF A GARNISHEE.]

A garnishee shall:

(1) complete the garnishment disclosure form and return it to the creditor, and serve a copy on the debtor as required by section 571.75;

(2) retain nonexempt disposable earnings, indebtedness, money,

or other property belonging to the debtor up to 110 percent of the amount claimed in the garnishment summons, as required by section 571.73, except as limited by section 571.922;

(3)(a) remit and deliver the garnished nonexempt disposable earnings, indebtedness, money, or other property to the creditor upon levy, written authorization of the debtor, court order, or operation of law. However, the garnishee shall not be compelled to deliver the nonexempt earnings, indebtedness, money, or other property at any time or place other than as stipulated in the contract between the garnishee and the debtor; or

(b) return the garnished nonexempt disposable earnings, indebtedness, money, or other property to the debtor when the garnishment retention period expires as set forth in section 571.79.

Sec. 11. [571.79] [DISCHARGE OF A GARNISHEE.]

Subject to sections 571.78 and 571.80, the garnishee, after disclosure, shall be discharged of any further obligation to the creditor when one of the following conditions are met:

(a) The garnishee discloses that the garnishee is not indebted to the debtor or does not possess any money or other property belonging to the debtor that is attachable as defined in section 571.73, subdivision 3. The disclosure is conclusive against the creditor and discharges the garnishee from any further obligation to the creditor other than to retain all nonexempt disposable earnings, indebtedness, money, and property of the debtor which was disclosed.

(b) The garnishee discloses that the garnishee is indebted to the debtor as indicated on the garnishment disclosure form. The disclosure is conclusive against the creditor and discharges the garnishee from any further obligation to the creditor other than to retain all nonexempt disposable earnings, indebtedness, money and property of the debtor that was disclosed.

(c) If the garnishee was served with a garnishment summons before entry of judgment against the debtor by the creditor in the civil action, 270 days after the garnishment summons is served the garnishee is discharged and the garnishee shall return any disposable earnings, indebtedness, money and property to the debtor.

(d) If the garnishee was served with a garnishment summons after entry of judgment against the debtor by the creditor in the civil action, 180 days after the garnishment summons is served the garnishee is discharged and the garnishee shall return any disposable earnings, other indebtedness, money and property to the debtor.

(e) If the garnished indebtedness, money, or other property is destroyed without any negligence of the garnishee, the garnishee is discharged of any liability to the creditor for nondelivery of the garnished indebtedness, money and other property.

(f) The court may, upon motion of an interested person, discharge the garnishee as to any disposable earnings, other indebtedness, money, and property in excess of the amount that may be required to satisfy the creditor's claim.

Sec. 12. [571.80] [EXCEPTIONS TO DISCHARGE OF A GARNISHEE.]

The garnishee is not discharged if:

(a) Within 20 days of the service of the garnishee's disclosure, an interested person serves a motion relating to the garnishment. The hearing on the motion must be scheduled to be heard within 30 days of the service of the motion.

(b) The creditor moves the court for leave to file a supplemental complaint against the garnishee, as provided for in section 571.75, subdivision 4, and the court upon proper showing, vacates the discharge of the garnishee.

Sec. 13. [571.81] [GARNISHMENT LIEN; PRIORITIES OF CREDITORS.]

Subdivision 1. [GARNISHMENT LIEN.] From the time of service of a garnishment summons upon a garnishee, either before or after judgment, the creditor has a perfected lien upon all disposable earnings, indebtedness, money, or other property of the debtor that is attached by garnishment pursuant to section 571.73, subdivision 3.

Subd. 2. [PRIORITIES OF CREDITORS.] Except as provided in this subdivision or in section 518.611, subdivision 6, a perfected lien by garnishment is subordinate to a preexisting voluntary or involuntary transfer, setoff, security interest, lien, or other encumbrance that is perfected, but a lien perfected by garnishment is superior to such interests subsequently perfected. Priorities of creditors relating to multiple wage garnishments are set forth in section 571.923. An assignment of earnings made by the debtor or an indebtedness to the garnishee incurred by the debtor within ten days before the receipt of the first garnishment summons on a debt is void as to the creditor.

Subd. 3. [CONTINUITY OF GARNISHMENT LIEN.] When a lien by garnishment is perfected in disposable earnings, indebtedness, money or property, neither that lien nor the date and priority of that

lien is lost for any purpose when the creditor: (1) obtains the debtor's assignment of the same to the creditor; (2) levies execution upon the same or against the garnishee whether or not a release of garnishment accompanies the levy; or (3) obtains a court-ordered sale of the same.

Sec. 14. [571.82] [JUDGMENT AGAINST GARNISHEE.]

Subdivision 1. [JUDGMENT UPON FAILURE TO DISCLOSE.] If a garnishee fails to serve a disclosure as required in this chapter, the court may render judgment against the garnishee, upon motion by the creditor, for an amount not exceeding the creditor's claim against the debtor or 110 percent of the amount claimed in the garnishment summons, whichever is less. The motion shall be supported by an affidavit of the facts and shall be served upon both the debtor and the garnishee. The court upon good cause shown may remove the default and permit the garnishee to disclose on just terms.

Subd. 2. [LIMITATION OF LIABILITY.] Judgment against a garnishee shall be rendered, if at all, for the amount due to the debtor, or as much as may be necessary to satisfy the creditor's claim against the debtor, with costs taxed and allowed in the proceeding against the garnishee but not to exceed 110 percent of the amount claimed in the garnishment summons. This judgment discharges the garnishee from all claims of all parties named in the process in and to the property or money paid, delivered, or accounted for by the garnishee by force of the judgment.

Sec. 15. [571.83] [JOINDER AND INTERVENTION BY PERSONS IN INTEREST.]

If it appears that a person, who is not a party to the action, has or claims an interest in any of the disposable earnings, other indebtedness, money, or other property, the court shall permit that person to intervene or join in the garnishment proceeding. If that person does not appear, the court may summon that person to appear or order the claim barred. The person so appearing or summoned shall be joined as a party and be bound by the judgment.

Sec. 16. [571.84] [VALUATION AND DISPOSITION OF PROPERTY IN HANDS OF THE GARNISHEE.]

On motion of a person in interest the court may: (1) determine the value of property of the debtor in the hands of the garnishee; (2) make an order relative to the keeping, delivery, or sale of the property that is necessary to protect the rights of those interested; or (3) require the property to be delivered to a receiver or other person appointed by the court. If the garnishee refuses or neglects to comply with an order of the court, the garnishee may be held in contempt of

court, and is also liable to the creditor for the value of the property, less the amount of a lien.

Sec. 17. [571.85] [LIEN OF GARNISHEE.]

If it appears that the garnishee has a security interest or lien on the indebtedness or property, the creditor, on motion, may be permitted to pay the amount of the lien or security interest, and the amount that is paid shall be repaid to the creditor, with interest, out of the proceeds from the sale of the indebtedness or property. The garnishee may sell the property to satisfy the lien, if a sale is authorized by the contract between the debtor and garnishee, at any time before the payment or tender.

Sec. 18. [571.86] [DISCHARGE NOT A BAR.]

If a person summoned as a garnishee is discharged pursuant to section 571.79, or released by the creditor, the discharge is no bar to an action brought against the garnishee by the debtor or other claimants.

Sec. 19. [571.87] [TRANSFER TO ANOTHER COURT.]

In case of a change in venue or removal to a United States District Court, whether before or after full disclosure, the garnishment proceeding must be changed to the county or court to which the action is transferred. Written notice of the transfer, specifying the court to which the transfer is made shall be served by the creditor on the garnishee. The transfer carries with it all pending proceedings and any disclosure made in those proceedings.

Sec. 20. [571.88] [APPEAL.]

A party to a garnishment proceeding aggrieved by an order or final judgment may appeal as in other civil cases.

Sec. 21. [571.90] [PENALTY IN CERTAIN GARNISHMENT PROCEEDINGS.]

A creditor who serves or causes to be served a garnishment summons before entry of judgment in the main action, except when garnishment before entry of judgment is permitted under this chapter, is liable to the debtor named in the garnishment proceedings in the amount of \$100, plus actual damages, plus reasonable attorney's fees and costs. Any action by a creditor made in bad faith and in violation of this chapter renders the garnishment void and the creditor liable to the debtor named in the garnishment in the amount of \$100, actual damages, and reasonable attorney's fees and costs.

Sec. 22. [571.91] [GARNISHMENT OF FUNDS AT A FINANCIAL INSTITUTION.]

Sections 571.911 to 571.915 relate to the garnishment of funds at a financial institution.

Sec. 23. [571.911] [EXEMPTION NOTICE; DUTY OF FINANCIAL INSTITUTION.]

If the garnishment summons is used to garnish funds of a debtor who is a natural person and if the funds to be garnished are held on deposit at a financial institution, the creditor shall serve with the garnishee summons two copies of an exemption notice. The notice must be substantially in the form set forth in section 571.912. Failure of the creditor to send the exemption notice renders the garnishment void, and the financial institution shall take no action. Upon receipt of the garnishment summons and exemption notices, the financial institution shall retain as much of the amount under section 571.73 as the financial institution has on deposit owing to the debtor, but not more than 110 percent of the creditor's claim.

Sec. 24. [571.912] [FORM OF EXEMPTION NOTICE.]

The notice informing a debtor that an order for attachment, garnishment summons, or levy by execution has been used to attach funds of the debtor to satisfy a claim must be substantially in the following form:

STATE OF MINNESOTA
COUNTY OF
..... (Creditor)
..... (Debtor)

DISTRICT COURT
..... JUDICIAL DISTRICT

TO: Debtor

EXEMPTION NOTICE

An order for attachment, garnishment summons, or levy of execution (strike inapplicable language) has been served on (Bank or other financial institution) where you have an account.

Your account balance is \$

The amount being held is \$

However, all or a portion of the funds, in your account will normally be exempt from creditors' claims if they are in one of the following categories:

- (1) relief based on need. This includes: Aid to Families with Dependent Children (AFDC), AFDC-Emergency Assistance (AFDC-

EA), Medical Assistance (MA), General Assistance (GA), General Assistance Medical Care (GAMC), Emergency General Assistance (EGA), Work Readiness, Minnesota Supplemental Aid (MSA), MSA Emergency Assistance (MSA-EA), Supplemental Security Income (SSI), and Energy Assistance;

(2) Social Security benefits (Old Age, Survivors, or Disability Insurance);

(3) unemployment compensation, workers' compensation, or veterans' benefits;

(4) an accident, disability, or retirement pension or annuity;

(5) life insurance proceeds;

(6) the earnings of your minor child; or

(7) money from a claim for damage or destruction of exempt property (such as household goods, farm tools, business equipment, a mobile home, or a car.)

The following funds are also exempt:

(8) all earnings of a person in category (1);

(9) all earnings of a person who has received relief based on need, or who has been an inmate of a correctional institution, within the last six months;

(10) 75 percent of every debtor's after tax earnings; and

(11) all of a debtor's after tax earnings below 40 times the federal minimum wage.

TIME LIMIT ON EXEMPTIONS AFTER DEPOSIT IN BANK:

Categories (10) and (11): 20 days

Categories (8) and (9): 60 days

All others: no time limit, as long as funds are traceable to the exempt source. (In tracing funds, the first-in, first-out method is used. This means money deposited first is spent first.) The money being sought by the creditor is being held in your account to give you a chance to claim an exemption.

TO CLAIM AN EXEMPTION:

Fill out, sign, and mail or deliver one copy of the attached exemption claim form to the institution which sent you this notice and mail or deliver one copy to the creditor's attorney. In the event that there is no attorney for the creditor, then such notice shall be sent directly to the creditor. The address for the creditor's attorney or the creditor is set forth below. Both copies must be mailed or delivered on the same day.

If they do not get the exemption claim back from you within 14 days of the date they mailed or gave it to you, they will be free to turn the money over to the sheriff or the creditor. If you are going to claim an exemption, do so as soon as possible, because your money may be held until it is decided.

IF YOU CLAIM AN EXEMPTION:

- (1) nonexempt money can be turned over to the creditor or sheriff;
- (2) the financial institution will keep holding the money claimed to be exempt; and
- (3) seven days after receiving your exemption claim, the financial institution will release the money to you unless before then it receives an objection to your exemption claim.

IF THE CREDITOR OBJECTS TO YOUR EXEMPTION CLAIM:

the institution will hold the money until a court decides if your exemption claim is valid, BUT ONLY IF the institution gets a copy of your court motion papers asserting the exemption WITHIN TEN DAYS after the objection is mailed or given to you. You may wish to consult an attorney at once if the creditor objects to your exemption claim.

MOTION TO DETERMINE EXEMPTION:

At any time after your funds have been held, you may ask for a court decision on the validity of your exemption claim by filing a request for hearing which may be obtained at the office of the clerk of the above court.

PENALTIES:

If you claim an exemption in bad faith, or if the creditor wrongly objects to an exemption in bad faith, the court may order the person who acted in bad faith to pay costs, actual damages, attorney fees, and an additional amount of up to \$100.

.....
.....
.....
.....
Name and address of (Attorney
for) Judgment Creditor

EXEMPTION:

(If you claim an exemption complete the following):

(a) Amount of exemption claim.

// I claim ALL the funds being held are exempt.

// I claim SOME of the funds being held are exempt.

The exempt amount is \$

(b) Basis for exemption.

Of the eleven categories listed above, I am in category number
..... (If more than one category applies, you may fill in as
many as apply.) The source of the exempt funds is the following:

.....
.....
.....

(If the source is a type of relief based on need, list the case number
and county:

case number:

county:

I hereby authorize any agency that has distributed relief to me or
any correctional institution in which I was an inmate to disclose to
the above named creditor or its attorney only whether or not I am or
have been a recipient of relief based on need or an inmate of a
correctional institute within the last six months.

I have mailed or delivered a copy of the exemption notice to the
creditor's attorney.

DATED:

DEBTOR

DEBTOR ADDRESS

Sec. 25. [571.913] [EFFECT OF EXEMPTION NOTICE.]

Within two business days after receipt of the garnishment summons and exemption notices, the financial institution shall serve upon the debtor two copies of the exemption notice. The financial institution shall serve the notice by first class mail to the last known address of the debtor. If no claim of exemption is received by the financial institution within 14 days after the exemption notices are mailed to the debtor, the funds remain subject to the garnishment summons. If the debtor elects to claim an exemption, the debtor shall complete the exemption notice, sign it under penalty of perjury, and deliver one copy to the financial institution and one copy to the attorney for the creditor within 14 days of the date postmarked on the correspondence mailed to the debtor containing the exemption notices. In the event that there is no attorney for the creditor, then the notice must be sent directly to the creditor. Failure of the debtor to deliver the executed exemption notice does not constitute a waiver of a claimed right to an exemption. Upon timely receipt of a claim of exemption, funds not claimed to be exempt by the debtor remain subject to the garnishment summons. All money claimed to be exempt shall be released to the debtor upon the expiration of seven days after the date postmarked the envelope containing the executed exemption notice mailed to the financial institution, or the date of personal delivery of the executed exemption notice to the financial institution, unless within that time the creditor interposes an objection to the exemption.

Sec. 26. [571.914] [OBJECTION TO EXEMPTION CLAIM.]

Subdivision 1. [OBJECTIONS.] An objection shall be interposed by mailing or delivering one copy of the written objection to the financial institution and one copy of the written objection to the debtor. A Request for Hearing and Notice of Hearing form must accompany each copy of the written objection.

Both copies of an objection to an exemption claim must be mailed or delivered on the same date. The financial institution may rely on the date of mailing or delivery of a notice to it in computing any time periods in this section.

The written objection, and Request for Hearing and Notice of Hearing, must be substantially in the forms set out in subdivisions 2 and 3.

The court shall provide clerical assistance to help with the writing and filing of a Request for Hearing by any person not represented by counsel. The court administrator may charge a fee of \$1 for the filing of a Request for Hearing. Upon the filing of a Request for Hearing, the clerk shall schedule the matter for hearing no later than five business days from the date of filing. The court administrator shall immediately send a completed copy of the request, including the

hearing date, time, and place to the adverse party and to the financial institution by first class mail.

An order stating whether the debtor's funds are exempt shall be issued by the court within three days of the date of the hearing.

Subd. 2. [NOTICE OF OBJECTION.] (a) The written objection to the debtor must be in substantially the following form:

STATE OF MINNESOTA	DISTRICT COURT
COUNTY OF	JUDICIAL DISTRICT
..... (Creditor)	
..... (Debtor)	CREDITOR'S OBJECTION
..... (Garnishee)	TO EXEMPTION CLAIM

The creditor objects to your claim for exemption from garnishment, levy of execution, order for attachment (strike inapplicable language) for the following reason(s):

.....
.....
.....

Because of this objection, your financial institution will retain the funds you claimed to be exempt for an additional ten days. If you wish to request a hearing on your exemption claim, you should do so within ten days of your receipt of this objection. You may request a hearing by completing the attached form and filing it with the court administrator.

1. The court shall provide clerical assistance to help with the writing and filing of a Request for Hearing by any person not represented by counsel. The court administrator may charge a fee of \$1 for the filing of a Request for Hearing.

2. Upon the filing of a Request for Hearing, the clerk shall schedule the matter for a hearing no later than five business days from the date of filing. The court administrator shall forthwith send a completed copy of the request, including the hearing date, time and place to the adverse party and to the financial institution by first class mail.

3. If it is possible that the financial institution might not receive the request mailed from the court administrator within ten days, then you may want to personally deliver a copy of the request to the financial institution after you have filed your request with the court.

4. An order stating whether your funds are exempt shall be issued by the court within three days of the date of the hearing.

If you do not file a Request for Hearing within ten days of the date you receive this objection, your financial institution may turn your funds over to your creditor.

If you file a Request for Hearing and your financial institution receives it within ten days of the date it received this objection, your financial institution will retain your funds claimed to be exempt until otherwise ordered by the court, or until the garnishment lapses pursuant to Minnesota Statutes, section 571.79.

(CREDITOR OR CREDITOR'S ATTORNEY.)

Subd. 3. [REQUEST FOR HEARING AND NOTICE FOR HEARING.] The request for hearing accompanying the objection notice must be in substantially the following form:

STATE OF MINNESOTA	DISTRICT COURT
COUNTY OF	JUDICIAL DISTRICT
..... (Creditor)	
..... (Debtor)	REQUEST FOR HEARING
	AND NOTICE FOR HEARING
..... (Garnishee)	

I hereby request a hearing to resolve the exemption claim which has been made in this case regarding funds in the account of
..... (Debtor) at the (Financial Institution).

I believe the property being held is exempt because
.....

Dated:

(DEBTOR)
.....

(ADDRESS)
.....

HEARING DATE: TIME:

HEARING PLACE:

(Note to both parties: Bring with you to the hearing all documents and materials relevant to the exemption claim. Failure to do so could delay the court's decision.)

Subd. 4. [DUTIES OF FINANCIAL INSTITUTION IF OBJECTION IS MADE TO EXEMPTION CLAIM.] Upon receipt of a written objection from the creditor within the specified seven-day period, the financial institution shall retain the funds claimed to be exempt. Unless the financial institution receives a request for hearing from the debtor asserting exemption rights within ten days after receipt of the written objection to the exemption, the funds

remain subject to the garnishment summons as if no claim of exemption had been made. If a notice of motion and motion to determine the validity of a claim of exemption is received by the financial institution within the period provided, the financial institution shall retain the funds claimed to be exempt until otherwise ordered by the court, or until the garnishment lapses pursuant to section 571.79.

Sec. 27. [571.915] [RELEASE OF FUNDS.]

At any time the debtor or the creditor may, by a writing dated after the service of the garnishment summons, direct the financial institution to release the funds in question to the other party. Upon receipt of a release, the financial institution shall release the funds as directed.

Sec. 28. [571.92] [GARNISHMENT OF EARNINGS.]

Sections 571.921 to 571.926 relate to the garnishment of earnings.

Sec. 29. [571.921] [DEFINITIONS.]

For purposes of sections 571.921 to 571.926, the following terms have the meanings given them:

(a) "earnings" means:

(1) compensation paid or payable to an employee for personal service whether denominated as wages, salary, commissions, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement program; or

(2) compensation paid or payable to the producer for the sale of agricultural products; livestock or livestock products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2;

(b) "disposable earnings" means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld;

(c) "employee" means an individual who performs services subject to the right of the employer to control both what is done and how it is done; and

(d) "employer" means a person for whom an individual performs services as an employee.

Sec. 30. [571.922] [LIMITATION ON WAGE GARNISHMENT.]

Unless the judgment is for child support, the maximum part of the aggregate disposable earnings of an individual for any pay period subjected to garnishment may not exceed the lesser of:

(1) 25 percent of the debtor's disposable earnings; or

(2) the amount by which the debtor's disposable earnings exceed the following product: 40 times the federal minimum hourly wages prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938, United States Code, title 29, section 206(a)(1), in effect at the time the earnings are payable, times the number of work weeks in the pay period. When a pay period consists of other than a whole number of work weeks, each day of that pay period in excess of the number of completed work weeks shall be counted as a fraction of a work week equal to the number of excess work days divided by the number of days in the normal work week.

If the judgment is for child support, the garnishment may not exceed:

(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child;

(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the garnishment summons is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child; or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the garnishment summons is received).

No court may make, execute, or enforce an order or any process in violation of this section.

Sec. 31. [571.923] [MULTIPLE EARNINGS GARNISHMENTS.]

Except as otherwise provided in this chapter or section 518.611, subdivision 6, the priority of multiple earnings garnishments shall be determined by the order in which the garnishment summonses were served on the employer. If the employer is served with two or more garnishment summonses at the same time on the same day,

the garnishment summons issued pursuant to the first judgment entered has priority. If two or more garnishment summonses are served on the same day and are based on judgments entered on the same day or if there are two or more garnishment summonses based on prejudgment garnishment pursuant to section 571.93, then the employer shall select the priority of the earnings garnishments. However, in all cases garnishments shall be effective no longer than 70 days from the date of the service of the garnishment summons.

Sec. 32. [571.924] [GARNISHMENT EXEMPTION NOTICE.]

Subdivision 1. [REQUIREMENT.] The creditor shall serve upon the debtor, no less than ten days before the service of the garnishment summons, a notice that a summons may be issued. The notice shall: (1) be substantially in the form set out in section 571.925; (2) be served personally, in the manner of a summons and complaint, or by first class mail to the last known address of the debtor; (3) inform the debtor that a garnishment summons may be served on the debtor's employer after ten days, and that the debtor may, within that time, cause to be served on the creditor a signed statement under penalties of perjury asserting an entitlement to an exemption from garnishment; (4) inform the debtor of the earnings garnishment exemptions contained in section 550.37, subdivision 14; and (5) advise the debtor of the relief set forth in this chapter to which the debtor may be entitled if a creditor in bad faith disregards a valid claim and the fee, costs, and penalty that may be assessed against a debtor who in bad faith falsely claims an exemption or in bad faith takes action to frustrate the garnishment process.

Subd. 2. [ADDITIONAL NOTICES.] If the garnishment summons has not been served within one year after service of the notice, the creditor shall serve another notice upon the debtor before serving the garnishment summons on the debtor's employer. If more than one year has passed since the service of the creditor's most recent garnishment summons, the creditor shall, no less than ten days before service of another garnishment summons, serve notice that another garnishment summons may be served.

Sec. 33. [571.925] [FORM OF NOTICE.]

The ten-day notice informing a debtor that a garnishment summons may be used to garnish the earnings of an individual must be substantially in the following form:

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF
.....(Creditor)

JUDICIAL DISTRICT

against

.....(Debtor)
and

GARNISHMENT EXEMPTION
NOTICE AND NOTICE OF
INTENT TO GARNISH EARNINGS
WITHIN TEN DAYS

.....(Garnishee)

THE STATE OF MINNESOTA

TO THE ABOVE NAMED DEBTOR

PLEASE TAKE NOTICE that a garnishment summons or levy may be served upon your employer or other third parties, without any further court proceedings or notice to you, ten days or more from the date hereof. Some or all of your earnings are exempt from garnishment. If your earnings are garnished, your employer must show you how the amount that is garnished from your earnings was calculated. You have the right to request a hearing if you claim the garnishment is incorrect.

Your earnings are completely exempt from garnishment if you are now a recipient of relief based on need, if you have been a recipient of relief within the last six months, or if you have been an inmate of a correctional institution in the last six months.

Relief based on need includes Aid to Families with Dependent Children (AFDC), AFDC-Emergency Assistance (AFDC-EA), Medical Assistance (MA), General Assistance (GA), General Assistance Medical Care (GAMC), Emergency General Assistance (EGA), Work Readiness, Minnesota Supplemental Aid (MSA), MSA Emergency Assistance (MSA-EA), Supplemental Security Income (SSI), and Energy Assistance.

If you wish to claim an exemption, you should fill out the appropriate form below, sign it, and send it to the creditor's attorney and the garnishee.

You may wish to contact the attorney for the creditor in order to arrange for a settlement of the debt or contact an attorney to advise you about exemptions or other rights.

PENALTIES

(1) Be advised that even if you claim an exemption, a garnishment summons may still be served on your employer. If your earnings are garnished after you claim an exemption, you may petition the

court for a determination of your exemption. If the court finds that the creditor disregarded your claim of exemption in bad faith, you will be entitled to costs, reasonable attorney fees, actual damages, and an amount not to exceed \$100.

(2) HOWEVER, BE WARNED if you claim an exemption, the creditor can also petition the court for a determination of your exemption, and if the court finds that you claimed an exemption in bad faith, you will be assessed costs and reasonable attorney's fees plus an amount not to exceed \$100.

(3) If after receipt of this notice, you in bad faith take action to frustrate the garnishment, thus requiring the creditor to petition the court to resolve the problem, you will be liable to the creditor for costs and reasonable attorney's fees plus an amount not to exceed \$100.

DATED:
(Attorney for) Creditor
.....
Address
.....
Telephone
.....

DEBTOR'S EXEMPTION CLAIM NOTICE

I hereby claim that my earnings are exempt from garnishment because:

(1) I am presently a recipient of relief based on need. (Specify the program, case number, and the county from which relief is being received.)

.....
Program Case Number (if known) County
.....

(2) I am not now receiving relief based on need, but I have received relief based on need within the last six months. (Specify the program, case number, and the county from which relief has been received.)

.....
Program Case Number (if known) County
.....

(3) I have been an inmate of a correctional institution with the last six months. (Specify the correctional institution and location.)

.....
Correctional Institution Location
.....

I hereby authorize any agency that has distributed relief to me or any correctional institution in which I was an inmate to disclose to the above-named creditor or his attorney only whether or not I am or have been a recipient of relief based on need or an inmate of a correctional institution within the last six months. I have mailed or delivered a copy of this form to the creditor or creditor's attorney.

.....
Date

.....
Debtor

.....
Address

Sec. 34. [571.926] [PROCEEDINGS IF NO EXEMPTION STATEMENT IS RECEIVED.]

If no statement of exemption is received by the creditor on an earnings garnishment within ten days from the service of the notice, the creditor may proceed with the garnishment. Failure of the debtor to serve a statement does not constitute a waiver of any right the debtor may have to an exemption. If the statement of exemption is received by the creditor, the creditor may still cause a garnishment summons to be issued subject to sanctions provided in section 571.72, subdivision 6.

Sec. 35. [571.927] [PENALTY FOR RETALIATION FOR GARNISHMENT.]

Subdivision 1. [PROHIBITION.] An employer shall not discharge or otherwise discipline an employee as a result of an earnings garnishment authorized by this chapter.

Subd. 2. [REMEDY.] If an employer violates this section, a court may order the reinstatement of an aggrieved party who demonstrates a violation of this section, and other relief the court considers appropriate. The aggrieved party may bring a civil action within 90 days of the date of the prohibited action. If an employer-employee relationship existed before the violation of this section, the employee shall recover twice the wages lost as a result of this violation.

Subd. 3. [NONWAIVER.] The rights guaranteed by this section may not be waived or altered by employment contract.

Sec. 36. [571.93] [GARNISHMENT BEFORE JUDGMENT OR DEFAULT.]

Subdivision 1. [GROUNDS.] The court may order the issuance of a garnishment summons before judgment or default in the civil action, if a summons and complaint, or copies of these documents, are filed with the appropriate court, and if, upon application to the court, it appears that any of the following grounds exist:

(1) the debtor has assigned, secreted, or disposed of, or is about to assign, secrete, or dispose of, any of the debtor's nonexempt property, with intent to delay or defraud any of debtor's creditors;

(2) the debtor has removed, or is about to remove, any of the debtor's nonexempt property from this state, with intent to delay or defraud any of debtor's creditors;

(3) the debtor has converted or is about to convert any of the debtor's nonexempt property into money or credits, for the purpose of placing the property beyond the reach of any of debtor's creditors;

(4) the debtor has committed an intentional fraud giving rise to the claim upon which the civil action is brought;

(5) the debtor has committed any act or omission, for which the debtor has been convicted of a felony, giving rise to the claim upon which the civil action is brought; or

(6) the purpose of the garnishment is to establish quasi in rem jurisdiction and

(i) debtor is a resident individual having left the state with intent to defraud creditors, or to avoid service; or

(ii) a judgment had previously been obtained in another state consistent with due process; or

(iii) the claim in the civil action is directly related to and arises from the property sought to be attached; or

(iv) no forum is available to obtain a personal judgment against the debtor in the United States or elsewhere; or

(7) the creditor has been unable to serve upon the debtor the summons and complaint in the civil action because the debtor has been inaccessible due to residence and employment in a building where access is restricted.

Subd. 2. [NOTICE AND HEARING REQUIREMENTS.] If the garnishment is before notice and hearing, the requirements of section 571.931 must be met. If the garnishment is after notice and hearing, the requirements of section 571.932 must be met.

Sec. 37. [571.931] [PREJUDGMENT GARNISHMENT BEFORE NOTICE AND HEARING.]

Subdivision 1. [WRITTEN APPLICATION.] A creditor seeking a prejudgment garnishment order in extraordinary circumstances to secure property before the hearing specified in section 571.932 shall

proceed by written application. The application must be accompanied by affidavits or by oral testimony, or both, setting forth in detail:

- (1) the basis and the amount of the claim in the civil action;
- (2) the facts which constitute the conditions for prejudgment garnishment as specified in section 571.93, subdivision 1; and
- (3) a good faith estimate, based on facts known to the creditor, of any harm that would be suffered by the debtor if a prejudgment garnishment order is entered without notice and hearing.

Subd. 2. [CONDITIONS.] A prejudgment garnishment order may be issued before the hearing specified in subdivision 4 only if the following conditions are met:

(1) the creditor has made a good faith effort to inform the debtor of the application for a prejudgment garnishment order or that informing the debtor would endanger the ability of the creditor to recover upon a judgment subsequently awarded;

(2) the creditor has demonstrated the probability of success on the merits;

(3) the creditor has demonstrated the existence of one or more of the grounds specified in section 571.93, subdivision 1; and

(4) due to extraordinary circumstances, the creditor's interests cannot be protected pending a hearing by an appropriate order of the court, other than by directing a prehearing seizure of property.

Subd. 3. [ORDER.] All prejudgment garnishment orders must:

(1) state the names and addresses of all persons whose affidavits were submitted to the court and of all witnesses who gave oral testimony;

(2) contain specific findings of fact, based upon competent evidence presented either in the form of affidavits or oral testimony, supporting the conclusion that each of the conditions in subdivision 1 have been met;

(3) be narrowly drafted to minimize any harm to the debtor as a result of the seizure of the debtor's property; and

(4) provide for the bond required by section 571.932, subdivision 6.

Subd. 4. [SUBSEQUENT HEARING.] If the court issues a prejudgment garnishment order, the order must establish a date for a

hearing at which the debtor may be heard. The subsequent hearing must be conducted at the earliest practicable time. At the hearing, the burden of proof is on the creditor to establish the grounds justifying the prejudgment garnishment order.

Subd. 5. [STANDARDS AT SUBSEQUENT HEARING.] The hearing held pursuant to subdivision 4 must be conducted in accordance with the standards established in section 571.932. In addition, if the court finds that the motion for a prejudgment garnishment order was made in bad faith, the court shall award debtor the actual damages, costs, and reasonable attorney's fees, suffered by reason of the prejudgment garnishment.

Subd. 6. [NOTICE.] The debtor shall be served with a copy of the prejudgment garnishment order issued pursuant to this section together with a copy of all pleadings and other documents not previously served, including any affidavits upon which the claimant intends to rely at the subsequent hearing and a transcript of any oral testimony given at the prejudgment garnishment hearing upon which the creditor intends to rely and a notice of hearing. Service must be in the manner prescribed for personal service of a summons unless that service is impracticable or would be ineffective and the court prescribes an alternative method of service calculated to provide actual notice to the debtor.

The notice of hearing served upon the debtor must be signed by the creditor or the attorney for the creditor and must be accompanied by an exemption notice. The notice of hearing must be accompanied by an exemption notice, and both notices must provide, at a minimum, the following information in substantially the following language:

NOTICE OF HEARING

TO: (the debtor)

The (insert the name of court) Court has ordered the prejudgment garnishment of some of your property in the possession or control of a third party. Some of your property may be exempt from seizure. See the exemption notice below.

The Court issued this Order based upon the claim of (insert name of creditor) that (insert name of creditor) is entitled to a court order for garnishment of your property to secure your payment of any money judgment that (insert name of creditor) may later be obtained against you and that immediate action was necessary.

You have the legal right to challenge (insert name of creditor) claims at a court hearing before a judge. The hearing will be held at the (insert place) on (insert date) at (insert time). You may attend

the court hearing alone or with an attorney. After you have presented your side of the matter, the court will decide what should be done with your property until the lawsuit against you is finally decided.

IF YOU DO NOT ATTEND THIS HEARING, THE COURT MAY ORDER GARNISHMENT OF YOUR PROPERTY.

EXEMPTION NOTICE

Some of your property may be exempt and cannot be garnished. The following is a list of some of the more common exemptions. It is not complete and is subject to section 550.37, and other state and federal laws. If you have questions about an exemption, you should obtain competent legal advice.

- (1) A homestead or the proceeds from the sale of a homestead.
- (2) Household furniture, appliances, phonographs, radios, and televisions up to a total current value of \$4,500 at the time of attachment.
- (3) A manufactured (mobile) home used as your home.
- (4) One motor vehicle currently worth less than \$2,000 after deducting any security interests.
- (5) Farm machinery used by someone principally engaged in farming, or tools, machines, or office furniture used in your business or trade. This exemption is limited to \$10,000.
- (6) Relief based on need. This includes: Aid to Families with Dependent Children (AFDC), AFDC-Emergency Assistance (AFDC-EA), Medical Assistance (MA), General Assistance (GA), General Assistance Medical Care (GAMC), Emergency General Assistance (EGA), Work Readiness, Minnesota Supplemental Aid (MSA), MSA Emergency Assistance (MSA-EA), Supplemental Security Income (SSI), and Energy Assistance.
- (7) Social Security benefits.
- (8) Unemployment compensation, workers' compensation, or veterans' benefits.
- (9) An accident, disability or retirement pension or annuity.
- (10) Life insurance proceeds.
- (11) The earnings of your minor child.

(12) Money from a claim for damage or destruction of exempt property (such as household goods, farm tools, business equipment, a manufactured (mobile) home, or a car.)

Sec. 38. [571.932] [PREJUDGMENT GARNISHMENT AFTER NOTICE AND HEARING.]

Subdivision 1. [MOTION.] A creditor seeking to obtain an order of garnishment in other than extraordinary circumstances shall proceed by motion. The motion must be accompanied by an affidavit setting forth in detail:

- (1) the basis and amount of the claim in the civil action; and
- (2) the facts that constitute one or more of the grounds for garnishment as specified in section 571.93, subdivision 1.

Subd. 2. [SERVICE.] The creditor's motion to obtain an order of garnishment together with the creditor's affidavit and notice of hearing must be served in the manner prescribed for service of a summons in a civil action in district court unless that service is impracticable or would be ineffective and the court prescribes an alternative method of service calculated to provide actual notice to the debtor. If the debtor has already appeared in the action, the motion must be served in the manner prescribed for service of pleadings subsequent to the summons. The date of the hearing must be fixed in accordance with Rule 6 of the Minnesota Rules of Civil Procedure for the District Courts, unless a different date is fixed by order of the court.

The notice of hearing served upon the debtor shall be signed by the creditor or the attorney for the creditor and shall provide, at a minimum, the following information in substantially the following language:

NOTICE OF HEARING

TO: (the debtor)

A hearing will be held (insert place) on (insert date) at (insert time) to determine whether nonexempt property belonging to you will be garnished to secure a judgment that may be entered against you.

You may attend the court hearing alone or with an attorney. After you have presented your side of the matter, the court will decide whether your property should be garnished until the lawsuit which has been commenced against you is finally decided.

If the court directs the issuance of a garnishment summons while the lawsuit is pending, you may still keep the property until the lawsuit is decided if you file a bond in an amount set by the court.

IF YOU DO NOT ATTEND THIS HEARING, THE COURT MAY ORDER YOUR NONEXEMPT PROPERTY TO BE GARNISHED.

EXEMPTION NOTICE

Some of your property may be exempt and cannot be garnished. The following is a list of some of the more common exemptions. It is not complete and is subject to section 550.37, and other state and federal laws. The dollar amounts contained in this list are subject to the provisions of section 550.37, subdivision 4a, at the time of the garnishment. If you have questions about an exemption, you should obtain competent legal advice.

- (1) A homestead or the proceeds from the sale of a homestead.
- (2) Household furniture, appliances, phonographs, radios, and televisions up to a total current value of \$5,850.
- (3) A manufactured (mobile) home used as your home.
- (4) One motor vehicle currently worth less than \$2,600 after deducting any security interests.
- (5) Farm machinery used by an individual principally engaged in farming, or tools, machines, or office furniture used in your business or trade. This exemption is limited to \$13,000.
- (6) Relief based on need. This includes: Aid to Families with Dependent Children (AFDC), AFDC-Emergency Assistance (AFDC-EA), Medical Assistance (MA), General Assistance (GA), General Assistance Medical Care (GAMC), Emergency General Assistance (EGA), Work Readiness, Minnesota Supplemental Aid (MSA), MSA Emergency Assistance (MSA-EA), Supplemental Security Income (SSI), and Energy Assistance.
- (7) Social Security benefits.
- (8) Unemployment compensation, workers' compensation, or veterans' benefits.
- (9) An accident, disability or retirement pension or annuity.
- (10) Life insurance proceeds.
- (11) The earnings of your minor child.

(12) Money from a claim for damage or destruction of exempt property (such as household goods, farm tools, business equipment, a manufactured (mobile) home, or a car.)

Subd. 3. [STANDARDS FOR ORDER.] An order for prejudgment garnishment may be issued only if the creditor has demonstrated the probability of success on the merits, and the creditor has stated facts that show the existence of at least one of the grounds stated in section 571.93, subdivision 1. However, even if those standards are met, the order may not be issued if:

(1) the circumstances do not constitute a risk to collectibility of any judgment that may be entered; or

(2)(i) the debtor has raised a defense to the merits of the creditor's claim or has raised a counterclaim in an amount equal to or greater than the claim and the defense or counterclaim is not frivolous; and

(ii) the interests of the debtor cannot be adequately protected by a bond filed by the creditor pursuant to section 571.932, subdivision 6, if property is garnished; and

(iii) the harm suffered by the debtor as a result of garnishment would be greater than the harm that would be suffered by the creditor if property is not attached.

Subd. 4. [PROTECTION OF CREDITOR.] If the creditor makes the showing prescribed by subdivision 3 but the court nevertheless determines that an order of garnishment should not be issued for the reasons set forth in subdivision 3, clause (2), the court shall enter a further order protecting the rights of the creditor to the extent possible. The order may require that the debtor post a bond in an amount set by the court, that the debtor make the property available for inspection from time to time, that the debtor be restrained from certain activities, including, but not limited to, selling, disposing, or otherwise encumbering property, or any other provision the court considers appropriate.

Subd. 5. [STAY OF ORDER.] An order permitting prejudgment garnishment of property may be stayed up to three days to allow the debtor time to post a bond.

Subd. 6. [BONDING REQUIREMENT.] (a) Before issuing an order of garnishment, the court shall require the creditor to post a bond in the penal sum of at least \$500, conditioned that if judgment be given for the debtor or if the order is vacated, the creditor will pay all costs that may be awarded against the creditor and all damages caused by the garnishment. Damages may be awarded in a sum in excess of the bond only if, before the issuance of the order establishing the amount of the bond, the debtor specifically notified the

creditor and the court of the likelihood that the debtor would suffer the specific damages, or the court finds that the creditor acted in bad faith in bringing or pursuing the garnishment proceeding. In establishing the amount of the bond, the court shall consider the value and nature of the property garnished, the method of retention or storage of the property, the potential harm to the debtor or any party, and other factors that the court considers appropriate. Nothing in this section modifies or restricts the application of section 549.20 or 549.21.

(b) The court may at any time modify the amount of the bond upon its own motion or upon the motion of a party based on the value of the property garnished, the nature of the property attached, the methods of retention or storage of the property, the potential harm to the debtor or a party, or other factor that the court considers appropriate.

(c) In lieu of filing a bond, either the creditor or the debtor may satisfy the bonding requirements by depositing cash, an irrevocable letter of credit, a cashier's check, or a certified check with the court.

Subd. 7. [REQUIREMENTS OF ORDER.] An order for prejudgment garnishment after notice and hearing must:

- (1) contain the findings required by section 571.932, subdivision 3;
- (2) state with particularity the facts upon which the findings are made;
- (3) state that a debtor who attended the hearing was offered an opportunity to identify exempt property, without waiver of the right to claim exemption in property not identified at the hearing;
- (4) direct the issuance of a garnishment summons; and
- (5) specify the amount of the bond.

Sec. 39. [REPEALER.]

Minnesota Statutes 1988, sections 550.041; 550.05; 550.14; 550.141; 571.41; 571.42; 571.43; 571.44; 571.45; 571.46; 571.471; 571.495; 571.50; 571.51; 571.52; 571.53; 571.54; 571.55; 571.56; 571.57; 571.58; 571.59; 571.60; 571.61; 571.62; 571.63; 571.64; 571.65; 571.66; 571.67; 571.68; and 571.69, are repealed.

Sec. 40. [EFFECTIVE DATE.]

Sections 1 to 39 are effective October 1, 1989, and apply to garnishments begun on or after that date.

ARTICLE 4

Section 1. Minnesota Statutes 1988, section 270A.03, subdivision 2, is amended to read:

Subd. 2. "Claimant agency" means any state agency, as defined by section 14.02, subdivision 2, the regents of the University of Minnesota, any district court of the state, any county, any public agency responsible for child support enforcement, ~~and any public agency responsible for the collection of court-ordered restitution, and any person, corporation, or association who is a judgment creditor who has docketed a judgment in district court.~~

Sec. 2. Minnesota Statutes 1988, 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; except that in the case of a judgment debtor, a debtor is a person, corporation, or association against whom a judgment has been docketed in district court.

Sec. 3. Minnesota Statutes 1988, section 270A.03, subdivision 5, is amended to read:

Subd. 5. Except in the case of a judgment, "debt" means a legal obligation of a natural person to pay a fixed and certain amount of money, which equals or exceeds \$25 and which is due and payable to a claimant agency. The term includes criminal fines imposed under section 609.10 and restitution. A debt may arise under a contractual or statutory obligation, a court order, or other legal obligation, but need not have been reduced to judgment. A debt does not include (1) any legal obligation of a current recipient of assistance which is based on overpayment of an assistance grant, or (2) any legal obligation to pay a claimant agency for medical care, including hospitalization if the debtor would have qualified for a low income credit equal to tax liability pursuant to Minnesota Statutes 1984, section 290.06, subdivision 3d, clause (1), at the time when the medical care was rendered, provided that, for purposes of this subdivision, the income amounts in that section shall be adjusted for inflation for debts incurred in calendar years 1987 and thereafter. The dollar amount of each income level that applied to debts incurred in the prior year shall be increased in the same manner as provided in section 290.06, subdivision 2d, for the expansion of the tax rate brackets.

In the case of a judgment, debt means a judgment in an amount between \$25 and \$4,000 that has been docketed in district court.

Sec. 4. Minnesota Statutes 1988, section 270A.04, subdivision 3, is amended to read:

Subd. 3. For each debt submitted, the claimant agency shall provide the commissioner with the name and social security number of the debtor and any other identifying information required by rules promulgated by the commissioner; except that a judgment creditor need not provide the debtor's social security number.

Sec. 5. Minnesota Statutes 1988, section 270A.07, subdivision 2, is amended to read:

Subd. 2. [SETOFF PROCEDURES.] (a) The commissioner, upon receipt of notification, shall initiate procedures to detect any refunds otherwise payable to the debtor. When the commissioner determines that a refund is due to a debtor whose debt was submitted by a claimant agency, the commissioner shall remit the refund or the amount claimed, whichever is less, to the agency. In transferring or remitting moneys to the claimant agency, the commissioner shall provide information indicating the amount applied against each debtor's obligation and, except in the case of a judgment creditor, the debtor's address listed on the tax return.

(b) The commissioner shall remit to the debtor the amount of any refund due in excess of the debt submitted for setoff by the claimant agency. Notice of the amount setoff and address of the claimant agency shall accompany any disbursement to the debtor of the balance of a refund.

Sec. 6. Minnesota Statutes 1989 Supplement, section 270A.11, is amended to read:

270A.11 [DATA PRIVACY.]

Private and confidential data on individuals may be exchanged among the department, the claimant agency, and the debtor as necessary to accomplish and effectuate the intent of sections 270A.01 to 270A.12, as provided by section 13.05, subdivision 4, clause (b). The department may disclose to the claimant agency only the debtor's name, address, social security number and the amount of the refund; except that in the case of a judgment creditor, the department may disclose only the amount of the refund due the creditor. Any person employed by, or formerly employed by, a claimant agency who discloses any such information for any other purpose, shall be subject to the civil and criminal penalties of section 270B.18."

Delete the title and insert:

"A bill for an act relating to creditors remedies; regulating

executions and garnishments; amending Minnesota Statutes 1988, sections 270A.03, subdivisions 2, 4, and 5; 270A.04, subdivision 3; 270A.07, subdivision 2; and 550.142; Minnesota Statutes 1989 Supplement, section 270A.11; proposing coding for new law in Minnesota Statutes, chapters 550 and 557; proposing coding for new law as Minnesota Statutes, chapter 551; repealing Minnesota Statutes 1988, sections 550.041; 550.05; 550.14; 550.141; 571.41; 571.42; 571.43; 571.44; 571.45; 571.46; 571.471; 571.495; 571.50; 571.51; 571.52; 571.53; 571.54; 571.55; 571.56; 571.57; 571.58; 571.59; 571.60; 571.61; 571.62; 571.63; 571.64; 571.65; 571.66; 571.67; 571.68; and 571.69."

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. 1561, A bill for an act relating to human rights; requiring bias crime curriculum; proposing coding for new law in Minnesota Statutes, chapter 363.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [8.34] [BIAS-MOTIVATED CRIME PROSECUTION TRAINING.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "prosecuting attorney" means a political subdivision's elected or appointed county and city attorneys and any of that attorney's assistants who have criminal prosecution responsibility for bias-motivated crimes.

Subd. 2. [BIAS-MOTIVATED CRIMES COURSE.] By December 31, 1990, the attorney general's office in cooperation with the peace officers standards and training board, the Minnesota County Attorneys Association, and the department of human rights shall create a course of no less than six hours dealing with the prosecution of bias-motivated crimes. The course shall include training on the devastating impact of such crimes on society and on victims. The attorney general shall present this course at least once a year until December 31, 1993.

Subd. 3. [PROSECUTORS MUST MAKE REASONABLE EFFORTS TO ATTEND.] All prosecuting attorneys as defined in subdivision 1 who assumed their responsibilities before July 1, 1990, shall make reasonable efforts to attend the bias-motivated

crimes prosecution course described in subdivision 2 no later than December 31, 1992. All prosecuting attorneys who assume their responsibilities after July 1, 1990 and before December 31, 1993, shall make reasonable efforts to attend the course as soon as possible after their assignment, appointment, or election.

Subd. 4. [RECORDS OF ATTENDANCE.] The head of every agency that employs prosecuting attorneys shall maintain records of the number of prosecuting attorneys who have attended the bias-motivated crimes prosecution course and the number of those who have not. The agency head shall report annually to the attorney general on these attendance and nonattendance figures."

Delete the title and insert:

"A bill for an act relating to crimes; requiring prosecutor training in bias-motivated crimes; proposing coding for new law in Minnesota Statutes, chapter 8."

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. 1843, A bill for an act relating to controlled substances; allowing prosecution in any county of controlled substance offenses involving sales of amounts aggregated over a 90-day period; providing that cocaine base is weighed as a mixture for purposes of first, second, and third degree controlled substance crimes; prohibiting the importing of controlled substances into the state; requiring the reporting of transactions involving substances that are precursors to controlled substances; defining controlled substances for purposes of reporting prenatal exposure to controlled substances; requiring adoption of day-fine systems by each judicial district; creating pilot programs to require drug and alcohol testing as a condition of probation; creating pilot programs to provide chemical dependency treatment services in juvenile and adult jails and correctional facilities; creating pilot programs to require chemical dependency assessments for drug offenders; appropriating money; amending Minnesota Statutes 1988, sections 609.135, by adding a subdivision; and 631.40; Minnesota Statutes 1989 Supplement, sections 152.021; 152.022; 152.023, subdivision 2; 152.028, subdivision 2, and by adding a subdivision; 626.556, subdivision 2; 626.5561, subdivisions 3, 4, and by adding a subdivision; and 626.5562, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 152 and 299A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“ARTICLE 1

CONTROLLED SUBSTANCE PROVISIONS

Section 1. Minnesota Statutes 1989 Supplement, section 152.021, is amended to read:

152.021 [CONTROLLED SUBSTANCE CRIME IN THE FIRST DEGREE.]

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the first degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures ~~containing ten grams or more of a total weight of ten grams or more containing~~ cocaine base;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing a narcotic drug;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 200 or more dosage units; or

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ~~100~~ 50 kilograms or more containing marijuana or Tetrahydrocannabinols.

Subd. 2. [POSSESSION CRIMES.] A person is guilty of a controlled substance crime in the first degree if:

(1) the person unlawfully possesses one or more mixtures ~~containing 25 grams or more of a total weight of 25 grams or more containing~~ cocaine base;

(2) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing a narcotic drug;

(3) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled

substance is packaged in dosage units, equaling 500 or more dosage units; or

(4) the person unlawfully possesses one or more mixtures of a total weight of 100 kilograms or more containing marijuana or Tetrahydrocannabinols.

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 30 years or to payment of a fine of not more than \$1,000,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment for not less than four years nor more than 40 years or to payment of a fine of not more than \$1,000,000, or both.

(c) In a prosecution under subdivision 1 involving sales by the same person in two or more counties within a 90-day period, the person may be prosecuted for all of the sales in any county in which one of the sales occurred.

Sec. 2. Minnesota Statutes 1989 Supplement, section 152.022, is amended to read:

152.022 [CONTROLLED SUBSTANCE CRIME IN THE SECOND DEGREE.]

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the second degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures containing ~~three grams or more of a total weight or three grams or more containing~~ cocaine base;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing a narcotic drug;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 50 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ~~50~~ 25 kilograms or more containing marijuana or Tetrahydrocannabinols;

or

(5) the person unlawfully sells any amount of a schedule I or II narcotic drug; and:

(i) the person unlawfully sells the substance to a person under the age of 18, or conspires with or employs a person under the age of 18 to unlawfully sell the substance; or

(ii) the sale occurred in a school zone or a park zone.

(6) the person unlawfully sells any amount of a scheduled I or II narcotic drug in a school zone or a park zone.

Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the second degree if:

(1) the person unlawfully possesses one or more mixtures ~~containing six grams or more of a total weight of six grams or more containing cocaine base;~~

(2) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing a narcotic drug;

(3) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 100 or more dosage units; or

(4) the person unlawfully possesses one or more mixtures of a total weight of 50 kilograms or more containing marijuana or Tetrahydrocannabinols.

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 25 years or to payment of a fine of not more than \$500,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment for not less than three years nor more than 40 years or to payment of a fine of not more than \$500,000, or both.

(c) In a prosecution under subdivision 1 involving sales by the same person in two or more counties within a 90-day period, the person may be prosecuted for all of the sales in any county in which one of the sales occurred.

Sec. 3. Minnesota Statutes 1989 Supplement, section 152.023, subdivision 1, is amended to read:

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the third degree if:

(1) the person unlawfully sells one or more mixtures containing a narcotic drug;

(2) the person unlawfully sells one or more mixtures containing phencyclidine or hallucinogen, it is packaged in dosage units, and equals ten or more dosage units;

(3) the person unlawfully sells one or more mixtures containing a controlled substance classified in schedule I, II, or III, except a schedule I or II narcotic drug, marijuana or Tetrahydrocannabinols, to a person under the age of 18; or

(4) the person conspires with or employs a person under the age of 18 to unlawfully sell one or more mixtures containing a controlled substance listed in schedule I, II, or III, except a schedule I or II narcotic drug, marijuana or Tetrahydrocannabinols; or

(5) the person unlawfully sells one or more mixtures of a total weight of five kilograms or more containing marijuana or Tetrahydrocannabinols.

Sec. 4. Minnesota Statutes 1989 Supplement, section 152.023, subdivision 2, is amended to read:

Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the third degree if:

(1) the person unlawfully possesses one or more mixtures ~~containing three grams or more of a~~ total weight of three grams or more containing cocaine base;

(2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug;

(3) the person unlawfully possesses one or more mixtures containing a narcotic drug with the intent to sell it;

(4) the person unlawfully possesses one or more mixtures containing a narcotic drug, it is packaged in dosage units, and equals 50 or more dosage units; or

(5) the person unlawfully possesses any amount of a schedule I or II narcotic drug in a school zone or a park zone; or

(6) the person unlawfully possesses one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols.

Sec. 5. Minnesota Statutes 1989 Supplement, section 152.025, subdivision 2, is amended to read:

Subd. 2. [POSSESSION AND OTHER CRIMES.] A person is guilty of controlled substance crime in the fifth degree if:

(1) the person unlawfully possesses one or more mixtures containing a controlled substance classified in schedule I, II, III, or IV, except a small amount of marijuana; or

(2) the person unlawfully possesses one or more mixtures containing marijuana or Tetrahydrocannabinols with the intent to sell it, except a small amount of marijuana for no remuneration; or

(3) the person procures, attempts to procure, possesses, or has control over a controlled substance by any of the following means:

(i) fraud, deceit, misrepresentation, or subterfuge;

(ii) using a false name or giving false credit; or

(iii) falsely assuming the title of, or falsely representing any person to be, a manufacturer, wholesaler, pharmacist, physician, doctor of osteopathy licensed to practice medicine, dentist, podiatrist, veterinarian, or other authorized person for the purpose of obtaining a controlled substance.

Sec. 6. [152.0261] [IMPORTING CONTROLLED SUBSTANCES ACROSS STATE BORDERS.]

Subdivision 1. [FELONY.] A person who crosses a state or international border into Minnesota while in possession of an amount of a controlled substance that constitutes a first degree controlled substance crime under section 152.021, subdivision 2, is guilty of importing controlled substances and may be sentenced as provided in subdivision 3.

Subd. 2. [JURISDICTION.] A violation of subdivision 1 may be charged, indicted, and tried in any county, but not more than one county, into or through which the actor has brought the controlled substance.

Subd. 3. [PENALTY.] A person convicted of violating this section is guilty of a felony and may be sentenced to imprisonment for not more than 35 years or to payment of a fine of not more than \$1,250,000, or both.

Sec. 7. Minnesota Statutes 1989 Supplement, section 152.028, subdivision 2, is amended to read:

Subd. 2. [PASSENGER AUTOMOBILES.] The presence of a controlled substance in a passenger automobile permits the factfinder to infer knowing possession of the controlled substance by the

driver or person in control of the automobile when the controlled substance was in the automobile. This inference may only be made if the defendant is charged with violating section 152.021, 152.022, or 152.023, or section 6. The inference does not apply:

(1) to a duly licensed operator of an automobile who is at the time operating it for hire in the lawful and proper pursuit of the operator's trade;

(2) to any person in the automobile if one of them legally possesses a controlled substance; or

(3) when the controlled substance is concealed on the person of one of the occupants.

Sec. 8. Minnesota Statutes 1989 Supplement, section 152.028, is amended by adding a subdivision to read:

Subd. 3. [AIRLINE PASSENGER BAGGAGE.] The presence of a controlled substance in baggage received at an airport in Minnesota permits the factfinder to infer knowing possession of the controlled substance by the airline passenger to whom the baggage was checked.

Sec. 9. [152.0971] [TERMS.]

Subdivision 1. [TERMS.] For purposes of sections 9 to 13, the following terms have the meanings given.

Subd. 2. [FURNISH.] "Furnish" means to sell, transfer, deliver, send, or supply a precursor substance by any other means.

Subd. 3. [SUPPLIER.] A "supplier" is a manufacturer, wholesaler, retailer, or any other person who furnishes a precursor substance to another person in this state.

Sec. 10. [152.0972] [PRECURSORS OF CONTROLLED SUBSTANCES.]

Subdivision 1. [PRECURSOR SUBSTANCES.] The following precursors of controlled substances are "precursor substances":

(1) phenyl-2-propanone;

(2) methylamine;

(3) ethylamine;

(4) d-lysergic acid;

- (5) ergotamine tartrate;
- (6) diethyl malonate;
- (7) malonic acid;
- (8) ethyl malonate;
- (9) barbituric acid;
- (10) piperidine;
- (11) n-acetylanthranilic acid;
- (12) pyrrolidine;
- (13) phenylacetic acid;
- (14) anthranilic acid;
- (15) morpholine;
- (16) ephedrine;
- (17) pseudoephedrine;
- (18) norpseudoephedrine;
- (19) phenylpropanolamine;
- (20) propionic anhydride;
- (21) isosafrole;
- (22) safrole;
- (23) piperonal;
- (24) thionylchloride;
- (25) benzyl cyanide;
- (26) ergonovine maleate;
- (27) n-methylephedrine;
- (28) n-ethylpseudoephedrine;

- (29) n-methypseudoephedrine;
- (30) n-ethylpseudoephedrine;
- (31) chloroephedrine;
- (32) chloropseudoephedrine; and
- (33) any substance added to this list by rule adopted by the state board of pharmacy.

Subd. 2. [ADOPTION OF RULES.] The state board of pharmacy may adopt rules under chapter 14 that add a substance to this section if the substance is a precursor to a controlled substance or delete a substance from this section. A rule adding or deleting a substance is effective only until December 31 of the year following the calendar year during which the rule was adopted.

Sec. 11. [152.0973] [REPORT OF TRANSACTION.]

Subdivision 1. [PREDELIVERY NOTICE.] A supplier who furnishes a precursor substance to a person in this state shall, not less than 21 days before delivery of the substance, submit a report of the transaction, which includes the identification information specified in subdivision 3, to the bureau of criminal apprehension.

Subd. 2. [REGULAR REPORTS.] The bureau may authorize the submission of the reports on a monthly basis with respect to repeated, regular transactions between the supplier and the purchaser involving the same substance if the superintendent of the bureau of criminal apprehension determines that:

- (1) a pattern of regular supply of the precursor substance exists between the supplier and the purchaser of the substance; or
- (2) the purchaser has established a record of utilization of the precursor substance for lawful purposes.

Subd. 3. [PROPER IDENTIFICATION.] A report submitted by a supplier under this section must include:

- (1) a copy of a driver's license or state identification card that contains a photograph of the purchaser, and includes the residential or mailing address of the purchaser, other than a post office box number;
- (2) the motor vehicle license number of any motor vehicle owned or operated by the purchaser;

(3) a letter of authorization from the business for which the precursor substance is being furnished, including the business license number and address of the business, a full description of how the precursor substance is to be used, and the signature of the purchaser;

(4) the signature of the supplier as a witness to the signature and identification of the purchaser;

(5) the type and quantity of the precursor substance; and

(6) the method of delivery used.

Subd. 4. [RETENTION OF RECORDS.] A supplier shall retain a copy of the report filed under this section for five years.

Sec. 12. [152.0974] [EXCEPTIONS.]

Sections 9 to 13 do not apply to:

(1) a pharmacist or other authorized person who sells or furnishes a precursor substance on the prescription of a physician, dentist, podiatrist, or veterinarian;

(2) a physician, dentist, podiatrist, or veterinarian who administers or furnishes a precursor substance to patients;

(3) a manufacturer or wholesaler licensed by the state board of pharmacy who sells, transfers, or otherwise furnishes a precursor substance to a licensed pharmacy, physician, dentist, podiatrist, or veterinarian; or

(4) a sale, transfer, furnishing, or receipt of any drug that contains ephedrine, pseudoephedrine, norpseudoephedrine, or phenylpropanolamine and is lawfully sold, transferred, or furnished over the counter without a prescription under the federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 301, et seq., or regulations adopted under that act.

Sec. 13. [152.0975] [PENALTY.]

Subdivision 1. [MISDEMEANOR.] A person who does not submit a report as required by section 11 is guilty of a misdemeanor.

Subd. 2. [GROSS MISDEMEANOR.] (a) A person who knowingly submits a report with false or fictitious information is guilty of a gross misdemeanor.

(b) A person who is convicted of violating subdivision 1 and has previously been convicted of a violation of subdivision 1 is guilty of

a gross misdemeanor. The subsequent conviction must be for an offense that occurred after the earlier conviction.

Sec. 14. [299A.331] [DARE ADVISORY COUNCIL.]

Subdivision 1. [MEMBERSHIP] The advisory council on drug abuse resistance education consists of:

- (1) the attorney general who shall serve as chair;
- (2) the commissioner of public safety;
- (3) the commissioner of education;
- (4) three representatives of law enforcement appointed by the commissioner of public safety;
- (5) three representatives of teachers appointed by the commissioner of education;
- (6) a representative of the DARE officers association; and
- (7) seven citizens appointed by the attorney general.

Subd. 2. [DUTIES.] The council shall:

- (1) advise the bureau of criminal apprehension in establishing a drug abuse resistance education training program for peace officers;
- (2) promote the drug abuse resistance education program throughout the state;
- (3) monitor the drug abuse resistance education officer training program in conjunction with the bureau of criminal apprehension;
- (4) provide coordination and assistance to local communities who wish to implement drug abuse resistance education programs in their local school systems;
- (5) encourage parental and community involvement in drug abuse resistance education programs;
- (6) develop a private/public partnership to provide for continuation and funding for the drug abuse resistance education program; and
- (7) receive funds from public and private sources for use in the drug abuse resistance education program.

Sec. 15. Minnesota Statutes 1988, section 609.135, is amended by adding a subdivision to read:

Subd. 8. [CONTROLLED SUBSTANCE CONVICTIONS.] (a) A court may order periodic drug testing as a condition of probation if:

(1) the court convicts a person for a felony violation of chapter 152, or the court convicts a person for a felony violation of chapter 609 and the court finds that the convicted person has a history of chemical dependency; and

(2) the court stays the imposition or execution of the sentence.

(b) The periodic drug testing must determine whether the offender has used a controlled substance or alcohol. The testing must be done at the direction of the probation officer assigned to the case, and must be unannounced.

(c) The probation officer shall report to the court if an offender refuses the test or if an offender's test detects the presence of a controlled substance or alcohol. On receiving notice of refusal or failure, the court may revoke the stay under section 609.14, subdivision 2.

Sec. 16. Minnesota Statutes 1988, section 631.40, is amended to read:

631.40 [JUDGMENT ON CONVICTION; JUDGMENT ROLL DEFINED NOTICE TO LICENSING BOARDS.]

Subdivision 1. [JUDGMENT ROLL.] When judgment upon a conviction is rendered, the court administrator shall enter the judgment upon the minutes, stating briefly the offense for which the conviction was had. The court administrator shall then immediately attach together and file the papers specified in clauses (1) to (5). The judgment roll consists of the papers specified in clauses (1) to (5):

(1) a copy of the minutes of challenge made by the defendant to the panel of the grand jury, or to an individual grand juror, and the proceedings and decisions on the challenges;

(2) the indictment or complaint and a copy of the minutes of the plea or motion to dismiss or to grant appropriate relief;

(3) a copy of the minutes of a challenge made to the panel of the trial jury or to an individual juror, and the proceedings and decision on the challenge;

(4) a copy of the minutes of the trial; and

(5) a copy of the minutes of the judgment.

Subd. 2. [CONTROLLED SUBSTANCE CONVICTIONS.] When a court convicts a person of a felony under chapter 152, the court shall order that the presentence investigation include information about any business or professional licenses held by the offender. If the offender holds a business or professional license, the court administrator shall send a certified copy of the conviction to the appropriate licensing board.

Sec. 17. [CHEMICAL DEPENDENCY TREATMENT IN LOCAL PROGRAMS; PILOT PROGRAMS.]

The commissioner of corrections shall develop pilot programs to provide chemical dependency treatment through services in local correctional and treatment programs. The pilot programs shall:

(1) increase the availability of chemical dependency treatment services for adult and juvenile offenders;

(2) provide for professional evaluation of the need for treatment and aftercare of individual offenders;

(3) coordinate with local chemical dependency resources; and

(4) facilitate the provision of aftercare services for chemically dependent persons after their release.

Sec. 18. [DAY-FINES.]

Subdivision 1. [MODEL SYSTEM.] By June 1, 1991, the sentencing guidelines commission shall develop a model day-fine system. Each judicial district must adopt either the model system or its own day-fine system by January 1, 1992.

Subd. 2. [COMPONENTS.] A day-fine system adopted under this section must provide for a two-step sentencing procedure for those receiving a fine as part of a probationary felony sentence. In the first step, the court determines how many punishment points a person will receive, taking into account the severity of the offense and the criminal history of the offender. The second step is to multiply the punishment points by a factor that accounts for the offender's financial circumstances. The goal of the system is to provide a fine that is proportional to the seriousness of the offense and largely equal in impact among offenders with different financial circumstances. The system may provide for community service in lieu of fines for offenders whose means are so limited that the payment of a fine would be unlikely.

Sec. 19. [INCARCERATION OF DRUG DEALERS.]

The legislature finds that persons convicted of a felony offense for selling controlled substances should be incarcerated in a jail or correctional facility. The legislature strongly advises that courts make full use of the sentences provided under state law and the sentencing guidelines for persons convicted of selling controlled substances.

Sec. 20. [SUPREME COURT STUDIES.]

Subdivision 1. [JOINDER STUDY.] The supreme court shall study the feasibility of amending rule 17.03 of the Minnesota Rules of Criminal Procedure to facilitate the joint trial of certain defendants being prosecuted for possession of a controlled substance where separate trials do not serve the interests of justice. The court shall consider whether the amendment of rule 17.03 would have an unfair impact on particular economic classes or ethnic groups or otherwise create unfair categories of defendants.

Subd. 2. [CASH BAIL STUDY.] The supreme court shall study the feasibility of amending the Minnesota Rules of Criminal Procedure to provide a hearing when a defendant pays a large bail amount in cash to allow the court to determine whether the funds are the proceeds of the unlawful sale of controlled substances.

Sec. 21. [PROBATIONARY DRUG TESTING; PILOT PROGRAMS.]

The commissioner of corrections shall develop pilot programs to evaluate the value of mandating testing for drugs and alcohol as a condition of probation. One pilot program must be in a metropolitan area jurisdiction and one must be in a nonmetropolitan area jurisdiction. The programs must require courts to order testing for drugs and alcohol as a condition of probation for offenders described in section 15. The programs shall comply with the criteria outlined in section 15, paragraphs (b) and (c).

Sec. 22. [CHEMICAL DEPENDENCY ASSESSMENTS; PILOT PROGRAMS.]

The commissioner of corrections shall create pilot programs in two or more jurisdictions to conduct chemical dependency assessments of all persons convicted of and juveniles adjudicated for felony violations of Minnesota Statutes, chapter 152, and persons convicted of and juveniles adjudicated for selected Minnesota Statutes, chapter 609, felonies. The assessment shall evaluate the offender's need for chemical dependency treatment services and recommend a program to meet the offender's needs. The assessor qualifications and assessment and placement criteria shall comply with Minnesota Rules, parts 9530.6600 to 9530.6655. If funds under Minnesota Statutes, chapter 254B, are to be used to pay for the recommended treatment, the assessment and placement must comply with all provisions of

Minnesota Rules, parts 9530.6600 to 9530.6655, and parts 9530.7000 to 9530.7030.

Sec. 23. [EFFECTIVE DATE.]

Sections 1 to 8, 13, and 16 are effective August 1, 1990, and apply to crimes committed on or after that date.

ARTICLE 2

INTENSIVE COMMUNITY SUPERVISION

Section 1. Minnesota Statutes 1988, section 244.05, is amended by adding a subdivision to read:

Subd. 6. [INTENSIVE COMMUNITY SUPERVISION.] The commissioner may order that an inmate be placed on intensive community supervision, as described in sections 4 and 5, for all or part of the inmate's supervised release term. If the inmate violates the conditions of the intensive community supervision, the commissioner shall impose sanctions as provided in subdivision 3 and section 4.

Sec. 2. [244.12] [INTENSIVE COMMUNITY SUPERVISION.]

Subdivision 1. [GENERALLY.] The commissioner may order that an offender who meets the eligibility requirements of subdivision 2 be placed on intensive community supervision, as described in sections 4 and 5, for all or part of the offender's prison sentence or supervised release term.

Subd. 2. [ELIGIBILITY.] The commissioner must limit the intensive community supervision program to the following persons:

- (1) inmates who are serving a supervised release term;
- (2) offenders who are committed to the commissioner's custody following revocation of a stayed sentence;
- (3) offenders who are committed to the commissioner's custody for a prison sentence of 27 months or less, who did not receive a dispositional departure under the sentence guidelines, and who have already served a period of incarceration as a result of the offense for which they are committed;
- (4) offenders who were not committed to the commissioner's custody under a statutory mandatory minimum sentence; and
- (5) offenders who were not committed to the commissioner's

custody following a conviction for murder, manslaughter, or criminal vehicular operation resulting in death.

Sec. 3. [244.13] [INTENSIVE COMMUNITY SUPERVISION; ESTABLISHMENT OF PROGRAMS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of corrections shall establish programs for those designated by the commissioner to serve all or part of a prison sentence or a supervised release term on intensive community supervision. The commissioner shall locate the programs so that at least one-half of the money appropriated for the programs in each year is used for programs in community corrections act counties.

Subd. 2. [TRAINING.] The commissioner shall develop specialized training programs for probation officers assigned to the intensive community supervision program. The probation officer caseload shall not exceed the ratio of 30 offenders to two probation officers.

Subd. 3. [EVALUATION.] The commissioner shall develop a system for gathering and analyzing information concerning the value and effectiveness of the intensive community supervision programs and shall compile a report to the chairs of the senate and house judiciary committees by January 1 of each odd-numbered year.

Sec. 4. [244.14] [INTENSIVE COMMUNITY SUPERVISION; BASIC ELEMENTS.]

Subdivision 1. [REQUIREMENTS.] This section governs the intensive community supervision programs established under section 3. The commissioner shall operate the programs in conformance with this section. The commissioner shall administer the programs to further the following goals:

- (1) to punish the offender;
- (2) to protect the safety of the public;
- (3) to facilitate employment of the offender during the intensive community supervision and afterward; and
- (4) to require the payment of restitution ordered by the court to compensate the victims of the offender's crime.

Subd. 2. [GOOD TIME NOT AVAILABLE.] An offender serving a prison sentence on intensive community supervision does not earn good time, notwithstanding section 244.04.

Subd. 3. [SANCTIONS.] The commissioner shall impose severe and meaningful sanctions for violating the conditions of an intensive community supervision program. The commissioner shall provide for revocation of intensive community supervision of an offender who:

(1) fails to follow the rules of the program;

(2) commits any misdemeanor, gross misdemeanor, or felony offense; or

(3) presents a risk to the public, based on the offender's behavior, attitude, or abuse of alcohol or controlled substances. The revocation of intensive community supervision is governed by the procedures in the commissioner's rules adopted under section 244.05, subdivision 2.

An offender whose intensive community supervision is revoked shall be imprisoned for a time period equal to the offender's original term of imprisonment, but in no case for longer than the time remaining in the offender's sentence. "Original term of imprisonment" means a time period equal to two-thirds of the prison sentence originally executed by the sentencing court.

Subd. 4. [ALL PHASES.] Throughout all phases of an intensive community supervision program, the offender shall submit at any time to an unannounced search of the offender's person, vehicle, or premises by a probation officer. If the offender received a restitution order as part of the sentence, the offender shall make weekly payments as scheduled by the probation officer, until the full amount is paid.

Sec. 5. [244.15] [INTENSIVE COMMUNITY SUPERVISION; PHASES I TO IV.]

Subdivision 1. [DURATION.] Phase I of an intensive community supervision program is six months, or one-half the presumptive imprisonment sentence under the sentencing guidelines, whichever is less. Phase II lasts for at least four months. Phase III lasts for at least two months. Phase IV continues indefinitely.

Subd. 2. [RANDOM DRUG TESTING.] (a) During phase I, the offender will be subjected to weekly urinalysis and breath tests to detect the presence of controlled substances or alcohol. The tests will be random and unannounced.

(b) During phase II, the tests will be done twice monthly.

(c) During phases III and IV, the tests will be done at random at the frequency determined by the probation officer.

Subd. 3. [HOUSE ARREST.] (a) During phase I, the offender will be under house arrest in a residence approved by the offender's probation officer and may not move to another residence without permission. "House arrest" means that the offender's movements will be severely restricted and continually monitored by the assigned probation officer.

(b) During phase II, modified house arrest is imposed.

(c) During phases III and IV, the offender is subjected to a daily curfew instead of house arrest.

Subd. 4. [FACE-TO-FACE CONTACTS.] (a) During phase I, the assigned probation officer shall have at least four face-to-face contacts with the offender each week.

(b) During phase II, two face-to-face contacts a week are required.

(c) During phase III, one face-to-face contact a week is required.

(d) During phase IV, two face-to-face contacts a month are required.

Subd. 5. [WORK REQUIRED.] During phases I, II, III, and IV, the offender must spend at least 40 hours a week performing approved work, undertaking constructive activity designed to obtain employment, or attending a treatment or education program as directed by the commissioner.

Subd. 6. [ELECTRONIC SURVEILLANCE.] During any phase, the offender may be placed on electronic surveillance if the probation officer so directs.

Subd. 7. [OTHER REQUIREMENTS.] The commissioner may include any other conditions in the various phases of the intensive community supervision program that the commissioner finds necessary and appropriate.

ARTICLE 3

MATERNAL AND CHILD HEALTH PROVISIONS

Section 1. Minnesota Statutes 1988, section 145.88, is amended to read:

145.88 [PURPOSE.]

The legislature finds that it is in the public interest to assure:

(a) Statewide planning and coordination of maternal and child health services through the acquisition and analysis of population-based health data, provision of technical support and training, and coordination of the various public and private maternal and child health efforts; and

(b) Support for targeted maternal and child health services in communities with significant populations of high risk, low income families through a grants process.

Federal money received by the Minnesota department of health, pursuant to United States Code, title 42, sections 701 to 709, shall be expended to:

(1) assure access to quality maternal and child health services for mothers and children, especially those of low income and with limited availability to health services and those children at risk of physical, neurological, emotional, and developmental problems arising from chemical abuse by a mother during pregnancy;

(2) reduce infant mortality and the incidence of preventable diseases and handicapping conditions among children;

(3) reduce the need for inpatient and long-term care services and to otherwise promote the health of mothers and children, especially by providing preventive and primary care services for low income mothers and children and prenatal, delivery and postpartum care for low income mothers;

(4) provide rehabilitative services for blind and disabled children under age 16 receiving benefits under Title XVI of the Social Security Act; and

(5) provide and locate medical, surgical, corrective and other service for children who are crippled or who are suffering from conditions that lead to crippling.

Sec. 2. Minnesota Statutes 1989 Supplement, section 145.882, subdivision 7, is amended to read:

Subd. 7. [USE OF BLOCK GRANT MONEY.] (a) Maternal and child health block grant money allocated to a community health board or community health services area under this section must be used for qualified programs for high risk and low income individuals. Block grant money must be used for programs that:

(1) specifically address the highest risk populations, particularly low income and minority groups with a high rate of infant mortality and children with low birth weight, by providing services, including pre-pregnancy family planning services, calculated to produce mea-

surable decreases in infant mortality rates, instances of children with low birth weight, and medical complications associated with pregnancy and childbirth, including infant mortality, low birth rates, and medical complications arising from chemical abuse by a mother during pregnancy;

(2) specifically target pregnant women whose age, medical condition, or maternal history, or chemical abuse substantially increases the likelihood of complications associated with pregnancy and childbirth or the birth of a child with an illness, disability, or special medical needs;

(3) specifically address the health needs of young children who have or are likely to have a chronic disease or disability or special medical needs, including physical, neurological, emotional, and developmental problems that arise from chemical abuse by a mother during pregnancy;

(4) provide family planning and preventive medical care for specifically identified target populations, such as minority and low income teenagers, in a manner calculated to decrease the occurrence of inappropriate pregnancy and minimize the risk of complications associated with pregnancy and childbirth; or

(5) specifically address the frequency and severity of childhood injuries in high risk target populations by providing services calculated to produce measurable decreases in mortality and morbidity. However, money may be used for this purpose only if the community health board's application includes program components for the purposes in clauses (1) to (4) in the proposed geographic service area and the total expenditure for injury-related programs under this clause does not exceed ten percent of the total allocation under subdivision 3.

(b) Maternal and child health block grant money may be used for purposes other than the purposes listed in this subdivision only under the following conditions:

(1) the community health board or community health services area can demonstrate that existing programs fully address the needs of the highest risk target populations described in this subdivision; or

(2) the money is used to continue projects that received funding before creation of the maternal and child health block grant in 1981.

(c) Projects that received funding before creation of the maternal and child health block grant in 1981, must be allocated at least the amount of maternal and child health special project grant funds received in 1989, unless (1) the local board of health provides

equivalent alternative funding for the project from another source; or (2) the local board of health demonstrates that the need for the specific services provided by the project has significantly decreased as a result of changes in the demographic characteristics of the population, or other factors that have a major impact on the demand for services. If the amount of federal funding to the state for the maternal and child health block grant is decreased, these projects must receive a proportional decrease as required in subdivision 1. Increases in allocation amounts to local boards of health under subdivision 4 may be used to increase funding levels for these projects.

Sec. 3. Minnesota Statutes 1989 Supplement, section 626.556, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means the subjection by a person responsible for the child's care, or by a person in a position of authority, as defined in section 609.341, subdivision 10, to any act which constitutes a violation of section 609.342, 609.343, 609.344, or 609.345. Sexual abuse also includes any act which involves a minor which constitutes a violation of sections 609.321 to 609.324 or 617.246.

(b) "Person responsible for the child's care" means (1) an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities, or (2) an individual functioning outside the family unit and having responsibilities for the care of the child such as a teacher, school administrator, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching, and coaching.

(c) "Neglect" means failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter or medical care when reasonably able to do so or failure to protect a child from conditions or actions which imminently and seriously endanger the child's physical or mental health when reasonably able to do so. Nothing in this section shall be construed to mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care; except that there is a duty to report if a lack of medical care may cause imminent and serious danger to the child's health. This section does not impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter, or medical care, a duty to provide that care. "Neglect" includes prenatal

exposure to a controlled substance, as defined in section ~~626.5561~~ 253B.02, subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, or medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance. Neglect also means "medical neglect" as defined in section 260.015, subdivision 2a, clause (5).

(d) "Physical abuse" means any physical injury inflicted by a person responsible for the child's care on a child other than by accidental means, or any physical injury that cannot reasonably be explained by the child's history of injuries, or any aversive and deprivation procedures that have not been authorized under section 245.825.

(e) "Report" means any report received by the local welfare agency, police department, or county sheriff pursuant to this section.

(f) "Facility" means a day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed pursuant to sections 144.50 to 144.58, 241.021, or 245.781 to 245.812.

(g) "Operator" means an operator or agency as defined in section 245A.02.

(h) "Commissioner" means the commissioner of human services.

(i) "Assessment" includes authority to interview the child, the person or persons responsible for the child's care, the alleged perpetrator, and any other person with knowledge of the abuse or neglect for the purpose of gathering the facts, assessing the risk to the child, and formulating a plan.

(j) "Practice of social services," for the purposes of subdivision 3, includes but is not limited to employee assistance counseling and the provision of guardian ad litem services.

Sec. 4. Minnesota Statutes 1989 Supplement, section 626.5561, subdivision 1, is amended to read:

Subdivision 1. [REPORTS REQUIRED.] A person mandated to report under section 626.556, subdivision 3, shall immediately report to the local welfare agency if the person knows or has reason to believe that a woman is pregnant and has used a controlled substance for a nonmedical purpose during the pregnancy. Any person may make a voluntary report if the person knows or has reason to believe that a woman is pregnant and has used a controlled substance for a nonmedical purpose during the pregnancy. An oral

report shall be made immediately by telephone or otherwise. An oral report made by a person required to report shall be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the local welfare agency. Any report shall be of sufficient content to identify the pregnant woman, the nature and extent of the use, if known, and the name and address of the reporter.

Sec. 5. Minnesota Statutes 1989 Supplement, section 626.5561, subdivision 3, is amended to read:

Subd. 3. [RELATED PROVISIONS.] Reports under this section are governed by section 626.556, subdivisions 4, 4a, 5, 6, 7, 8, and 11.

Sec. 6. Minnesota Statutes 1989 Supplement, section 626.5561, subdivision 4, is amended to read:

Subd. 4. [CONTROLLED SUBSTANCES.] For purposes of this section and section 626.5562, "controlled substance" means a controlled substance classified in schedule I, II, or III under chapter 152 listed in section 253B.02, subdivision 2.

Sec. 7. Minnesota Statutes 1989 Supplement, section 626.5561, is amended by adding a subdivision to read:

Subd. 5. [IMMUNITY.] (a) A person making a voluntary or mandated report under subdivision 1 or assisting in an assessment under subdivision 2 is immune from any civil or criminal liability that otherwise might result from the person's actions, if the person is acting in good faith.

(b) This subdivision does not provide immunity to any person for failure to make a required report or for committing neglect, physical abuse, or sexual abuse of a child.

Sec. 8. Minnesota Statutes 1989 Supplement, section 626.5562, subdivision 1, is amended to read:

Subdivision 1. [TEST; REPORT.] A physician shall administer a toxicology test to a pregnant woman under the physician's care or to a woman under the physician's care within eight hours after delivery to determine whether there is evidence that she has ingested a controlled substance, if the woman has obstetrical complications that are a medical indication of possible use of a controlled substance for a nonmedical purpose. If the test results are positive, the physician shall report the results under section 626.5561. A negative test result does not eliminate the obligation to report under section 626.5561, if other evidence gives the physician reason to believe the patient has used a controlled substance for a nonmedical purpose.

Sec. 9. Minnesota Statutes 1989 Supplement, section 626.5562, subdivision 2, is amended to read:

Subd. 2. [NEWBORNS.] A physician shall administer to each newborn infant born under the physician's care a toxicology test to determine whether there is evidence of prenatal exposure to a controlled substance, if the physician has reason to believe based on a medical assessment of the mother or the infant that the mother used a controlled substance for a nonmedical purpose prior to the birth during the pregnancy. If the test results are positive, the physician shall report the results as neglect under section 626.556. A negative test result does not eliminate the obligation to report under section 626.556 if other medical evidence of prenatal exposure to a controlled substance is present.

Sec. 10. Minnesota Statutes 1989 Supplement, section 626.5562, subdivision 4, is amended to read:

Subd. 4. [IMMUNITY FROM LIABILITY.] Any physician or other medical personnel administering a toxicology test to determine the presence of a controlled substance in a pregnant woman, in a woman within eight hours after delivery, or in a child at birth or during the first month of life is immune from civil or criminal liability arising from administration of the test, if the physician ordering the test believes in good faith that the test is required under this section and the test is administered in accordance with an established protocol and reasonable medical practice.

ARTICLE 4

ALCOHOL-RELATED PROVISIONS

Section 1. Minnesota Statutes 1988, section 169.121, subdivision 3a, is amended to read:

Subd. 3a. [HABITUAL OFFENDER PENALTIES.] (a) If a person has been convicted under this section, section 169.129, an ordinance in conformity with either of them, or a statute or ordinance from another state in conformity with either of them, and if the person is then convicted of 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:

(1) to a minimum of 30 days imprisonment; or

(2) to a minimum of ten days imprisonment and to eight hours of community work service for each day less than 30 days but more than ten days that the person is ordered to serve in jail.

A judge may not sentence the person to home detention in lieu of the minimum ten-day jail term. Notwithstanding section 609.135, the above sentence must be executed, unless the court departs from the mandatory minimum sentence under paragraph (b) or (c).

(b) Prior to sentencing the prosecutor may file a motion to have the defendant sentenced without regard to the mandatory minimum sentence established by this subdivision. The motion must be accompanied by a statement on the record of the reasons for it. When presented with the prosecutor's motion and if it finds that substantial mitigating factors exist, the court shall sentence the defendant without regard to the mandatory minimum term of imprisonment 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.

Sec. 2. Minnesota Statutes 1989 Supplement, section 169.121, subdivision 3b, is amended to read:

Subd. 3b. [HABITUAL OFFENDERS; CHEMICAL USE TREATMENT.] If a person has been convicted under subdivision 1, 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 subdivision 1, section 169.129, or an ordinance in conformity with either of them (1) once within five years of the first conviction or (2) two or more times within ten years after the first conviction, the court must order the person to submit to the level of care recommended in the alcohol and chemical use assessment required under section 169.126.

If a person is convicted under section 169.121, subdivision 1a, the court shall order the person to submit to the level of care recommended in the alcohol and chemical use assessment required under section 169.126.

Sec. 3. Minnesota Statutes 1988, section 169.121, subdivision 5, is amended to read:

Subd. 5. Except as otherwise provided in subdivision 3b, when a court sentences a person convicted of violating this section, section 169.129, or an ordinance in conformity with either of them, the court

may stay imposition or execution of any sentence authorized by subdivision 3 or 4, except the revocation of the driver's license, on the condition that the convicted person submit to the level of care recommended in the alcohol and chemical use assessment report required under section 169.126. If the court does not order a level of care in accordance with the assessment report recommendation as a condition of a stay of imposition or execution, it shall state on the record its reasons for not following the assessment report recommendation. A stay of imposition or execution shall be in the manner provided in section 609.135. The court shall report to the commissioner of public safety any stay of imposition or execution of sentence granted under the provisions of this section.

Sec. 4. Minnesota Statutes 1988, section 169.124, subdivision 1, is amended to read:

Subdivision 1. [COUNTY BOARD.] The county board of every county shall establish an alcohol safety program designed to provide an alcohol problem screening and chemical use assessment of persons convicted of an offense enumerated in section 169.126, subdivision 1.

Sec. 5. Minnesota Statutes 1988, section 169.124, subdivision 2, is amended to read:

Subd. 2. [ASSESSMENT REIMBURSEMENT RULES.] The alcohol problem assessment shall be conducted under the direction of the court and by such persons or agencies as the court deems qualified to provide the alcohol problem assessment and assessment report as described in section 169.126. The alcohol problem assessment may be conducted by court services probation officers having the required knowledge and skills in the assessment of alcohol problems, by alcoholism counselors, by persons conducting court sponsored driver improvement clinics if in the judgment of the court such persons have the required knowledge and skills in the assessment of alcohol problems, by appropriate staff members of public or private alcohol treatment programs and agencies or mental health clinics, by court approved volunteer workers such as members of alcoholics anonymous, or by such other qualified persons as the court may direct. The commissioner of public safety shall provide the courts with information and assistance in establishing alcohol problem assessment programs suited to the needs of the area served by each court. The commissioner shall consult with the alcohol and other drug abuse section in the department of human services and with local community mental health boards in providing such information and assistance to the courts. The commissioner of public safety shall promulgate rules and standards under chapter 14, consistent with this subdivision, for reimbursement under the provisions of subdivision 3.

Sec. 6. Minnesota Statutes 1988, section 169.126, subdivision 1, is amended to read:

Subdivision 1. [~~SCREENING ASSESSMENT REQUIREMENT.~~] An alcohol ~~problem screening and chemical use assessment~~ shall be conducted and a ~~screening an assessment~~ report submitted to the court by the county agency administering the alcohol safety program when:

(a) The defendant is convicted of an offense described in section 169.121 or 169.129; or

(b) The defendant is arrested for committing an offense described in section 169.121 or 169.129 but is convicted of another offense arising out of the circumstances surrounding the arrest.

Sec. 7. Minnesota Statutes 1989 Supplement, section 169.126, subdivision 4, is amended to read:

Subd. 4. [~~ALCOHOL AND CHEMICAL USE ASSESSMENT.~~] (~~a~~) ~~Except as otherwise provided in paragraph (d), when an alcohol problem screening shows that the defendant has an identifiable chemical use problem;~~ The court shall require the defendant to undergo a comprehensive alcohol and chemical use assessment conducted by an assessor qualified designated by the court to the commissioner of public safety as meeting the training and qualification requirements under rules adopted by the commissioner of human services under section 254A.03, subdivision 3. Notwithstanding section 13.82, the assessor shall have access to any police reports, laboratory test results, and other law enforcement data relating to the current offense or previous offenses that are necessary to complete the evaluation. An assessor providing ~~a~~ an alcohol and chemical use assessment for the court may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If an independent assessor is not available, the court may use the services of an assessor authorized to perform assessments for the county social services agency under a variance granted under rules adopted by the commissioner of human services under section 254A.03, subdivision 3. An appointment for the defendant to undergo the alcohol and chemical use assessment shall be made by the court, a court services probation officer, or the court administrator as soon as possible but in no case more than one week after the defendant's court appearance. The comprehensive alcohol and chemical use assessment must be completed no later than three weeks after the defendant's court appearance. If the assessment is not performed within this time limit, the county where the defendant is to be sentenced shall perform the assessment. The county of financial responsibility shall be determined under chapter 256G.

Subd. 4a. [REPORT.] (a) The assessment report shall contain an

evaluation of the convicted defendant concerning the defendant's prior traffic record, characteristics and history of alcohol and chemical use problems, and amenability to rehabilitation through the alcohol safety program. The report shall be classified as private data on individuals as defined in section 13.02, subdivision 12.

(b) The alcohol and chemical use assessment report must (1) include a recommended level of care for the defendant in accordance with the criteria contained in rules adopted by the commissioner of human services under section 254A.03, subdivision 3, (2) contain recommendations for other appropriate remedial action or care, that may consist of educational programs, one-on-one counseling, a program or type of treatment that addresses mental health concerns, or a combination of them, or (3) the report must specifically explain why no level of care or action was recommended.

(c) The state shall reimburse the county for the entire cost of each alcohol and chemical use assessment and report at a rate established by the department of human services public safety up to a maximum of \$100 \$. . . in each case. The county may not be reimbursed for the cost of any alcohol and chemical use assessment or report not completed within the time limit provided in this subdivision 4. Reimbursement to the county must be made from the general fund.

(d) If the preliminary alcohol problem screening is conducted by an assessor qualified under rules adopted by the commissioner of human services under section 254A.03, subdivision 3, consists of a comprehensive chemical use assessment of the defendant, and complies with the chemical use assessment report requirements of paragraph (b), it is a chemical use assessment for the purposes of this section and the court may not require the defendant to undergo a second chemical use assessment under paragraph (a). The state shall reimburse counties for the cost of alcohol problem screenings that qualify as chemical use assessments under this paragraph in the manner provided in paragraph (c) in lieu of the reimbursement provisions of section 169.124, subdivision 3.

Sec. 8. Minnesota Statutes 1988, section 169.126, subdivision 4b, is amended to read:

Subd. 4b. [EVALUATION.] The commissioner of public safety shall, with the assistance of the department of human services and the state planning agency, monitor and evaluate the implementation and effects of the alcohol safety programs required in sections 169.124 to 169.126 and shall submit a written report to the legislature by January 1, 1989, containing the commissioner's findings and recommendations.

Sec. 9. Minnesota Statutes 1988, section 169.126, subdivision 6, is amended to read:

Subd. 6. [APPLICABILITY.] This section shall not apply to persons who are not residents of the state of Minnesota at the time of the offense and at the time of the alcohol problem screening and chemical use assessment.

Sec. 10. Minnesota Statutes 1988, section 254B.03, subdivision 1, is amended to read:

Subdivision 1. [LOCAL AGENCY DUTIES.] (a) Every local agency shall assess the needs of each person requesting chemical dependency services according to the criteria established under section 254A.03, subdivision 1. Whenever treatment is denied, the local agency shall report the results of the assessment to the department of human services in the manner specified by the commissioner.

(b) Every local agency shall provide chemical dependency services to persons residing within its jurisdiction who meet criteria established by the commissioner for placement in a chemical dependency residential or nonresidential treatment service or who has been sentenced according to section 609.10, subdivision 2. Chemical dependency money must be administered by the local agencies according to law and rules adopted by the commissioner under sections 14.01 to 14.69.

(c) In order to contain costs, the county board shall, with the approval of the commissioner of human services, select eligible vendors of chemical dependency services who can provide economical and appropriate treatment. Unless the local agency is a social services department directly administered by a county or human services board, the local agency shall not be an eligible vendor under section 254B.05. The commissioner may approve proposals from county boards to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. If a county implements a demonstration or experimental medical services funding plan, the commissioner shall transfer the money as appropriate. If a county selects a vendor located in another state, the county shall ensure that the vendor is in compliance with the rules governing licensure of programs located in the state.

(d) A culturally specific vendor that provides assessments under a variance under Minnesota Rules, part 9530.6610, shall be allowed to provide assessment services to persons not covered by the variance.

Sec. 11. Minnesota Statutes 1988, section 260.151, subdivision 1, is amended to read:

Subdivision 1. Upon request of the court the county welfare board or probation officer shall investigate the personal and family history

and environment of any minor coming within the jurisdiction of the court under section 260.111 and shall report its findings to the court. The court may order any minor coming within its jurisdiction to be examined by a duly qualified physician, psychiatrist, or psychologist appointed by the court.

The court shall have a chemical use assessment conducted when a child is: (1) found to be delinquent for violating a provision of chapter 152; or (2) alleged to be delinquent for violating a provision of chapter 152, if the child is being held in custody under a detention order. The assessor's qualifications and the assessment criteria shall comply with Minnesota Rules, parts 9530.6600 to 9530.6655. If funds under chapter 254B are to be used to pay for the recommended treatment, the assessment and placement must comply with all provisions of Minnesota Rules, parts 9530.6600 to 9530.6655, and parts 9530.7000 to 9530.7030. The commissioner of public safety shall reimburse the court for the cost of the chemical use assessment, up to a maximum of \$100.

With the consent of the commissioner of corrections and agreement of the county to pay the costs thereof, the court may, by order, place a minor coming within its jurisdiction in an institution maintained by the commissioner for the detention, diagnosis, custody and treatment of persons adjudicated to be delinquent, in order that the condition of the minor be given due consideration in the disposition of the case. Adoption investigations shall be conducted in accordance with the laws relating to adoptions. Any funds received under the provisions of this subdivision shall not cancel until the end of the fiscal year immediately following the fiscal year in which the funds were received. The funds are available for use by the commissioner of corrections during that period and are hereby appropriated annually to the commissioner of corrections as reimbursement of the costs of providing these services to the juvenile courts.

Sec. 12. Minnesota Statutes 1989 Supplement, section 260.193, subdivision 8, is amended to read:

Subd. 8. If the juvenile court finds that the child is a juvenile major highway or water traffic offender, it may make any one or more of the following dispositions of the case:

(a) Reprimand the child and counsel with the child and the parents;

(b) Continue the case for a reasonable period under such conditions governing the child's use and operation of any motor vehicles or boat as the court may set;

(c) Require the child to attend a driver improvement school if one is available within the county;

(d) Recommend to the department of public safety suspension of the child's driver's license as provided in section 171.16;

(e) If the child is found to have committed two moving highway traffic violations or to have contributed to a highway accident involving death, injury, or physical damage in excess of \$100, the court may recommend to the commissioner of public safety or to the licensing authority of another state the cancellation of the child's license until the child reaches the age of 18 years, and the commissioner of public safety is hereby authorized to cancel the license without hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety, or to the licensing authority of another state, that the child's license be returned, and the commissioner of public safety is authorized to return the license;

(f) Place the child under the supervision of a probation officer in the child's own home under conditions prescribed by the court including reasonable rules relating to operation and use of motor vehicles or boats directed to the correction of the child's driving habits;

(g) Require the child to pay a fine of up to \$700. The court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(h) If the court finds that the child committed an offense described in section 169.121, the court shall order that an alcohol problem screening and chemical use assessment be conducted and a screening report submitted to the court in the manner prescribed in section 169.126. Except as otherwise provided in section 169.126, subdivision 4, paragraph (d), if the alcohol problem screening assessment shows that the child has an identifiable chemical use problem, the court shall require the child to undergo a comprehensive chemical use assessment in accordance with section 169.126, subdivision 4. If the chemical use assessment recommends meets the level of care criteria for placement according to section 254A.03, subdivision 3, the report must recommend a level of care for the child. The court may require that level of care in its disposition order. In addition, the court may require any child ordered to undergo a an alcohol and chemical use assessment to pay a chemical dependency assessment charge of \$75. The court shall forward the assessment charge to the commissioner of finance to be credited to the general fund. The state shall reimburse counties for the total cost of the alcohol and chemical use assessment in the manner provided in section 169.126, subdivision 4 4a.

Sec. 13. Minnesota Statutes 1988, section 340A.503, subdivision 1, is amended to read:

Subdivision 1. [CONSUMPTION.] It is unlawful for any:

(1) retail intoxicating liquor or nonintoxicating liquor licensee or bottle club permit holder under section 340A.414, to permit any person under the age of 21 years to consume alcoholic beverages on the licensed premises; or

(2) person under the age of 21 years to consume any alcoholic beverages ~~unless in the household of the person's parent or guardian and with the consent of the parent or guardian. If proven by a preponderance of the evidence, it is an affirmative defense to a violation of this clause that the defendant consumed the alcoholic beverage in the household of the defendant's parent or guardian and with the consent of the parent or guardian.~~

Sec. 14. Minnesota Statutes 1989 Supplement, section 340A.503, subdivision 2, is amended to read:

Subd. 2. [PURCHASING.] It is unlawful for any person:

(1) to sell, barter, furnish, or give alcoholic beverages to a person under 21 years of age; ~~except that a parent or guardian of a person under the age of 21 years may give or furnish alcoholic beverages to that person solely for consumption in the household of the parent or guardian;~~

(2) under the age of 21 years to purchase or attempt to purchase any alcoholic beverage; or

(3) to induce a person under the age of 21 years to purchase or procure any alcoholic beverage, or to lend or knowingly permit the use of the person's driver's license, permit, Minnesota identification card, or other form of identification by a person under the age of 21 years for the purpose of purchasing or attempting to purchase an alcoholic beverage.

If proven by a preponderance of the evidence, it shall be an affirmative defense to a violation of clause (1) that the defendant is the parent or guardian of the person under 21 years of age and that the defendant gave or furnished the alcoholic beverage to that person solely for consumption in the defendant's household.

Sec. 15. Minnesota Statutes 1988, section 340A.503, subdivision 3, is amended to read:

Subd. 3. [POSSESSION.] It is unlawful for a person under the age of 21 years to possess any alcoholic beverage with the intent to consume it at a place other than the household of the person's parent or guardian. Possession at a place other than the household of the parent or guardian is ~~prima facie evidence~~ creates a rebuttable

presumption of intent to consume it at a place other than the household of the parent or guardian. This presumption may be rebutted by a preponderance of the evidence.

Sec. 16. Minnesota Statutes 1988, section 609.10, is amended to read:

609.10 [SENTENCES AVAILABLE.]

Subdivision 1. [GENERALLY.] Upon conviction of a felony and compliance with the other provisions of this chapter the court, if it imposes sentence, may sentence the defendant to the extent authorized by law as follows:

- (1) to life imprisonment; or
- (2) to imprisonment for a fixed term of years set by the court; or
- (3) to both imprisonment for a fixed term of years and payment of a fine; or
- (4) to payment of a fine without imprisonment or to imprisonment for a fixed term of years if the fine is not paid; or
- (5) to payment of court-ordered restitution in addition to either imprisonment or payment of a fine, or both.

Subd. 2. [CHEMICAL DEPENDENCY TREATMENT FOR CERTAIN OFFENDERS.] (a) Notwithstanding any law or rule to the contrary, when the defendant is convicted of a felony, the court may order the treatment of the defendant for chemical dependency if the presentence investigation performed under section 609.115, subdivision 1, indicates that alcohol or controlled substance abuse was a contributing factor to the commission of the crime, and if a local agency, as defined in section 254B.01, subdivision 5, determines that the defendant is in need of the treatment. If the defendant is convicted of violating section 609.21 or is convicted of a felony-level violation of section 169.09, the presentence investigation report must contain a chemical-use assessment conducted by a qualified assessor and a determination by the local agency as to whether treatment is needed. If the local agency does not find that the defendant is in need of treatment, the court may still order chemical dependency treatment of the defendant if an assessor designated by the court and qualified under rules adopted by the commissioner under section 254B.03, subdivision 3, or credentialed by the Institute for Chemical Dependency Professionals determines that the defendant is chemically dependent or chemically abusive. In any case, the local agency shall determine the appropriate level of care and authorize payment under chapter 254B.

(b) In those cases where the local agency has not found the defendant to be in need of treatment, but where the court-designated assessor has found the defendant to be chemically dependent or abusive, the court-designated assessor must provide written findings to the local agency and to the commissioner of human services before the local agency authorizes any payment for treatment under chapter 254B.

Sec. 18. [REPEALER.]

Minnesota Statutes 1988, sections 169.124, subdivision 3; and 169.126, subdivisions 2 and 3; and Minnesota Statutes 1989 Supplement, section 169.126, subdivision 4a, are repealed.

Sec. 17. [EFFECTIVE DATE.]

Sections 13 to 15 are effective August 1, 1990, and apply to offenses committed on or after that date.

ARTICLE 5

MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 1988, section 90.301, subdivision 6, is amended to read:

Subd. 6. [TICKET FOR THEFT VIOLATIONS.] The commissioner may design and issue a ticket in the form, and having the effect, of a summons and complaint, for use in cases of theft of state timber or other state property, where the value of the property is within the limits established by section 609.52, subdivision 3, clause (7). The ticket shall provide for the name and address of the person charged with the violation, the offense charged, the time and place the person is to appear before a court, and any other necessary information.

Sec. 2. Minnesota Statutes 1988, section 256.98, subdivision 1, is amended to read:

Subdivision 1. [WRONGFULLY OBTAINING ASSISTANCE.] A person who obtains, or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, by intentional concealment of a material fact, or by impersonation or other fraudulent device, assistance to which the person is not entitled or assistance greater than that to which the person is entitled, or who knowingly aids or abets in buying or in any way disposing of the property of a recipient or applicant of assistance without the consent of the local agency with intent to defeat the purposes of sections 256.12, 256.72 to 256.871, and chapter 256B, or all of these sections is guilty of theft and shall be

sentenced pursuant to section 609.52, subdivision 3, ~~clauses (2), (3), (6), and (7).~~

Sec. 3. Minnesota Statutes 1988, section 256B.35, subdivision 5, is amended to read:

Subd. 5. The nursing home may transfer the personal allowance to someone other than the recipient only when the recipient or the recipient's guardian or conservator designates that person in writing to receive or expend funds on behalf of the recipient and that person certifies in writing that the allowance is spent for the well-being of the recipient. Persons, other than the recipient, in possession of the personal allowance, may use the allowance only for the well-being of the recipient. Any person, other than the recipient, who, with intent to defraud, uses the personal needs allowance for purposes other than the well-being of the recipient shall be guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3, ~~clauses (2), (3), and (7).~~ To prosecute under this subdivision, the attorney general or the appropriate county attorney, acting independently or at the direction of the attorney general, may institute a criminal action. A nursing home that transfers personal needs allowance funds to a person other than the recipient in good faith and in compliance with this section shall not be held liable under this subdivision.

Sec. 4. Minnesota Statutes 1988, section 268.18, subdivision 3, is amended to read:

Subd. 3. [FALSE REPRESENTATIONS; CONCEALMENT OF FACTS; PENALTY.] (a) Whoever obtains, or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, by intentional concealment of a material fact, or by impersonation or other fraudulent device, benefits to which the person is not entitled or benefits greater than that to which the person is entitled under this chapter, or under the employment security law of any state or of the federal government or of a foreign government, either personally or for any other person, shall be guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3, ~~clauses (2), (3), (6), and (7).~~ The amount of the benefits incorrectly paid shall be the difference between the amount of benefits actually received and the amount which the person would have been entitled under state and federal law had the department been informed of all material facts.

(b) Any employing unit or any officer or agent of an employing unit or any other person who makes a false statement or representation knowing it to be false, or who knowingly fails to disclose a material fact, to prevent or reduce the payment of benefits to any individual entitled thereto, or to avoid becoming or remaining a subject employer or to avoid or reduce any contribution or other payment required from an employing unit under this chapter or

under the employment security law of any state or of the federal government, or who willfully fails or refuses to make any such contributions or other payment at the time required shall be guilty of a gross misdemeanor unless the benefit underpayment, contribution, or other payment involved exceeds \$250, in which event the person is guilty of a felony.

(c) Any person who willfully fails to produce or permit the inspection or copying of books, papers, records, or memoranda as required or when requested under section 268.12, subdivision 8, or to furnish any required reports other than contribution reports shall be guilty of a gross misdemeanor.

Sec. 5. Minnesota Statutes 1988, section 473.608, subdivision 17, is amended to read:

Subd. 17. [ORDINANCES.] (1) It may adopt and enforce rules, regulations, and ordinances it deems necessary for the purposes of sections 473.601 to 473.679, including those relating to the internal operation of the corporation and to the management and operation of airports owned or operated by it, subject to sections 473.601 to 473.679. Any person violating any rule, regulation or ordinance is guilty of a misdemeanor.

(2) The prosecution may be before a county or municipal court having jurisdiction over the place where the violation occurs. Every sheriff, constable, police officers, and other peace officer shall arrest offenders. The fines collected shall be paid into the treasury of the corporation. The portion of the fines necessary to cover all costs and disbursements incurred in processing and prosecuting the violations in the court shall be transferred to the court administrator. The corporation shall reimburse the prosecuting authority for the costs of prosecuting violations of the corporation's rules, regulations and ordinances, and violations of state law occurring on property owned by the corporation. All persons committed shall be received into any penal institution in the county in which the offense was committed. All persons shall take notice of the rules, regulations, and ordinances without pleading or proof.

(3) A public hearing need not be held on rules, regulations and ordinances relating to the internal operation of the commission or to the management or operation of airports owned or operated by it unless the rule, regulation or ordinance affects substantial rights.

(4) When necessary, the corporation may adopt and enforce without a public hearing all other rules, regulations or ordinances, but it shall hold a public hearing within 30 days after their adoption. Prior to the hearing, the corporation shall give at least 15 days notice by publication in appropriate legal newspapers of general circulation in the metropolitan area and mail a copy of them to all interested parties who have registered their names with the corpo-

ration for that purpose. If the rules, regulations, or ordinances are not deemed immediately necessary, the corporation shall hold a public hearing on them after giving the required notice. The rules, regulations, or ordinances shall not be adopted and enforced until after the hearing.

(5) Notice of the adoption of rules, regulations and ordinances shall, as soon as possible after adoption, be published in appropriate legal newspapers of general circulation in the metropolitan area. Proof of publication and a copy of the rule, regulation, or ordinance shall be filed with the secretary of state. They shall then be in full force and effect.

(6) Any person substantially interested or affected in rights as to person or property by a rule, regulation or ordinance adopted by the corporation, may petition the corporation for reconsideration, amendment, modification, or waiver of it. The petition shall set forth a clear statement of the facts and grounds upon which it is based. The corporation shall grant the petitioner a public hearing within 30 days after the filing of the petition.

Sec. 6. Minnesota Statutes 1988, section 609.135, subdivision 1, is amended to read:

Subdivision 1. [TERMS AND CONDITIONS.] Except when a sentence of life imprisonment is required by law, or when a mandatory minimum term of imprisonment is required by section 609.11, any court may stay imposition or execution of sentence and (a) may order ~~noninstitutional~~ intermediate sanctions without placing the defendant on probation, or (b) may place the defendant on probation with or without supervision and on the terms the court prescribes, including ~~noninstitutional~~ intermediate sanctions when practicable. The court may order the supervision to be under the probation officer of the court, or, if there is none and the conviction is for a felony or gross misdemeanor, by the commissioner of corrections, or in any case by some other suitable and consenting person. No ~~noninstitutional~~ intermediate sanction may be ordered performed at a location that fails to observe applicable requirements or standards of chapter 181A or 182, or any rule promulgated under them. For purposes of this subdivision, subdivision 6, and section 609.14, the term "~~noninstitutional~~ intermediate sanctions" includes but is not limited to incarceration in a local jail or workhouse, home detention, electronic monitoring, intensive probation, sentencing to service, reporting to a day reporting center, chemical dependency or mental health treatment or counseling, restitution, fines, day-fines, community work service, and work in lieu of or to work off fines.

A court may not stay the revocation of the driver's license of a person convicted of violating the provisions of section 169.121.

Sec. 7. Minnesota Statutes 1988, section 609.135, subdivision 6, is amended to read:

Subd. 6. [PREFERENCE FOR NONINSTITUTIONAL INTERMEDIATE SANCTIONS.] A court staying imposition or execution of a sentence that does not include a term of incarceration as a condition of the stay shall order ~~noninstitutional~~ other intermediate sanctions where practicable.

Sec. 8. Minnesota Statutes 1988, section 609.14, is amended to read:

609.14 [REVOCAION OF STAY.]

Subdivision 1. [GROUND.] When it appears that the defendant has violated any of the conditions of probation or ~~noninstitutional intermediate~~ intermediate sanction, or has otherwise been guilty of misconduct which warrants the imposing or execution of sentence, the court may without notice revoke the stay thereof and probation and direct that the defendant be taken into immediate custody.

Subd. 2. The defendant shall thereupon be notified in writing and in such manner as the court directs of the grounds alleged to exist for revocation of the stay of imposition or execution of sentence. If such grounds are brought in issue by the defendant, a summary hearing shall be held thereon at which the defendant is entitled to be heard and to be represented by counsel.

Subd. 3. [SENTENCE.] If any of such grounds are found to exist the court may:

(1) If imposition of sentence was previously stayed, again stay sentence or impose sentence and stay the execution thereof, and in either event place the defendant on probation or order ~~noninstitutional intermediate~~ intermediate sanctions pursuant to section 609.135, or impose sentence and order execution thereof; or

(2) If sentence was previously imposed and execution thereof stayed, continue such stay and place the defendant on probation or order ~~noninstitutional intermediate~~ intermediate sanctions in accordance with the provisions of section 609.135, or order execution of the sentence previously imposed.

Subd. 4. If none of such grounds are found to exist, the defendant shall be restored to liberty under the previous order of the court.

ARTICLE 6
APPROPRIATIONS

Section 1. [APPROPRIATIONS.]

(a) \$650,000 is appropriated from the general fund to the commissioner of corrections as a match to federal funds to create programs to provide intensive community supervision.

(b) \$34,000 is appropriated from the general fund to the commissioner of public safety as a match to federal funds for the drug abuse resistance education training center.

(c) \$225,000 is appropriated from the general fund to the commissioner of public safety as a match to federal funds to expand the community-based crime and drug prevention programs through the office of drug policy.

(d) \$500,000 is appropriated to the commissioner of corrections as a match to federal funds for the expansion of sentencing to service and work release correctional programs and/or the development of intermediate sentencing alternatives.

(e) \$500,000 is appropriated to the commissioner of corrections as a match to federal funds to develop pilot programs to provide chemical dependency treatment for adults and juveniles through services in local correctional and treatment programs.

(f) \$500,000 is appropriated to the commissioner of corrections for the expansion of chemical dependency treatment programs in state adult and juvenile correctional institutions.

(g) \$18,750 is appropriated to the commissioner of corrections as a match to federal funds for the development of pilot drug testing programs to be used as a condition of probation for defendants with drug related histories.

(h) \$31,250 is appropriated to the commissioner of corrections as a match to federal funds for the development of pilot programs in local jurisdictions for the purpose of conducting chemical dependency assessments for drug offenders and selected other felony offenders.

(i) \$200,000 is appropriated to the commissioner of corrections for the expansion of programs for victims of domestic assault and abuse due to drugs and alcohol.

(j) \$50,000 is appropriated to the bureau of criminal apprehension for implementation of article 1, sections 9 to 13.

(k) \$350,000 in state funds is appropriated to the commissioner of public safety for contracting with providers for expanded drug prevention support services for high-risk target groups and communities.

(l) \$50,000 is appropriated from the general fund to the commissioner of public safety to be used to reimburse juvenile courts for chemical use assessments as provided in article 4, section 11."

Delete the title and insert:

"A bill for an act relating to crime; changing the scope of certain controlled substance offenses; allowing prosecution in any county of controlled substance offenses involving sales of amounts aggregated over a 90-day period; providing that cocaine base is weighed as a mixture for purposes of first, second, and third degree controlled substance crimes; prohibiting the importing of controlled substances into the state; requiring the reporting of transactions involving substances that are precursors to controlled substances; defining controlled substances for purposes of reporting prenatal exposure to controlled substances; clarifying these reporting provisions; providing for maternal and child health services in chemical abuse situations; clarifying habitual DWI offender sanctions; requiring adoption of day-fine systems by each judicial district; creating intensive community supervision programs for certain prison inmates and offenders; creating pilot programs to require drug and alcohol testing as a condition of probation; creating pilot programs to provide chemical dependency treatment services in juvenile and adult jails and correctional facilities; creating pilot programs to require chemical dependency assessments for drug offenders; requiring a chemical use assessment to be conducted when a child is found delinquent of a drug offense; requiring chemical dependency treatment for certain offenders; providing an affirmative defense for certain liquor offenses; authorizing the court to order intermediate sanctions as a condition of probation; defining intermediate sanctions; appropriating money; amending Minnesota Statutes 1988, sections 90.301, subdivision 6; 145.88; 169.121, subdivisions 3a and 5; 169.124, subdivisions 1 and 2; 169.126, subdivisions 1, 4b, and 6; 244.05, by adding a subdivision; 254B.03, subdivision 1; 256.98, subdivision 1; 256B.35, subdivision 5; 260.151, subdivision 1; 268.18, subdivision 3; 340A.503, subdivisions 1 and 3; 473.608, subdivision 17; 609.10; 609.135, subdivisions 1, 6, and by adding a subdivision; 609.14; and 631.40; Minnesota Statutes 1989 Supplement, sections 145.882, subdivision 7; 152.021; 152.022; 152.023, subdivisions 1 and 2; 152.025, subdivision 2; 152.028, subdivision 2, and by adding a subdivision; 169.121, subdivision 3b; 169.126, subdivision 4; 260.193, subdivision 8; 340A.503, subdivision 2; 626.556, subdivision 2; 626.5561, subdivisions 1, 3, 4, and by adding a subdivision; and 626.5562, subdivisions 1, 2, and 4; proposing coding for new law in Minnesota Statutes, chapters 152; 244; and 299A; repealing

Minnesota Statutes 1988, sections 169.124, subdivision 3; 169.126, subdivisions 2 and 3; Minnesota Statutes 1989 Supplement, 169.126, subdivision 4a.”

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. 1854, A bill for an act relating to real estate; validating certain cancellation of contracts; providing for the effect of dissolution on joint tenancy; permitting the filing of summaries of dissolution judgments in real estate filings; amending Minnesota Statutes 1988, section 500.19, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 518 and 559; repealing Minnesota Statutes 1988, section 580.031.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [315.121] [RELIGIOUS CORPORATIONS, CERTAIN CONVEYANCES VALIDATED.]

All conveyances executed by any religious corporation organized under this chapter, conveying real property within this state that were recorded prior to July 1, 1984, in the office of the county recorder or registrar of titles of the county in which the real estate conveyed is located, and the record of the conveyance, are legalized, validated, and confirmed, even though the corporate records do not disclose that the execution of the conveyance was authorized by the congregation of the religious corporation in the manner provided by law, or the record of the authorization has not been recorded in the office of the county recorder or registrar of titles of the county in which the real estate conveyed is located.

Sec. 2. Minnesota Statutes 1988, section 500.19, subdivision 5, is amended to read:

Subd. 5. [SEVERANCE OF ESTATES IN JOINT TENANCY.] A severance of a joint tenancy interest in real estate by a joint tenant shall be legally effective only if (1) the instrument of severance is recorded in the office of the county recorder or the registrar of titles in the county where the real estate is situated; or (2) the instrument of severance is executed by all of the joint tenants; or (3) the severance is ordered by a court of competent jurisdiction; or (4) a severance is effected pursuant to bankruptcy of a joint tenant.

A decree of dissolution of a marriage severs all joint tenancy interests in real estate between the parties to the marriage, except to the extent the decree declares that the parties continue to hold an interest in real estate as joint tenants.

Sec. 3. Minnesota Statutes Second 1989 Supplement, section 508A.82, is amended to read:

508A.82 [REGISTRAR'S FEES.]

The fees to be paid to the registrar shall be as follows:

(1) of the fees provided herein, five percent of the fees collected under clauses (3), (4), (11), (13), (14), (15), and (17), for filing or memorializing shall be paid to the state treasurer and credited to the general fund;

(2) for registering each original CPT, and issuing a duplicate of it, \$20;

(3) for registering each instrument transferring the fee simple title for which a new CPT is issued and for the issuance and registration of the new CPT, \$20;

(4) for the entry of each memorial on a certificate and endorsements upon duplicate CPTs, \$10;

(5) for issuing each mortgagee's or lessee's duplicate, \$10;

(6) for issuing each residue CPT, \$20;

(7) for exchange CPTs, \$10 for each CPT canceled and \$10 for each new CPT issued;

(8) for each certificate showing condition of the register, \$10;

(9) for any certified copy of any instrument or writing on file in the registrar's office, the same fees allowed by law to county recorders for like services;

(10) for a noncertified copy of any instrument or writing on file in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

(11) for filing two copies of any plat in the office of the registrar, \$30;

(12) for any other service under sections 508A.01 to 508A.85, the fee the court shall determine;

(13) for issuing a duplicate CPT pursuant to the directive of the examiner of titles in counties in which the compensation of the examiner is paid in the same manner as the compensation of other county employees, \$50, plus \$10 to memorialize;

(14) for issuing a duplicate CPT pursuant to the directive of the examiner of titles in counties in which the compensation of the examiner is not paid by the county or pursuant to an order of the court, \$10;

(15) for filing a condominium plat or an amendment to it in accordance with chapter 515, §30;

(16) for a copy of a condominium plat filed pursuant to chapters 515 and 515A, the fee shall be \$1 for each page of the plat with a minimum fee of \$10;

(17) for filing a condominium declaration and condominium plat or an amendment to it in accordance with chapter 515A, \$10 for each certificate upon which the document is registered and \$30 for the filing of the condominium plat or an amendment to it;

(18) in counties in which the compensation of the examiner of titles is paid in the same manner as the compensation of other county employees, for each parcel of land contained in the application for a CPT, as the number of parcels is determined by the examiner, \$50 a fee which is reasonable and which reflects the actual cost to the county, established by the board of county commissioners of the county in which the land is located;

(19) for filing a registered land survey in triplicate in accordance with section 508A.47, subdivision 4, §30;

(20) for furnishing a certified copy of a registered land survey in accordance with section 508A.47, subdivision 4, §10.

Sec. 4. Minnesota Statutes 1988 Supplement, section 514.12, subdivision 3, is amended to read:

Subd. 3. [ONE-YEAR LIMITATION.] No lien shall be enforced in any case unless the holder thereof shall assert the same, either by filing a complaint or answer with the court administrator, within one year after the date of the last item of the claim as set forth in the recorded lien statement; and, no person shall be bound by any judgment in such action unless made a party thereto within the year; and, as to a bona fide purchaser, mortgagee, or encumbrancer without notice, the absence from the record of a notice of lis pendens

of an action after the expiration of the year in which the lien could be so asserted shall be conclusive evidence that the lien may no longer be enforced and, in the case of registered land, the registrar of titles shall refrain from carrying forward to new certificates of title the memorials of lien statements when no such notice of lis pendens has been registered within the period; nor shall any person be bound by the judgment in such action unless made a party thereto within the year.

Sec. 5. [518.191] [SUMMARY REAL ESTATE DISPOSITION JUDGMENT.]

Subdivision 1. [ABBREVIATED JUDGMENT AND DECREE.] If real estate is described in a judgment and decree of dissolution, the court may direct either of the parties or their legal counsel to prepare and submit to the court a proposed summary real estate disposition judgment. Upon approval by the court and filing of the summary real estate disposition judgment with the court administrator, the court administrator shall provide to any party upon request certified copies of the summary real estate disposition judgment.

Subd. 2. [REQUIRED INFORMATION.] A summary real estate disposition judgment must contain the following information: (1) the full caption and file number of the case and the title "Summary Real Estate Disposition Judgment"; (2) the dates of the parties' marriage and of the entry of the judgment and decree of dissolution; (3) the names of the parties' attorneys or if either or both appeared pro-se; (4) the name of the judge and referee, if any, who signed the order for judgment and decree; (5) whether the judgment and decree resulted from a stipulation, a default, or a trial and the appearances at the default or trial; (6) whether either party changed the party's name through the judgment and decree; (7) the legal description of each parcel of real estate; (8) the name or names of the persons awarded an interest in each parcel of real estate and a description of the interest awarded; (9) liens, mortgages, encumbrances, or other interests in the real estate described in the judgment and decree; and (10) triggering or contingent events set forth in the judgment and decree affecting the disposition of each parcel of real estate.

Subd. 3. [COURT ORDER.] An order or provision in a judgment and decree that provides that the judgment and decree must be recorded in the office of the county recorder or filed in the office of the registrar of titles means, if a summary real estate disposition judgment has been approved by the court, that the summary real estate disposition judgment, rather than the judgment and decree, must be recorded in the office of the county recorder or filed in the office of the registrar of titles.

Subd. 4. [TRANSFER OF PROPERTY.] The summary real estate disposition judgment operates as a conveyance and transfer of each

interest in the real estate in the manner and to the extent described in the summary real estate disposition judgment.

Subd. 5. [CONFLICT.] If a conflict exists between the judgment and decree and the summary real estate disposition judgment, the summary real estate disposition judgment recorded in the office of the county recorder or filed in the office of the registrar of titles controls as to the interest acquired in real estate by any subsequent purchaser in good faith and for a valuable consideration, who is in possession of the interest or whose interest is recorded with the county recorder or registrar of titles, before the recording of the judgment and decree in the same office.

Sec. 6. [559.215] [CONTRACTS OF SALE; VALIDATING TERMINATIONS OF CONTRACT OF SALE.]

Every termination of a contract for the conveyance of real property or an interest in real property where service of notice of default is published for the first time or is served on the purchaser, or the purchaser's personal representative or assigns before the date in section 7 is legal and valid as against the following objections:

(1) that prior to the service of notice of termination, no mortgage registration tax was paid on the contract, or an insufficient registration tax was paid on the contract;

(2) that the notice:

(i) did not correctly state the amount of attorney fees;

(ii) failed to state or incorrectly stated the names of one or more of the sellers, or the sellers' successors or assigns, or incorrectly described the interest or representative capacity of the person giving the notice;

(iii) was printed or typed in an incorrect type size; or

(iv) incorrectly stated the number of days after service that the contract will terminate, provided that the number of days stated is not less than 30 days;

(3) that the cancellation was commenced by less than all sellers;
or

(4) that in the case of a termination by publication the notice was not served on all persons in possession of the real estate, provided it was served on at least one of those persons.

Sec. 7. [559.216] [EFFECTIVE DATES.]

The following dates apply to section 6:

(1) as to clause (2)(iv) and clause (3), August 1, 1985; and

(2) as to the general provisions of section 6, May 1, 1989.

Sec. 8. [REPEALER.]

Minnesota Statutes 1988, section 580.031, is repealed retroactive to May 1, 1989.

Sec. 9. [EFFECTIVE DATES.]

Sections 1 and 6 do not affect any action or proceeding pending on their effective date or that is commenced before February 1, 1991, involving the validity of the termination or conveyance.

Section 8 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to real estate; validating certain cancellation of contracts; validating certain conveyances by religious corporations; allowing county boards to set certain fees charged by the examiner of titles; providing for the effect of dissolution on joint tenancy; permitting the filing of summaries of dissolution judgments in real estate filings; clarifying provisions on certain liens by reordering clauses; amending Minnesota Statutes 1988, section 500.19, subdivision 5; and 514.12, subdivision 3; Minnesota Statutes Second 1989 Supplement, section 508A.82; proposing coding for new law in Minnesota Statutes, chapters 315, 518, and 559; repealing Minnesota Statutes 1988, section 580.031."

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. 1855, A bill for an act relating to children; regulating child custody and visitation in dissolution and other proceedings; amending Minnesota Statutes 1988, sections 257.025; 257.541, subdivision 2; 518.003, subdivision 3, and by adding a subdivision; 518.156; 518.619; and 518.64, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 144.224, is amended to read:

144.224 [REPORTS OF DISSOLUTION AND ANNULMENT OF MARRIAGE.]

Each month the court administrator shall forward to the commissioner of health the statistical report forms collected pursuant to section 518.147 during the preceding month. The report form shall include only the following information:

- (a) name, date of birth, birthplace, residence, race, and educational attainment of the husband and wife;
- (b) county of decree;
- (c) date and type of decree;
- (d) place and date of marriage;
- (e) date of separation;
- (f) number and ages of children of marriage;
- (g) amount and status of maintenance and child support;
- (h) custody of children, including whether joint legal or physical custody was awarded;
- (i) income of the parties;
- (j) length of separation and length of marriage; and
- (k) number of previous marriages and reasons for ending the previous marriages (death, dissolution, or annulment).

The commissioner may publish data collected under this section in summary form only. The statistical report form shall contain a statement that neither the report form, nor information contained in the form, shall be admissible in evidence in this or any subsequent proceeding.

Sec. 2. Minnesota Statutes 1988, section 257.025, is amended to read:

257.025 [CUSTODY DISPUTES.]

In any proceeding where two or more parties seek custody of a child the court shall determine the best interests of the child by considering and evaluating consider and evaluate all relevant factors in determining "the best interests of the child," including the following factors:

(a) The love, affection and other emotional ties existing between the competing parties and the child;

(b) The capacity and disposition of competing parties to give the child love, affection and guidance and continuation of the educating and raising of the child in its religion, creed, if any, or culture;

(c) The capacity and disposition of competing parties to provide the child with food, clothing, medical care or other remedial care recognized and permitted under the laws of this state in lieu of medical care, and other material needs;

(d) The length of time the child has lived in a stable, satisfactory environment and the desirability of maintaining continuity;

(e) The permanence, as a family unit, of the existing or proposed custodial home;

(f) The mental and physical health of the competing parties;

(g) The home, school and community record of the child;

(h) The cultural background of the child;

(i) The reasonable preference of the child, if the court deems the child to be of sufficient age to express preference;

(j) Any other factor considered by the court to be relevant to a particular child custody dispute.

(1) the wishes of the party or parties as to custody;

(2) the reasonable preference of the child, if the court deems the child to be of sufficient age to express preference;

(3) the child's primary caretaker;

(4) the intimacy of the relationship between each party and the child;

(5) the interaction and interrelationship of the child with a party or parties, siblings, and any other person who may significantly affect the child's best interests;

(6) the child's adjustment to home, school, and community;

(7) the length of time the child has lived in a stable, satisfactory environment and the desirability of maintaining continuity;

(8) the permanence, as a family unit, of the existing or proposed custodial home;

(9) the mental and physical health of all individuals involved;

(10) the capacity and disposition of the parties to give the child love, affection and guidance, and to continue educating and raising the child in the child's culture, religion or creed, if any;

(11) the child's cultural background; and

(12) the effect on the child of the actions of an abuser, if related to domestic abuse as defined in section 518B.01, that has occurred between the parents or the parties.

The court may not use one factor to the exclusion of all others. The court must make detailed findings on each of the factors and explain how the factors led to its conclusions and to the determination of the best interests of the child.

The fact that the parents of the child are not or were never married to each other shall not be determinative of the custody of the child.

The court shall not consider conduct of a proposed custodian that does not affect the custodian's relationship to the child.

The court shall consider evidence of a violation of section 609.507 in determining the best interests of the child.

A person may seek custody of a child by filing a petition or motion pursuant to section 518.156.

The provisions of section 518.619, shall be applicable to this section.

Sec. 3. Minnesota Statutes 1988, section 257.541, subdivision 2, is amended to read:

Subd. 2. [FATHER'S RIGHT TO VISITATION.] (a) If paternity has been acknowledged under section 257.34 and paternity has been established under sections 257.51 to 257.74, the father's rights of visitation or custody are determined under sections 518.17 and 518.175.

(b) If paternity has not been acknowledged under section 257.34 and paternity has been established under sections 257.51 to 257.74, the biological father may petition for rights of visitation or custody in the paternity proceeding or in a separate proceeding under section 518.156.

Sec. 4. Minnesota Statutes 1988, section 518.003, subdivision 3, is amended to read:

Subd. 3. [CUSTODY.] Unless otherwise agreed by the parties:

(a) "Legal custody" means the right to determine the child's upbringing, including education, health care and religious training.

(b) "Joint legal custody" means that both parents have equal rights and responsibilities, including the right to participate in major decisions determining the child's upbringing, including education, health care and religious training.

(c) "Physical custody and residence" means the routine daily care and control and the residence of the child.

(d) "Joint physical custody" means that the routine daily care and control and the residence of the child is structured between the parties.

(e) Wherever used in this chapter, the term "custodial parent" or "custodian" means the person who has the physical custody of the child at any particular time.

(f) "Custody determination" means a court decision and court orders and instructions providing for the custody of a child, including visitation rights, but does not include a decision relating to child support or any other monetary obligation of any person.

(g) "Custody proceeding" includes proceedings in which a custody determination is one of several issues, such as an action for dissolution, divorce or separation, and includes child neglect and dependency, domestic abuse, and paternity proceedings.

Sec. 5. Minnesota Statutes 1988, section 518.003, is amended by adding a subdivision to read:

Subd. 4. "Mediation" is a process in which an impartial third party facilitates an agreement between two or more parties in a proceeding.

Sec. 6. Minnesota Statutes 1988, section 518.131, subdivision 1, is amended to read:

Subdivision 1. In a proceeding brought for custody, dissolution, or legal separation, or for disposition of property, maintenance, or child support following the dissolution of a marriage, either party may, by motion, request from the court and the court may grant a temporary order pending the final disposition of the proceeding to or for:

(a) Temporary custody and visitation rights of the minor children of the parties;

(b) Temporary maintenance of either spouse;

(c) Temporary child support for the children of the parties;

(d) Temporary costs and reasonable attorney fees;

(e) Award the temporary use and possession, exclusive or otherwise, of the family home, furniture, household goods, automobiles and other property of the parties;

(f) Restrain one or both parties from transferring, encumbering, concealing or disposing of property except in the usual course of business or for the necessities of life, and to account to the court for all such transfers, encumbrances, dispositions and expenditures made after the order is served or communicated to the party restrained in open court;

(g) Restrain one or both parties from harassing, vilifying, mistreating, molesting, disturbing the peace, or restraining the liberty of the other party or the children of the parties;

(h) Restrain one or both parties from removing any minor child of the parties from the jurisdiction of the court;

(i) Exclude a party from the family home of the parties or from the home of the other party; and

(j) Require one or both of the parties to perform or to not perform such additional acts as will facilitate the just and speedy disposition of the proceeding, or will protect the parties or their children from physical or emotional harm.

Sec. 7. Minnesota Statutes 1988, section 518.131, subdivision 7, is amended to read:

Subd. 7. The court shall be guided by the factors set forth in sections 518.551 (concerning child support), 518.552 (concerning maintenance) and 518.17 to 518.175 (concerning custody and visitation), and 518.14 (concerning costs and attorney fees) in making temporary orders and restraining orders.

Sec. 8. Minnesota Statutes 1988, section 518.14, is amended to read:

518.14 [COSTS AND DISBURSEMENTS AND ATTORNEY'S FEES.]

In a proceeding brought either for dissolution or legal separation under this chapter, the court, from time to time, after considering the financial resources of both parties, may require one party to pay a reasonable amount necessary to enable the other spouse to carry on or to contest the proceeding, and to pay attorney's fees, including sums for legal services rendered and costs incurred prior to the commencement or after entry of judgment. The court may adjudge costs and disbursements against either party. The court shall award temporary attorney fees and costs to a party if the party will be unable to effectively pursue relief in family court without assistance and the opposing party has the ability to pay. The court may authorize the collection of money awarded by execution, or out of property sequestered, or in any other manner within the power of the court. An award of attorney's fees made by the court during the pendency of the proceeding or in the final judgment survives the proceeding and if not paid by the party directed to pay the same may be enforced as above provided or by a separate civil action brought in the attorney's own name. If the proceeding is dismissed or abandoned prior to determination and award of attorney's fees, the court may nevertheless award attorney's fees upon the attorney's motion. The award shall also survive the proceeding and may be enforced in the same manner as last above provided.

Sec. 9. Minnesota Statutes 1988, section 518.156, is amended to read:

518.156 [COMMENCEMENT OF CUSTODY PROCEEDING.]

Subdivision 1. In a court of this state which has jurisdiction to decide child custody matters, a child custody proceeding is commenced:

(a) By a parent

(1) By filing a petition for dissolution or legal separation; or

(2) Where a decree of dissolution or legal separation has been entered or where none is sought, by filing a petition or motion seeking custody or visitation of the child in the county where the child is permanently resident or where the child is found or where an earlier order for custody of the child has been entered; or

(b) By a person other than a parent, where a decree of dissolution or legal separation has been entered or where none is sought by

filing a petition or motion seeking custody or visitation of the child in the county where the child is permanently resident or where the child is found or where an earlier order for custody of the child has been entered.

Subd. 2. Written notice of a child custody or visitation proceeding shall be given to the child's parent, guardian and custodian, who may appear and be heard and may file a responsive pleading. The court may, upon a showing of good cause, permit the intervention of other interested parties.

Sec. 10. Minnesota Statutes 1988, section 518.167, subdivision 2, is amended to read:

Subd. 2. [PREPARATION.] (a) In preparing a report concerning a child, the investigator may consult any person who may have information about the child and the potential custodial arrangements except for persons involved in mediation efforts between the parties. Mediation personnel may disclose to investigators and evaluators information collected during mediation only if agreed to in writing by all parties. Upon order of the court, the investigator may refer the child to professional personnel for diagnosis. The investigator may consult with and obtain information from medical, psychiatric, school personnel, or other expert persons who have served the child in the past after obtaining the consent of the parents or the child's custodian or guardian.

(b) The report submitted by the investigator must consider and evaluate the factors in section 518.17, subdivision 1, and include a detailed analysis of all information considered for each factor. If joint custody is contemplated or sought, the report must consider and evaluate the factors in section 518.17, subdivision 2, state the position of each party and the investigator's recommendation and the reason for the recommendation, and reference established means for dispute resolution between the parties.

Sec. 11. Minnesota Statutes 1989 Supplement, section 518.17, subdivision 2, is amended to read:

Subd. 2. [FACTORS WHEN JOINT CUSTODY IS SOUGHT.] In addition to the factors listed in subdivision 1, where either joint legal or joint physical custody is contemplated or sought, the court shall consider the following relevant factors:

(a) The ability of parents to cooperate in the rearing of their children;

(b) Methods for resolving disputes regarding any major decision concerning the life of the child, and the parents' willingness to use those methods;

(c) Whether it would be detrimental to the child if one parent were to have sole authority over the child's upbringing; and

(d) Whether domestic abuse, as defined in section 518B.01, has occurred between the parents.

The court shall use a rebuttable presumption that upon request of either or both parties, joint legal custody is in the best interests of the child. However, the court shall use a rebuttable presumption that joint legal custody is not in the best interests of the child if domestic abuse, as defined in section 518B.01, has occurred between the parents.

Sec. 12. Minnesota Statutes 1989 Supplement, section 518.175, subdivision 1, is amended to read:

Subdivision 1. In all proceedings for dissolution or legal separation, subsequent to the commencement of the proceeding and continuing thereafter during the minority of the child, the court shall, upon the request of either parent, grant such rights of visitation on behalf of the child and noncustodial parent as will enable the child and the noncustodial parent to maintain a child to parent relationship that will be in the best interests of the child. If the person seeking visitation rights has been convicted of a crime described in subdivision 8, paragraph (d), the presumptions and standards of subdivision 8, paragraph (c), apply. In addition, if the court finds, after a hearing, that visitation is likely to endanger the child's physical or emotional health or impair the child's emotional development, the court shall restrict visitation by the noncustodial parent as to time, place, duration, or supervision and may deny visitation entirely, as the circumstances warrant. The court shall consider the age of the child and the child's relationship with the noncustodial parent prior to the commencement of the proceeding. A parent's failure to pay support because of the parent's inability to do so shall not be sufficient cause for denial of visitation.

Sec. 13. Minnesota Statutes 1989 Supplement, section 518.175, subdivision 5, is amended to read:

Subd. 5. The court shall modify an order granting or denying visitation rights whenever modification would serve the best interests of the child, ~~but the court shall.~~ Except as provided in subdivision 8, the court may not restrict visitation rights unless it finds that:

(1) the visitation is likely to endanger the child's physical or emotional health or impair the child's emotional development; or

(2) the noncustodial parent has chronically and unreasonably failed to comply with court-ordered visitation.

If the custodial parent makes specific allegations that visitation places the custodial parent or child in danger of harm, the court shall hold a hearing at the earliest possible time to determine the need to modify the order granting visitation rights. The court may require a third party, including the county welfare board, to supervise the visitation or may restrict a parent's visitation rights if necessary to protect the custodial parent or child from harm.

Sec. 14. Minnesota Statutes 1988, section 518.175, is amended by adding a subdivision to read:

Subd. 8. [SUSPENSION OF VISITATION.] (a) For purposes of this subdivision, "person with visitation rights" includes a noncustodial parent or other person with court-ordered visitation rights.

(b) If a person with visitation rights has been convicted of a crime listed in paragraph (d), the custodial parent or any other person who has been granted custody of the child under a court order may file an objection to visitation with the court. The custodial parent or other person having custody shall give written notice to the person with visitation rights of the objection and the person with visitation rights has 20 days from the notice to respond. If the person fails to respond within 20 days, the person's visitation rights are suspended until further order of the court. If the person responds and objects, a hearing must be held within 30 days of the response.

(c) The person with visitation rights who has been convicted of a crime listed in paragraph (d) has the burden at the hearing to prove that visitation by the person is in the best interests of the child. The court shall suspend the person's visitation rights unless it finds that visitation is in the best interests of the child. If the victim of the crime was a family or household member as defined in section 518B.01, subdivision 2, the standard of proof is clear and convincing evidence.

(d) This subdivision applies to the following crimes or similar crimes under the laws of the United States or any other state:

(1) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;

(2) manslaughter in the first degree under section 609.20;

(3) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;

(4) kidnapping under section 609.25;

(5) depriving another of custodial or parental rights under section 609.26;

(6) soliciting, inducing, or promoting prostitution involving a minor under section 609.322;

(7) receiving profit from prostitution involving a minor under section 609.323;

(8) criminal sexual conduct in the first degree under section 609.342;

(9) criminal sexual conduct in the second degree under section 609.343;

(10) criminal sexual conduct in the third degree under section 609.344, subdivision 1, paragraph (c), (f), or (g);

(11) solicitation of a child to engage in sexual conduct under section 609.352;

(12) incest under section 609.365;

(13) malicious punishment of a child under section 609.377; or

(14) neglect of a child under section 609.378.

(e) This subdivision does not prevent a court from restricting or denying visitation rights under this section even if the person has not been convicted of a crime listed in paragraph (d).

Sec. 15. Minnesota Statutes 1988, 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 shall 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. Both parents are presumed to be obligors to the extent of their ability. 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 determine and order child support in a specific dollar amount in accordance with the guidelines and the other factors set forth in paragraph (b) and any departure therefrom.

The court shall ~~multiply~~ derive a specific dollar amount by multiplying the obligor's net income by the percentage indicated by the following guidelines:

Net Income Per Month of Obligor	Number of Children						
	1	2	3	4	5	6	7 or more
\$400 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.						
\$401 - 500	14%	17%	20%	22%	24%	26%	28%
\$501 - 550	15%	18%	21%	24%	26%	28%	30%
\$551 - 600	16%	19%	22%	25%	28%	30%	32%
\$601 - 650	17%	21%	24%	27%	29%	32%	34%
\$651 - 700	18%	22%	25%	28%	31%	34%	36%
\$701 - 750	19%	23%	27%	30%	33%	36%	38%
\$751 - 800	20%	24%	28%	31%	35%	38%	40%
\$801 - 850	21%	25%	29%	33%	36%	40%	42%
\$851 - 900	22%	27%	31%	34%	38%	41%	44%
\$901 - 950	23%	28%	32%	36%	40%	43%	46%
\$951 - 1000	24%	29%	34%	38%	41%	45%	48%
\$1001- 4000	25%	30%	35%	39%	43%	47%	50%

Guidelines for support for an obligor with a monthly income of \$4,001 or more shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income of \$4,000.

Net Income defined as:

Total monthly
income less

- *(i) Federal Income Tax
- *(ii) State Income Tax
- (iii) Social Security
Deductions
- (iv) Reasonable
Pension Deductions

*Standard
Deductions apply-
use of tax tables
recommended

- (v) Union Dues
- (vi) Cost of Dependent
Insurance Coverage
- (vii) Cost of Individual or Group
Health/Hospitalization
Coverage or an
Amount for Actual
Medical Expenses
- (viii) A Child Support or
Maintenance Order that is
Currently Being Paid.

"Net income" does not include:

(1) the income of the obligor's spouse; or

(2) earnings, salary, overtime, bonus, commission, vacation, or profit sharing distributions if they:

(i) are not a regular and substantial part of annual salary; or

(ii) are earned by an obligor who is a full-time employee, from employment with an employer other than the employer for which the obligor is considered to be a full-time employee. The obligor shall have the burden of proof to demonstrate that any portion of the obligor's income is excluded under this clause.

(b) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support:

(1) all earnings, income, and resources of the parents, including real and personal property;

(2) the financial needs and resources, physical and emotional condition, and educational needs of the child or children to be supported;

(3) the standards of living the child would have enjoyed had the marriage not been dissolved, but recognizing that the parents now have separate households;

(4) the amount of the aid to families with dependent children grant for the child or children;

(5) which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it; and

(6) the parents' debts as provided in paragraph (c).

(c) In establishing or modifying a support obligation, the court may consider debts owed to private creditors, but only if:

(1) the right to support has not been assigned under section 256.74;

(2) the court determines that the debt was reasonably incurred for necessary support of the child or parent or for the necessary generation of income. If the debt was incurred for the necessary generation of income, the court shall consider only the amount of debt that is essential to the continuing generation of income; and

(3) the party requesting a departure produces a sworn schedule of the debts, with supporting documentation, showing goods or ser-

vices 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 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. 16. Minnesota Statutes 1988, section 518.619, is amended to read:

518.619 [CONTESTED CUSTODY OR VISITATION; MEDIATION SERVICES.]

Subdivision 1. [MEDIATION PROCEEDING.] Except as provided in subdivision 2, if it appears on the face of the petition or other application for an order or modification of an order for the custody of a child that custody is contested, or that any issue pertinent to a custody or visitation determination, including visitation rights is unresolved, the matter may be set for mediation of the contested issue prior to or concurrent with, or subsequent to the setting of the matter for hearing. The purpose of the mediation proceeding is to reduce acrimony which may exist between the parties and to develop an agreement assuring the child's close and continuing contact with both parents after the marriage is dissolved which is supportive of the child's best interests. The mediator shall use best efforts to effect a settlement of the custody or visitation dispute, but shall have no coercive authority.

Subd. 2. [EXCEPTION.] If the court determines that there is probable cause that one of the parties, or a child of a party, has been

physically or sexually abused by the other party, the court shall not require or refer the parties to mediation or any other process which requires parties to meet and confer without counsel, if any, present.

Subd. 3. [MEDIATOR APPOINTMENT.] In order to participate in a custody mediation, a mediator must be appointed by the family court. A mediator must be a member of the professional staff of a family court, probation department, mental health services agency, or a private mediation service. The mediator must be on a list of mediators approved by the court having jurisdiction of the matter, unless the parties stipulate to a mediator not on the list.

Subd. 4. [MEDIATOR QUALIFICATIONS.] A mediator who performs mediation in contested child custody matters shall meet the following minimum qualifications:

(a) knowledge of the court system and the procedures used in contested child custody matters;

(b) knowledge of other resources in the community to which the parties to contested child custody matters can be referred for assistance;

(c) knowledge of child development, clinical issues relating to children, the effects of marriage dissolution on children, and child custody research; and

(d) a minimum of 40 hours of certified mediation training.

Subd. 5. [RECORDS; PRIVATE DATA.] Mediation proceedings shall be conducted in private. All records of a mediation proceeding shall be private and not available as evidence in an action for marriage dissolution and related proceedings on any issue in controversy in the dissolution.

Subd. 6. [MEDIATOR RECOMMENDATIONS.] When the parties have not reached agreement as a result of the mediation proceeding, the mediator may recommend to the court that an investigation be conducted under section 518.167, or that other action be taken to assist the parties to resolve the controversy before hearing on the issues. The mediator may conduct the investigation. The mediator may not recommend that mutual restraining orders be issued in appropriate cases, pending determination of the controversy, to protect the well-being of the children involved in the controversy.

Subd. 7. [MEDIATION AGREEMENT.] An agreement reached by the parties as a result of mediation shall be discussed by the parties with their attorneys, if any, and the approved agreement may then be included in the marital dissolution decree or other stipulation submitted to the court. An agreement reached by the parties as a

result of mediation shall not be presented to the court nor made enforceable unless the parties and their counsel, if any, consent to its presentation to the court, and the court adopts the agreement.

Subd. 8. [RULES.] Each court shall adopt rules to implement this section, and shall compile and maintain a list of mediators.

Sec. 17. Minnesota Statutes 1989 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. On a motion for modification of support, the court shall take into consideration the needs of any child of the support obligor born or adopted after entry of the decree of dissolution of the parties' marriage. A modification of support or maintenance may be made retroactive only with respect to any period during which the petitioning party has pending a motion for modification but only from the date of service of notice of the motion on the responding party. However, modification may be applied to an earlier period if the court makes express findings that the party seeking modification was precluded from serving a motion by reason of a significant physical or mental disability, a material misrepresentation of another party or other compelling reason and that the party seeking modification, when no longer precluded, promptly served a motion. 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."

Delete the title and insert:

"A bill for an act relating to family law; modifying dissolution

statistical report requirements; regulating child custody and visitation in dissolution and other proceedings; modifying standards for joint legal custody; providing for the award of temporary attorney fees; providing standards for visitation rights when a noncustodial parent has been convicted of certain crimes; providing funding for legal representation in family law matters; amending Minnesota Statutes 1988, sections 144.224; 257.025; 257.541, subdivision 2; 518.003, subdivision 3, and by adding a subdivision; 518.131, subdivisions 1 and 7; 518.14; 518.156; 518.167, subdivision 2; 518.175, by adding a subdivision; 518.551, subdivision 5; and 518.619; Minnesota Statutes 1989 Supplement, sections 518.17, subdivision 2; 518.175, subdivisions 1 and 5; and 518.64, subdivision 2."

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. 1861, A bill for an act relating to game and fish; requiring the commissioner of natural resources to adopt an order regulating the sale and use of blowguns; proposing coding for new law in Minnesota Statutes, chapter 97B.

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. 1884, A bill for an act relating to domestic abuse; improving prosecutorial procedures in domestic abuse cases; requiring the commissioner of public safety to study the feasibility and costs of a statewide computerized data base on domestic abuse; appropriating money; amending Minnesota Statutes 1988, section 611A.0315, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 611A and 629.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 518B.01, subdivision 6, is amended to read:

Subd. 6. [RELIEF BY THE COURT.] (a) Upon notice and hearing, the court may provide relief as follows:

(1) restrain the abusing party from committing acts of domestic abuse;

(2) exclude the abusing party from the dwelling which the parties share or from the residence of the petitioner;

(3) award temporary custody or establish temporary visitation with regard to minor children of the parties on a basis which gives primary consideration to the safety of the victim and the children. If the court finds that the safety of the victim or the children will be jeopardized by unsupervised or unrestricted visitation, the court shall condition or restrict visitation as to time, place, duration, or supervision, or deny visitation entirely, as needed to guard the safety of the victim and the children. The court's deliberation under this subdivision shall in no way delay the issuance of an order for protection granting other reliefs provided for in Laws 1985, chapter 195;

(4) on the same basis as is provided in chapter 518, establish temporary support for minor children or a spouse, and order the withholding of support from the income of the person obligated to pay the support according to chapter 518;

(5) provide upon request of the petitioner counseling or other social services for the parties, if married, or if there are minor children;

(6) order the abusing party to participate in treatment or counseling services;

(7) award temporary use and possession of property and restrain one or both parties from transferring, encumbering, concealing, or disposing of property except in the usual course of business or for the necessities of life, and to account to the court for all such transfers, encumbrances, dispositions, and expenditures made after the order is served or communicated to the party restrained in open court;

(8) exclude the abusing party from the place of employment of the petitioner or otherwise limit the abusing party's access to the petitioner at the petitioner's place of employment; and

(9) order, in its discretion, other relief as it deems necessary for the protection of a family or household member, including orders or directives to the sheriff or constable, as provided by this section.

(b) Any relief granted by the order for protection shall be for a

fixed period not to exceed one year, except when the court determines a longer fixed period is appropriate.

(c) An order granting the relief authorized in paragraph (a), clause (1), may not be vacated or modified in a proceeding for dissolution of marriage or legal separation, except that the court may hear a motion for modification of an order for protection concurrently with a proceeding for dissolution of marriage upon notice of motion and motion. The notice required by court rule shall not be waived. If the proceedings are consolidated and the motion to modify is granted, a separate order for modification of an order for protection shall be issued.

(d) An order granting the relief authorized in paragraph (a), clause (2), is not voided by the admittance of the abusing party into the dwelling from which the abusing party is excluded.

Sec. 2. Minnesota Statutes 1988, section 518B.01, subdivision 7, is amended to read:

Subd. 7. [TEMPORARY ORDER.] (a) Where an application under this section alleges an immediate and present danger of domestic abuse, the court may grant an ex parte temporary order for protection, pending a full hearing, and granting relief as the court deems proper, including an order:

(1) restraining the abusing party from committing acts of domestic abuse;

(2) excluding any party from the dwelling they share or from the residence of the other except by further order of the court; and

(3) excluding the abusing party from the place of employment of the petitioner or otherwise limiting the abusing party's access to the petitioner at the petitioner's place of employment.

(b) An ex parte temporary order for protection shall be effective for a fixed period not to exceed 14 days, except for good cause as provided under paragraph (c). A full hearing, as provided by this section, shall be set for not later than seven days from the issuance of the temporary order. The respondent shall be served forthwith a copy of the ex parte order along with a copy of the petition and notice of the date set for the hearing.

(c) When service is made by published notice, as provided under subdivision 5, the petitioner may apply for an extension of the period of the ex parte order at the same time the petitioner files the affidavit required under that subdivision. The court may extend the ex parte temporary order for an additional period not to exceed 14 days. The respondent shall be served forthwith a copy of the modified

ex parte order along with a copy of the notice of the new date set for the hearing.

Sec. 3. Minnesota Statutes 1988, section 518B.01, subdivision 14, is amended to read:

Subd. 14. [VIOLATION OF AN ORDER FOR PROTECTION.] (a) Whenever an order for protection is granted pursuant to this section, and the respondent or person to be restrained knows of the order, violation of the order for protection is a misdemeanor.

(b) A peace officer shall arrest without a warrant and take into custody a person whom the peace officer has probable cause to believe has violated an order granted pursuant to this section restraining the person or excluding the person from the residence, if the existence of the order can be verified by the officer. The arrest must be made even if the violation of the order did not take place in the presence of the peace officer.

(c) A violation of an order for protection shall also constitute contempt of court and be subject to the penalties therefor.

(d) If the court finds that the respondent has violated an order for protection and that there is reason to believe that the respondent will commit a further violation of the provisions of the order restraining the respondent from committing acts of domestic abuse or excluding the respondent from the petitioner's residence, the court may require the respondent to acknowledge an obligation to comply with the order on the record. The court may require a bond sufficient to deter the respondent from committing further violations of the order for protection, considering the financial resources of the respondent and not to exceed \$10,000. If the respondent refuses to comply with an order to acknowledge the obligation or post a bond under this paragraph, the court shall commit the respondent to the county jail during the term of the order for protection or until the respondent complies with the order under this paragraph. The warrant must state the cause of commitment, with the sum and time for which any bond is required. If an order is issued under this paragraph, the court may order the costs of the contempt action, or any part of them, to be paid by the respondent. An order under this paragraph is appealable.

(e) Upon the filing of an affidavit by the petitioner or any peace officer, alleging that the respondent has violated any order for protection granted pursuant to this section, the court may issue an order to the respondent, requiring the respondent to appear and show cause within 14 days why the respondent should not be found in contempt of court and punished therefor. The hearing may be held by the court in any county in which the petitioner or respondent temporarily or permanently resides at the time of the alleged violation. The court also may refer the violation of the order for

protection to the appropriate prosecuting authority for possible prosecution under paragraph (a).

(e) (f) The admittance into petitioner's dwelling of an abusing party excluded from the dwelling under an order for protection is not a violation by the petitioner of the order for protection.

A peace officer is not liable under section 609.43, clause (1), for a failure to perform a duty required by clause (b).

Sec. 4. [611A.0311] [DOMESTIC ABUSE PROSECUTIONS; PLAN AND PROCEDURES.]

Subdivision 1. [DEFINITIONS.] (a) "Domestic abuse" has the meaning given in section 518B.01, subdivision 2.

(b) "Domestic abuse case" means a prosecution for: (1) a crime that involves domestic abuse; (2) violation of a condition of release following an arrest for a crime that involves domestic abuse; or (3) violation of a domestic abuse order for protection.

Subd. 2. [CONTENTS OF PLAN.] The commissioner of public safety shall select five city attorneys and five county attorneys whose jurisdictions have higher than a 50 percent dismissal rate for domestic abuse cases and direct them to develop and implement a written plan to expedite and improve the efficiency and just disposition of domestic abuse cases brought to the prosecuting authority. Domestic abuse advocates and other interested members of the public shall have an opportunity to assist in the development of the model plan and in the development or adaptation of the plans in each of the jurisdictions selected for the pilot program. Once a model plan is developed and available it may be used or adapted by any city or county attorney whether or not they are participating in the pilot program. The model plan shall state goals and contain policies and procedures to address the following matters:

(a) The plan must provide for (1) early assignment of a trial prosecutor who has the responsibility, whenever feasible, of handling the domestic abuse case through disposition or, where applicable, through probation revocation; and (2) early contact between the trial prosecutor and the victim.

(b) The plan must contain procedures to facilitate the earliest possible contact between the prosecutor's office and the victim for the purpose of acquainting the victim with the criminal justice process, the use of subpoenas, the victim's role as a witness in the prosecution, and the domestic abuse or victim services that are available.

(c) The plan must contain procedures to coordinate the trial

prosecutor's efforts with those of the domestic abuse advocate or victim advocate, when available, and to facilitate the early provision of advocacy services to the victim.

(d) The plan must describe the methods that will be used to identify, gather, and preserve evidence in addition to the victim's in-court testimony that will enhance the ability to prosecute a case when a victim is reluctant to assist including, but not limited to, physical evidence of the victim's injury, evidence relating to the scene of the crime, eyewitness testimony, and statements of the victim made at or near the time of the injury.

(e) The plan must contain procedures for educating local law enforcement agencies about the contents of the plan and their role in assisting with its implementation.

(f) The plan must encourage the issuance of subpoenas to victims and witnesses, when appropriate.

(g) The plan must include procedures for annual review of the plan to evaluate whether it is meeting its goals effectively and whether improvements are needed.

(h) The plan must include a timetable for implementation.

Subd. 3. [COPY FILED WITH DEPARTMENT OF PUBLIC SAFETY.] A copy of the written plan must be filed with the department of public safety on or before November 15, 1990. The city and county attorneys selected for the pilot program under subdivision 2 shall file a status report on the pilot program by January 1, 1992. The status report must contain information on the number of prosecutions and dismissals of domestic abuse cases in the prosecutor's office. The written plan and the status reports are classified as public data.

Sec. 5. Minnesota Statutes 1988, section 611A.0315, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF DECISION NOT TO PROSECUTE.]
(a) A prosecutor shall make every reasonable effort to notify a domestic assault victim that the prosecutor has decided to decline prosecution of the case or to dismiss the criminal charges filed against the defendant. Efforts to notify the victim should include, in order of priority: (1) contacting the victim or a person designated by the victim by telephone; and (2) contacting the victim by mail. If a suspect is still in custody, the notification attempt shall be made before the suspect is released from custody.

(b) Whenever a prosecutor dismisses criminal charges against a person accused of domestic assault, a record shall be made of the

specific reasons for the dismissal. If the dismissal is due to the unavailability of the witness, the prosecutor shall indicate the specific reason why the witness is unavailable.

Sec. 6. [DOMESTIC ABUSE; PLAN FOR STATEWIDE COMPUTER DATA SYSTEM.]

The commissioner of public safety, in consultation with the department of corrections and the state court administrator, shall evaluate the feasibility and costs of establishing a statewide computerized data system containing the following information on domestic assault crimes and domestic abuse orders for protection:

(1) identifying information on individuals arrested for, charged with, or convicted of domestic assault, as defined in Minnesota Statutes, section 611A.0315, and the names and birthdates of their victims or alleged victims;

(2) prior arrests and convictions of individuals described in clause (1) for homicide, assault, criminal sexual conduct, criminal damage to property, kidnapping, terroristic threats, trespass, obscene or harassing telephone calls, interference with privacy, harassment by means of the mail, or violations of an order for protection;

(3) pretrial release conditions applicable to individuals charged with domestic assault;

(4) probation and supervised release conditions applicable to individuals convicted of domestic assault;

(5) identifying information on respondents who are or were subject to an order for protection issued under Minnesota Statutes, chapter 518B, and the name and birthdate of the petitioner and other individuals protected under the order; and

(6) the terms and conditions of these orders for protection.

The evaluation shall include consideration of the risk to victims of creating a database that contains identifying information on victims.

The commissioner shall report to the legislature on or before February 1, 1991, on the results of the evaluation."

Delete the title and insert:

"A bill for an act relating to domestic abuse; authorizing courts to exclude a respondent from the place of employment of a petitioner in an order for protection; clarifying the probable cause arrest provi-

sion for violations of orders for protection; authorizing bonds to ensure compliance with orders for protection; authorizing referrals to prosecuting authorities for violations of orders for protection; improving prosecutorial procedures in domestic abuse cases; requiring the commissioner of public safety to study the feasibility and costs of a statewide computerized database on domestic abuse; amending Minnesota Statutes 1988, sections 518B.01, subdivisions 6, 7, and 14; and 611A.0315, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 611A."

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 1902, A bill for an act relating to insurance; property and casualty; requiring compensation to certain agents upon termination; proposing coding for new law in Minnesota Statutes, chapter 60A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [60A.176] [INVOLUNTARY TERMINATION OF AN AGENT BY THE INSURER.]

(a) For purposes of this section, the following terms have the meanings given them:

(1) "Agency" means an agency contractual relationship that has been in effect five years or more.

(2) "Agent" means an agent who is not an employee of the insurer and who writes 80 percent or more of the agent's business through one insurer or its subsidiaries.

(3) "Insurer" means an insurance company writing property or casualty loss insurance in this state through agents.

(b) Every insurer shall establish a termination review process for any agent involuntarily terminated by the company. This review process is available for use at the option of the agent. The review process shall be completed within 15 days of the request or before the date of termination, whichever is later.

(c) In the event of a voluntary or involuntary termination, the agent is entitled to a hearing conducted by the department of commerce.

In the event of a company initiated termination of an agent's agreement, the written notice of termination shall advise the agent of the agent's right of appeal to the commissioner of commerce.

Upon receipt of an agent's request for a hearing, the commerce department shall establish a hearing date within 30 days of the request or longer with the approval of the agent and the insurer. A three-member board of review shall be selected from a list of ten agents and ten insurer representatives appointed by the commissioner. One member shall be selected by the agent, one by the insurer, and one by the commissioner. The agent and the insurer shall be notified in writing of the date, time, and place of the hearing. An insurer is immune from any civil liability to the agent for any disclosure made at the hearing. This immunity does not extend to disclosures made in bad faith or with knowledge of their falseness.

The agent selected for the board of review shall not be a relative of the agent nor shall the agent or insurer member of the board be presently or formerly associated with any insurer represented by the agent.

Upon completion of the hearing, the board of review shall determine if the termination of the agent's agreement is justified. If in the opinion of the board of review the involuntary termination is not justified, and in the absence of a reasonable contractual financial provision for termination as determined by the commissioner, the commissioner shall determine an appropriate level of compensation to the agent.

If in the opinion of the board of review the resignation was not voluntary and the insurer would not have been justified in terminating the agent's agreement, and in the absence of a reasonable contractual financial provision for termination as determined by the commissioner, the commissioner shall determine an appropriate level of compensation to the agent.

(d) Any determination by the commissioner may be appealed to district court by either party for a trial de novo. However, if the insurer appeals and the agent prevails, the insurer is responsible for the agent's legal fees as approved by the court. A person who intimidates or coerces a member of the board of review is subject to a civil penalty imposed by the commissioner of commerce in an amount not to exceed \$25,000.

(e) This section does not apply to an agent whose license has expired, is revoked, or is currently under suspension.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

Amend the title as follows:

Page 1, delete line 3

Page 1, line 4, delete "termination" and insert "regulating terminations of agents; prescribing a penalty"

With the recommendation that when so amended the bill pass.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 1907, A bill for an act relating to human services; requiring increases in rates for wages of employees of intermediate care facilities for persons with mental retardation, semi-independent living services, home and community-based waived services, developmental achievement centers, and mental health residential programs; requiring a fair wage plan; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 252.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [252.285] [WAGE ADJUSTMENTS.]

Subdivision 1. [ICF/MR PER DIEM INCREASE.] The commissioner shall increase per diems for each intermediate care facility for persons with mental retardation and related conditions by a wage adjustment figured by multiplying the total wages, payroll taxes, and fringe benefits for personnel below top management by five percent beginning October 1, 1990, through September 30, 1991. All increased revenue received by facilities as a result of this calculation must be used for wages and related costs of personnel in positions below top management.

Subd. 2. [DEVELOPMENTAL ACHIEVEMENT CENTERS PER DIEM INCREASE.] In establishing, operating, or contracting for the provision of developmental achievement centers under section 252.24, a county board shall contract at rates to reflect increased wages figured by multiplying the total wages, payroll taxes, and

fringe benefits for personnel below top management times five percent for fiscal year 1991. All increased revenue received by facilities as a result of this calculation must be used for wages and related costs of personnel in positions below top management.

County boards shall submit a plan to the commissioner to implement increased wages according to this subdivision by September 15, 1990. If the county fails to submit a plan, the state may direct the county regarding implementation of this subdivision.

Subd. 3. [MENTAL HEALTH RESIDENTIAL PROGRAMS.] In establishing, operating, or contracting for the provision of programs licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, a county board shall contract at rates to reflect increased wages figured by multiplying the total wages, payroll taxes, and fringe benefits for personnel below administration times five percent for fiscal year 1991. All increased revenue received by programs as a result of this calculation must be used for wages and related costs of personnel in positions below administration.

(a) Increases to program grants under Minnesota Rules, parts 9535.2000 to 9535.3000, shall be made to counties upon their submission of the total increase in program costs for residential programs according to this subdivision.

(b) Increases to Minnesota supplemental assistance negotiated rates shall be made upon submission by counties of the increases in negotiated rate contracts for board and lodging made according to this subdivision.

Sec. 2. [252.53] [TASK FORCE ON COMPENSATION.]

The commissioner of human services shall establish a task force on the compensation and training of employees in the developmental disabilities field. The purpose of the task force is to address staff turnover, recruitment, and training in order to have a significant number of qualified people working in programs for people with developmental disabilities. Programs include intermediate care facilities for persons with mental retardation, semi-independent living services, day training and habilitation, waived services, supported employment, and rehabilitation facilities. Members of the task force shall be appointed by the commissioner. Task force membership shall consist of at least one representative from the department of human services, the department of employee relations, the department of jobs and training, advocates, and the department of health, direct care staff from unionized and non-unionized facilities, providers, collective bargaining representatives, and representatives from institutions of post-secondary education, metro and greater Minnesota counties, and the governor's council on developmental disabilities. The task force shall

submit a report to the commissioner by November 1, 1990, that includes recommendations on the following:

(1) entry and promotional level wage ranges for various job classifications which reduce wage and benefit inequities between community and state-operated facilities and services;

(2) implementation of wage and benefit increases over a four-year period to ensure that wages and benefits are brought up to a level competitive within the community marketplace;

(3) mechanisms to link wage increases to initial training, continuing education, and competency;

(4) recruitment and retention of qualified staff; and

(5) the impact of making adjustments pursuant to complying with United States Code, title 29, section 157 (Supp. 1988), and sections 179.16 and 179A.12.

By January 15, 1991, the commissioner shall submit the report and recommended legislation to implement the report to the chairs of the house and senate health and human services committees.

Sec. 3. [APPROPRIATION.]

\$ is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1991, for increased per diems under section 1.

\$ is appropriated from the general fund to the commissioner of human services for the fiscal year ending June 30, 1991, to establish the task force on compensation under section 2."

Delete the title and insert:

"A bill for an act relating to human services; requiring increases in rates for wages of employees of intermediate care facilities for persons with mental retardation or related conditions, developmental achievement centers, and mental health residential programs; establishing a task force on compensation; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 252."

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. 1916, A bill for an act relating to elections; requiring the designation of a local government election for election of county, municipal, and school district officers, and officers of all other political subdivisions except certain towns; requiring that certain questions be voted on only at the local government election for the political subdivision; requiring uniform and coordinated election precincts and polling places for municipalities and school districts; superseding certain inconsistent general and special laws and home rule charter provisions; appropriating money; amending Minnesota Statutes 1988, sections 40.05, subdivisions 1, 3, and 4; 40.06, subdivision 1; 122.23, subdivisions 12 and 17; 122.25, subdivision 2; 123.12, subdivision 1; 123.33, subdivision 1; 123.34, subdivision 1; 123.351, subdivisions 1 and 3; 123.51; 124.43, subdivision 3b; 200.02, by adding a subdivision; 201.071, subdivisions 1, 3, and 8; 203B.06, subdivision 3; 204B.14, by adding a subdivision; 204B.16, subdivision 1; 204B.18, subdivision 2, and by adding a subdivision; 204C.10, subdivision 1; 204D.02, subdivisions 1 and 2; 204D.11, subdivision 5; 204D.16; 205.02, subdivision 2; 205.10, subdivision 1; 205.13, subdivisions 1 and 6; 205.185, subdivisions 2, 3, and by adding a subdivision; 205A.02; 205A.05, subdivision 1; 205A.06, subdivision 5; 365.51, subdivision 3; 367.03; 375.03; 375.101, by adding a subdivision; 375.20; 375A.12, subdivision 4; 382.01; 383A.06, subdivision 2; 397.06; 397.07; 398.04; 410.12, subdivision 4; 410.21; 412.02, subdivision 2; 412.571, subdivision 5; 426.19, subdivision 2; 447.32, subdivisions 1 and 2; 447.48; 469.0724; 469.190, subdivision 5; and 475.58, subdivision 1a; Minnesota Statutes 1989 Supplement, sections 122.23, subdivision 18; 124.82, subdivision 3; 128.01, subdivision 3; 129B.73, subdivision 4; 136D.741, subdivision 4; 375.18, subdivision 3; 412.021, subdivision 2; and 471.191, subdivision 2; Minnesota Statutes Second 1989 Supplement, sections 275.58, subdivision 1; and 373.40, subdivision 2; proposing coding for new law in chapter 205; repealing Minnesota Statutes 1988, sections 123.015; 123.11, subdivisions 2, 3, 4, 5, and 6; 123.32, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 11, 22, 24, 25, 26, and 27; 200.015; 201.095; 204D.28, subdivision 5; 205.02; 205.065, subdivisions 2, 3, 4, 5, 6, and 7; 205.07; 205.10; 205.121; 205.175; 205.18, subdivision 1; 205.20; 206.76; 375.101, subdivisions 1 and 2; and 447.32, subdivisions 3 and 4; Minnesota Statutes 1989 Supplement, sections 205.065, subdivision 1; and 205.18, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 9, delete "DAY"

Page 3, line 15, after "questions" insert "involving adopting or amending a city charter"

Page 3, line 16, delete the colon and insert a period

Page 3, delete lines 17 to 24

Page 10, line 10, after "and" insert "the"

Page 10, line 11, delete "elections" and insert "election"

Page 18, after line 16, insert:

"Sec. 18. Minnesota Statutes 1988, section 206.58, subdivision 1, is amended to read:

Subdivision 1. [MUNICIPALITIES.] The governing body of a municipality, at a regular meeting or at a special meeting called for the purpose, may provide for the use of lever voting machines or, by the affirmative vote of two-thirds of its members, may provide for the use of an electronic voting system, in one or more precincts and at all elections in the precincts. The governing body shall disseminate information to the public about the use of a new voting system at least 60 days prior to the election and shall provide for instruction of voters with a demonstration voting machine or device in a public place for the six weeks immediately prior to the first election at which the new voting system will be used.

If a machine is designed in a way that does not allow voting on all candidates and issues pursuant to this chapter, the machines may be used to the extent compliance with this chapter is possible and paper ballots complying with election laws shall be used for all other offices and issues. In all other circumstances where a voting machine or system is used in a polling place, all offices and issues to be voted on in that polling place shall appear on the ballot cards or ballot strips used for the machines or systems. No machine or system shall be adopted or used unless it has been approved by the secretary of state pursuant to section 206.57.

Sec. 19. Minnesota Statutes 1988, section 206.61, is amended by adding a subdivision to read:

Subd. 4a. [ORDER OF OFFICES AND QUESTIONS.] The offices and questions to be voted on in an election shall be listed in the following order: federal and state offices, as provided in the rules of the secretary of state; proposed constitutional amendments; county offices and questions; municipal offices and questions; school district offices and questions; other district offices and questions; and judicial offices.

Page 19, line 24, reinstate "at the" and "place of holding the state general"

Page 19, line 25, reinstate "election,"

Page 30, line 17, delete "URBAN" and insert "CERTAIN"

Page 31, delete section 19 and insert:

"Sec. 19. Minnesota Statutes 1988, section 375.09, is amended to read:

375.09 [MAY NOT HOLD OTHER OFFICE; BRIBERY; VIOLATION; MALFEASANCE.]

No county commissioner shall hold another elected office during tenure as commissioner ~~nor be employed by the county~~. No commissioner shall receive any money or other valuable thing as a condition of voting or inducement to vote for any contract or other thing under consideration by the board. Every election and every contract or payment voted for or made contrary to this section is void. Any violation of this section is a malfeasance in office.

Sec. 20. [375.093] [EMPLOYEES; ELECTION AS COMMISSIONERS.]

A county employee who is elected to be a county commissioner shall take a leave of absence from the employee's position with the county. The county shall grant the leave for the time of actual and continuous service as county commissioner. At the termination of the elective service, the employee shall be reinstated in the classified or other position held by the employee at the time of taking office as commissioner or in a position of the same class and grade or level. Reinstatement shall be with seniority for the time served as commissioner and without loss of other seniority."

Page 34, after line 2, insert:

"Sec. 25. Minnesota Statutes 1988, section 410.12, subdivision 4, is amended to read:

Subd. 4. [ELECTION.] Amendments shall be submitted to the qualified voters at a municipal general or special election and published as in the case of the original charter. The form of the ballot shall be fixed by the governing body. The statement of the question on the ballot shall be sufficient to identify the amendment clearly and to distinguish the question from every other question on the ballot at the same time. If 51 percent of the votes cast on any amendment are in favor of its adoption, copies of the amendment and certificates shall be filed, as in the case of the original charter and the amendment shall take effect in 30 days from the date of the election or at such other time as is fixed in the amendment."

Pages 37 to 49, delete article 5

Page 49, line 7, delete "6" and insert "5"

Page 49, after line 26, insert:

"The governing body of each political subdivision subject to article 1, section 2, subdivisions 2 and 3, shall designate in ordinance or resolution adopted by December 1, 1992, either the odd-numbered or even-numbered year for its local government election."

Page 54, line 11, delete "375.101, subdivisions 1 and 2;"

Page 54, line 14, delete "6" and insert "5"

Page 54, line 17, insert "and"

Page 54, line 18, delete "; and article 5, sections 2 and 3,"

Renumber the sections in sequence

Correct internal references

Delete the title and insert:

"A bill for an act relating to elections; requiring the designation of a local government election for election of county, municipal, and school district officers, and officers of all other political subdivisions except certain towns; requiring uniform and coordinated election precincts and polling places for municipalities and school districts; changing certain requirements for municipal elections and county officeholders; superseding certain inconsistent general and special laws and home rule charter provisions; appropriating money; amending Minnesota Statutes 1988, sections 40.05, subdivisions 1, 3, and 4; 40.06, subdivision 1; 122.23, subdivisions 12 and 17; 122.25, subdivision 2; 123.12, subdivision 1; 123.33, subdivision 1; 123.34, subdivision 1; 123.351, subdivisions 1 and 3; 123.51; 200.02, by adding a subdivision; 201.071, subdivisions 1, 3, and 8; 203B.06, subdivision 3; 204B.14, by adding a subdivision; 204B.16, subdivision 1; 204B.18, subdivision 2, and by adding a subdivision; 204C.10, subdivision 1; 204D.02, subdivisions 1 and 2; 204D.11, subdivision 5; 204D.16; 205.02, subdivision 2; 205.13, subdivisions 1 and 6; 205.185, subdivisions 2, 3, and by adding a subdivision; 205A.02; 205A.06, subdivision 5; 206.58, subdivision 1; 206.61, by adding a subdivision; 365.51, subdivision 3; 367.03; 375.03; 375.09; 382.01; 397.06; 397.07; 398.04; 410.12, subdivision 4; 410.21; 412.02, subdivision 2; 412.571, subdivision 5; and 447.32, subdivisions 1 and 2; Minnesota Statutes 1989 Supplement, sections 122.23, subdivision 18; 128.01, subdivision 3; and 412.021, subdivision 2; proposing

coding for new law in chapters 205 and 375; repealing Minnesota Statutes 1988, sections 123.015; 123.11, subdivisions 2, 3, 4, 5, and 6; 123.32, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 11, 22, 24, 25, 26, and 27; 200.015; 201.095; 204D.28, subdivision 5; 205.02; 205.065, subdivisions 2, 3, 4, 5, 6, and 7; 205.07; 205.10; 205.121; 205.175; 205.18, subdivision 1; 205.20; 206.76; and 447.32, subdivisions 3 and 4; Minnesota Statutes 1989 Supplement, sections 205.065, subdivision 1; and 205.18, 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. 1929, A bill for an act relating to education; deleting the four-year or equivalent limitation on post-secondary child care grants; amending Minnesota Statutes 1989 Supplement, section 136A.125, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 23, before the semicolon insert “, has not earned the minimum number of credits necessary for a baccalaureate degree in the applicant’s field of study, and has not received more than eight semesters, 12 quarters, or the equivalent of child care grants”

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. 1979, A bill for an act relating to controlled substances; increasing the excise tax on cigarettes, beer, wine, and alcoholic beverages; creating the local government drug council; providing for grants to local governments for drug treatment and criminal justice; amending Minnesota Statutes 1988, sections 297.02, subdivision 1; and 297C.02, subdivisions 1, 2, and 3; Minnesota Statutes 1989 Supplement, sections 299A.29, subdivision 3, and by adding a subdivision; 299A.30; 299A.32, subdivisions 1 and 2; 299A.34; 299A.35, subdivision 1; 299A.36; and 299A.40, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapter 299A; repealing Minnesota Statutes 1989 Supplement, section 299A.35, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 290.06, is amended by adding a subdivision to read:

Subd. 23. [CREDIT FOR PROVIDERS OF SHELTER TO ABUSED OR NEGLECTED CHILDREN.] An individual who is not the parent or legal foster parent of a child may take a credit against the tax due under this chapter equal to \$250 per month for each month that the child resides with the individual under a court order issued under chapter 260. If the amount of the credit that an individual may claim under this subdivision exceeds the individual's tax liability under this chapter, the excess amount of the credit shall be refunded to the individual by the commissioner.

Sec. 2. Minnesota Statutes 1988, section 290.06, is amended by adding a subdivision to read:

Subd. 24. [CREDIT FOR EMPLOYERS' FAMILY PROGRAMS.] A taxpayer may take a credit against the tax due under this chapter equal to the cost incurred by the taxpayer for providing a course or program on prenatal care or early childhood family education for employees of the taxpayer. The credit is available only for costs incurred during the first 12 consecutive months during which the taxpayer made the service available to employees. The credit may not exceed a total of \$2,500 in one or two taxable years. An employer who provides these services to employees prior to March 1, 1990, is not eligible for a credit under this subdivision. As used in this subdivision, "early childhood family education" means a program described in section 121.882.

Sec. 3. Minnesota Statutes 1988, section 297.02, subdivision 1, is amended to read:

Subdivision 1. [RATES.] A tax is hereby imposed upon the sale of cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, ~~19~~ 20 mills on each such cigarette;

(2) On cigarettes weighing more than three pounds per thousand, ~~38~~ 40 mills on each such cigarette.

Sec. 4. Minnesota Statutes 1988, section 297C.02, subdivision 1, is amended to read:

Subdivision 1. [DISTILLED SPIRITS AND WINE.] There is imposed on all distilled spirits and wine manufactured, imported, sold, or possessed in this state the following excise tax:

	Standard	Metric
(a) Distilled spirits, liqueurs, cordials, and specialties regardless of alcohol content (excluding ethyl alcohol)	\$5.03 per gallon	\$1.33 per liter
(b) Wine containing 14 percent or less alcohol by volume	<u>\$.30 \$1.51</u> per gallon	<u>\$.08 \$.40</u> per liter
(c) Wine containing more than 14 percent but not more than 21 percent alcohol by volume	<u>\$.95 \$3.79</u> per gallon	<u>\$.25 \$1.00</u> per liter
(d) Wine containing more than 21 percent but not more than 24 percent alcohol by volume	\$1.82 per gallon	\$.48 per liter
(e) Wine containing more than 24 percent alcohol by volume	\$3.52 per gallon	\$.93 per liter
(f) Natural and artificial sparkling wines containing alcohol	<u>\$1.82 \$3.79</u> per gallon	<u>\$.48 \$1.00</u> per liter

The metric tax is imposed on all products taxable under this subdivision when the net contents are stated in metric units of measure.

In computing the tax on a package of distilled spirits or wine a proportional tax at a like rate on all fractional parts of a gallon or liter must be paid, except that the tax on a fractional part of a gallon less than 1/16 of a gallon is the same as for 1/16 of a gallon.

The tax on miniatures of two fluid ounces or less or 50 milliliters or less is 14 15 cents.

The commissioner of revenue may establish by rule a date and procedure for the conversion of excise tax computation and reporting from rates expressed in gallons to rates expressed in metric volumes. The official conversion factor is one liter equals 0.264172 United States gallons.

Sec. 5. Minnesota Statutes 1989 Supplement, section 299A.29, is amended by adding a subdivision to read:

Subd. 2a. [ALCOHOL.] "Alcohol" means alcoholic beverages as defined in section 340A.101, subdivision 2.

Sec. 6. Minnesota Statutes 1989 Supplement, section 299A.30, is amended to read:

299A.30 [OFFICE OF DRUG AND ALCOHOL ABUSE POLICY.]

Subdivision 1. [OFFICE; ASSISTANT COMMISSIONER.] The office of drug and alcohol abuse policy is an office in the department of public safety headed by an assistant commissioner appointed by the commissioner to serve in the unclassified service. The assistant commissioner may appoint other employees in the unclassified service. The assistant commissioner shall coordinate the activities of drug and alcohol program agencies and serve as staff to the drug and alcohol abuse prevention resource council.

Subd. 2. [DUTIES.] (a) The assistant commissioner shall gather and make available information on demand reduction and supply reduction throughout the state, foster cooperation among drug and alcohol program agencies, and assist agencies and public officials in training and other programs designed to improve the effectiveness of demand reduction and supply reduction.

(b) The assistant commissioner shall coordinate the distribution of funds received by the state of Minnesota through the federal Anti-Drug Abuse Act. ~~The assistant commissioner may obtain technical assistance from the state planning agency to perform this function.~~ The assistant commissioner shall recommend to the commissioner recipients of grants under sections 299A.33 and 299A.34 to 299A.40, after consultation with the drug and alcohol abuse prevention resource council.

(c) The assistant commissioner shall:

(1) after consultation with all drug program appropriate agencies operating in the state, develop a state drug strategy encompassing the efforts of those agencies and taking into account all money available for demand reduction and supply reduction, from any source;

(2) submit the strategy to the governor and the legislature by January 15 of each year, along with a summary of demand reduction and supply reduction during the preceding calendar year;

(3) assist appropriate professional and occupational organizations, including organizations of law enforcement officers, prosecutors, and

educators, in developing and operating informational and training programs to reduce and prevent alcohol abuse and to improve the effectiveness of drug demand reduction and supply reduction; and

(4) provide information and assistance to drug and alcohol program agencies, both directly and by functioning as a clearinghouse for information from other drug and alcohol program agencies.

Sec. 7. Minnesota Statutes 1989 Supplement, section 299A.31, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] A drug and alcohol abuse prevention resource council consisting of 18 members is established. The commissioners of public safety, education, health, human services, and the state planning agency, and the attorney general shall each appoint one member from among their employees. The speaker of the house of representatives and the subcommittee on committees of the senate shall each appoint a legislative member. The governor shall appoint an additional ten members who shall demonstrate knowledge in the area of drug and alcohol abuse prevention or treatment, shall represent the demographic and geographic composition of the state and, to the extent possible, shall represent the following groups: parents, educators, clergy, local government, racial and ethnic minority communities, professional providers of drug and alcohol abuse prevention and treatment services, volunteers in private, nonprofit drug and alcohol prevention and treatment programs, the nonprofit foundation community, and the business community, and the criminal justice community. The members shall designate one of the governor's appointees as chair of the council. Compensation and removal of members are governed by section 15.059.

Sec. 8. Minnesota Statutes 1989 Supplement, section 299A.32, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE OF THE COUNCIL.] The general purpose of the drug and alcohol abuse prevention resource council is to foster the coordination and development of a statewide drug and alcohol abuse prevention, education, treatment, and criminal justice policy.

Sec. 9. Minnesota Statutes 1989 Supplement, section 299A.32, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC DUTIES AND RESPONSIBILITIES.] In furtherance of the general purpose specified in subdivision 1, the council has the following duties and responsibilities:

(1) it shall develop a coordinated, statewide drug and alcohol abuse prevention policy with particular attention to programs that

are geared to reducing the demand for drugs and the abuse of alcohol;

(2) it shall develop a mission statement that defines the roles and relationships of agencies operating within the continuum of chemical health care;

(3) it shall develop guidelines for drug and alcohol abuse prevention program development and operation based on its research and program evaluation activities;

(4) it shall assist local governments and groups in planning, organizing, and establishing comprehensive, community-based drug abuse prevention programs and services;

(5) it shall coordinate and provide technical assistance to organizations and individuals seeking public or private funding for drug abuse prevention programs, and to government and private agencies seeking to grant funds for these purposes;

(6) it shall assist providers of drug abuse prevention services in implementing, monitoring, and evaluating new and existing programs and services;

(7) it shall provide information on and analysis of the relative public and private costs of drug abuse prevention, enforcement, intervention, and treatment efforts; and

(8) it shall advise the assistant commissioner of the office of drug and alcohol abuse policy in awarding grants for programs including those created by sections 299A.33 to 299A.40, and in other duties.

Sec. 10. [299A.321] [ANTI-DRUG AND ANTI-ALCOHOL ABUSE PROGRAMS; GRANTS.]

Subdivision 1. [DISBURSEMENT.] The commissioner, with the assistance and advice of the drug and alcohol abuse prevention resource council, may award grants under sections 299A.33, 299A.34, 299A.35, and 299A.40 and section 11.

Subd. 2. [GRANTS.] A grant awarded under this section may require a match not to exceed 25 percent. Grants may be awarded for up to five years. Money received under this section may not be used to compensate for a decrease in previously existing funding levels.

Subd. 3. [GRANT PROCEDURE.] An applicant may apply for a grant by submitting an application with the commissioner. The applicant shall specify the following in the application:

- (1) a description of each program for which funding is sought;
- (2) the amount of funding to be provided to the program;
- (3) the geographical area to be served by the program; and

(4) for criminal justice grants, statistical information about the number of arrests in the geographical area for violent crimes, for alcohol-related crimes under Minnesota Statutes, chapter 169, and for crimes involving schedule I and II controlled substances. "Violent crime" includes a violation of or an attempt or conspiracy to violate any of the following laws: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582, subdivision 1; 609.687; and any provision of chapter 152 that is punishable by a maximum term of imprisonment greater than ten years.

For criminal justice grants, the commissioner shall give priority to funding programs in the geographical areas that have the highest crime rates, as measured by the data supplied under clause (4), and that demonstrate substantial involvement by members of the community served by the program.

Sec. 11. [299A.332] [DRUG AND ALCOHOL TREATMENT GRANTS.]

Subdivision 1. [GRANTS.] (a) The commissioner shall develop grant programs to provide funds to drug and alcohol treatment facilities, programs, and services that:

(1) provide court-ordered treatment services to persons who are convicted of a crime and are determined through a chemical use assessment under section 169.126 or a similar procedure to be in need of drug and alcohol treatment services; and

(2) provide drug and alcohol treatment services to persons ordered to receive it as an outcome of a criminal justice diversion program, civil proceeding, or child protection order, but who are indigent or otherwise unable to afford the treatment.

(b) The commissioner shall establish eligibility criteria and reporting requirements for grant recipients.

Sec. 12. Minnesota Statutes 1989 Supplement, section 299A.34, is amended to read:

299A.34 [LAW ENFORCEMENT AND COMMUNITY AND CRIMINAL JUSTICE GRANTS.]

Subdivision 1. [GRANT PROGRAMS.] (a) The commissioner shall develop grant programs to:

(1) assist law enforcement criminal justice agencies in purchasing equipment, ~~provide undercover buy money~~, and pay other personnel and nonpersonnel costs; and

(2) assist community and neighborhood organizations in efforts to prevent or reduce criminal activities in their areas, particularly activities involving youth and the use and sale of drugs.

Eligible criminal justice agencies include prosecutors, county sheriffs, police departments, public defender offices, district courts, and community corrections agencies.

(b) The commissioner shall ~~by rule prescribe~~ establish criteria for eligibility and the award of grants and reporting requirements for recipients.

Subd. 2. [SELECTION AND MONITORING.] The drug and alcohol abuse prevention resource council shall assist in the selection and monitoring of grant recipients.

Sec. 13. Minnesota Statutes 1989 Supplement, section 299A.35, subdivision 1, is amended to read:

Subdivision 1. [PROGRAMS.] The commissioner shall, in consultation with the drug and alcohol abuse prevention resource council, administer a grant program to fund community-based programs that are designed to enhance the community's sense of personal security and to assist the community in its crime control efforts. Examples of qualifying programs include, but are not limited to, the following:

(1) programs to provide security systems for residential buildings serving low-income persons, elderly persons, and persons who have physical or mental disabilities;

(2) community-based programs designed to discourage young people from involvement in unlawful drug or street gang activities;

(3) neighborhood block clubs and innovative community-based crime watch programs; ~~and~~

(4) other community-based crime prevention programs that are innovative and encourage substantial involvement by members of the community served by the program; and

(5) programs designed to alleviate the impact of abuse of alcohol and controlled substances on the community, including programs to aid the victims of domestic violence and other offenses to which the abuse of alcohol and controlled substances is a contributing factor.

Sec. 14. Minnesota Statutes 1989 Supplement, section 299A.36, is amended to read:

299A.36 [OTHER DUTIES.]

The assistant commissioner assigned to the office of drug and alcohol abuse policy, in consultation with the drug and alcohol abuse prevention resource council, shall:

(1) provide information and assistance upon request to school preassessment teams established under section 126.034 and school and community advisory teams established under section 126.035;

(2) provide information and assistance upon request to the state board of pharmacy with respect to the board's enforcement of chapter 152;

(3) cooperate with and provide information and assistance upon request to the alcohol and other drug abuse section in the department of human services;

(4) assist in coordinating the policy of the office with that of the narcotic enforcement unit in the bureau of criminal apprehension; and

(5) coordinate the activities of the regional drug task forces, provide assistance and information to them upon request, and assist in the formation of task forces in areas of the state in which no task force operates.

Sec. 15. Minnesota Statutes 1989 Supplement, section 299A.37, is amended to read:

299A.37 [COOPERATION OF OTHER AGENCIES.]

State agencies, and agencies and governing bodies of political subdivisions, shall cooperate with the assistant commissioner assigned to the office of drug and alcohol abuse policy and shall provide any public information requested by the assistant commissioner assigned to the office of drug and alcohol abuse policy.

Sec. 16. Minnesota Statutes 1989 Supplement, section 299A.40, subdivision 3, is amended to read:

Subd. 3. [GRANTS FOR DEMONSTRATION PROGRAM.] The assistant commissioner of the office of drug and alcohol abuse policy may award a grant to a county, multicounty organization, or city, as described in subdivision 1, for establishing and operating a multidisciplinary chemical abuse prevention team. The assistant commissioner may approve up to five applications for grants under this subdivision shall consult with the drug and alcohol abuse prevention resource council before awarding grants. The grant funds must be used to establish a multidisciplinary chemical abuse prevention team to carry out the duties in subdivision 2.

Sec. 17. [PILOT PROJECT FOR SERVICES TO PREVENT CHILD ABUSE.]

The commissioner of human services is authorized to fund a pilot project designed to measure the effectiveness of early intervention and targeted family services in preventing child abuse. The pilot project must be designed to offer a full range of innovative in-home and family treatment services to selected families, determined by the county agency to be at risk for child abuse. The county shall monitor and evaluate the program outcomes for the families participating in the program and shall report those outcomes to the commissioner. The commissioner shall report to the legislature before January 15, 1992, on the design and effectiveness of the project program and shall include recommendations for legislation as appropriate.

Sec. 18. [ANTI-DRUG AND ANTI-ALCOHOL ABUSE PROGRAMS.]

The purpose of the increases in excise taxes in sections 3 and 4 is to provide funding for the anti-drug and anti-alcohol abuse programs authorized by sections 299A.30 to 299A.40 and for the child abuse prevention and family planning services authorized by sections 17 and 19.

Sec. 19. [APPROPRIATIONS.]

(a) \$ is appropriated from the general fund to the commissioner of human services to be available for the fiscal year ending June 30, 1991, for purposes of section 17.

(b) Additional funds, in the amount of \$, are appropriated from the general fund to the commissioner of health, for the biennium ending June 30, 1991, to be used for family planning grants under Minnesota Statutes, section 145.925. The supplemental funds authorized by this paragraph shall be targeted to provide support services to persons who are at risk for unplanned pregnancies and who, because of dependency on alcohol or other drugs, are seen to be at risk of creating abusive family settings.

(c) \$ is appropriated from the general fund to the commissioner of public safety for the anti-drug and anti-alcohol abuse programs authorized by sections 299A.30 to 299A.40.

Sec. 20. [REPEALER.]

Minnesota Statutes 1989 Supplement, section 299A.35, subdivision 2, is repealed."

Correct the internal cross references

Delete the title and insert:

"A bill for an act relating to controlled substances; providing tax credits for legal foster parents and employers who provide early childhood family education programs for employees; increasing the excise tax on cigarettes, beer, wine, and alcoholic beverages; changing the name of the office of drug policy to the office of drug and alcohol abuse policy; requiring the drug and alcohol abuse prevention resource council to develop a drug and alcohol abuse prevention policy; authorizing grants for drug abuse resistance education programs, criminal justice agencies, community crime reduction programs, multidisciplinary chemical abuse prevention teams, and drug and alcohol treatment; authorizing a pilot project for services to prevent child abuse; appropriating money; amending Minnesota Statutes 1988, sections 290.06, by adding subdivisions; 297.02, subdivision 1; and 297C.02, subdivision 1; Minnesota Statutes 1989 Supplement, sections 299A.29, by adding a subdivision; 299A.30; 299A.31, subdivision 1; 299A.32, subdivisions 1 and 2; 299A.34; 299A.35, subdivision 1; 299A.36; 299A.37; and 299A.40, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 299A; repealing Minnesota Statutes 1989 Supplement, section 299A.35, subdivision 2."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2000, A bill for an act relating to game and fish; restrictions on issuance of moose licenses; amending Minnesota Statutes 1988, section 97B.501.

Reported the same back with the following amendments:

Page 1, line 9, after the period delete "A"

Page 1, delete lines 10 and 11, and insert "Preference must be given by the commissioner to applicants who have previously applied for a moose license but were not selected."

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. 2005, A bill for an act relating to lawful gambling; defining lawful purposes for expenditures of gambling profits; establishing licensing qualifications for organizations and manufacturers; requiring organizations to report monthly on expenditures and contributions of gambling profits; authorizing the gambling control board to require recipients of contributions of gambling profits to register with the board; authorizing summary suspension of gambling licenses for failure to file tax returns; authorizing a limited number of video pull-tab devices and establishing standards and requirements for them; requiring inspection and testing of gambling equipment; requiring permits for gambling premises; requiring gambling managers to be licensed; requiring that employees of organizations conducting lawful gambling be registered with the board; expanding allowable uses for revenue from local gambling taxes and requiring board approval of these taxes; abolishing lawful gambling on July 1, 1993; amending Minnesota Statutes 1988, sections 349.12, subdivision 10, and by adding subdivisions; 349.16, as amended; 349.17, as amended; 349.18, as amended; 349.19, as amended; 349.212, subdivision 5; 349.2121, subdivisions 1 and 4a; 349.2123; 349.30, subdivision 2; 349.31; 349.32; 349.34; 349.35, subdivision 1; 349.36; 349.38; 349.39; 349.50, subdivision 8; 349.55; 609.75, subdivision 4; Minnesota Statutes 1989 Supplement, sections 299L.03, by adding a subdivision; 340A.410, subdivision 5; 349.12, subdivisions 12 and 15; 349.151, subdivision 4; 349.152, subdivision 2, and by adding subdivisions; 349.161, as amended; 349.162; 349.163, as amended; 349.164; 349.2121, subdivision 2; 349.2122; 349.213, subdivision 2; 609.75, subdivision 3; 609.761, subdivision 1; Minnesota Statutes Second 1989 Supplement, sections 349.12, subdivisions 11 and 19; and 349.212, subdivisions 1 and 4; Laws 1989, First Special Session chapter 1, article 13, section 27; proposing coding for new law in Minnesota Statutes, chapter 349; repealing Minnesota Statutes 1988, sections 349.11, as amended; 349.12, as amended; 349.13; 349.14; 349.15, as amended; 349.16, as amended; 349.161, as amended; 349.162, as amended; 349.163, as amended; 349.164, as amended; 349.17, as amended; 349.18, as amended; 349.19, as amended; 349.211; 349.212, as

amended; 349.2121, as amended; 349.2122, as amended; 349.2123; 349.2124; 349.2125, as amended; 349.2127, as amended; 349.213, as amended; 349.214, subdivisions 1, 1a, 3, and 4; 349.22, as amended; 349.23; Minnesota Statutes 1989 Supplement, sections 349.151, subdivisions 1, 2, 4, 4a, and 5; 349.152; 349.153; 349.20; 349.21; 349.215; 349.2151; 349.2152; 349.216; 349.217; 349.2171; 349.218; 349.219; Minnesota Statutes Second 1989 Supplement, section 349.214, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1989 Supplement, section 299L.03, is amended by adding a subdivision to read:

Subd. 9. [VIDEO GAMES OF CHANCE.] The commissioner shall exercise all powers and duties assigned to the commissioner relating to video games of chance under sections 349.50 to 349.60 through the division and director.

Sec. 2. {299L.06} [JURISDICTION.]

In any investigation or other enforcement activity where there is probable cause to believe that a criminal violation relating to gambling has occurred, the division shall be the primary investigation entity where enforcement rests.

Sec. 3. Minnesota Statutes 1989 Supplement, section 340A.410, subdivision 5, is amended to read:

Subd. 5. [GAMBLING PROHIBITED.] (a) No retail establishment licensed to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein except as provided in this subdivision.

(b) ~~Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized under chapter 349.~~

(c) Lottery tickets may be purchased and sold within the licensed premises as authorized by the director of the lottery under chapter 349A.

Sec. 4. Minnesota Statutes 1988, section 349.12, subdivision 10, is amended to read:

Subd. 10. “Pull-tab” means a single folded or banded ticket or a

card with a face covered to conceal one or more numbers or symbols, where one or more of each set of tickets or cards has been designated in advance as a winner. "Pull-tab" also includes a ticket sold in a gambling device known as a ticket jar, and includes plays on a video pull-tab device.

Sec. 5. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 10a. [VIDEO PULL-TAB DEVICE.] "Video pull-tab device" means an electronic video device that on the insertion of cash or a token simulates the game of pull-tabs.

Sec. 6. Minnesota Statutes Second 1989 Supplement, section 349.12, subdivision 11, is amended to read:

Subd. 11. (a) "Lawful purpose" means one or more of the following:

(1) benefiting persons by enhancing their opportunity for religious or educational advancement, by relieving or protecting them from disease, suffering or distress, by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded;

(2) initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures;

(3) lessening the burdens borne by government or voluntarily supporting, augmenting or supplementing services which government would normally render to the people;

(4) payment of local taxes authorized under this chapter, and taxes imposed by the United States on receipts from lawful gambling;

(5) any expenditure by, or any contribution to, a hospital or nursing home exempt from taxation under section 501(c)(3) of the Internal Revenue Code;

(6) payment of reasonable costs incurred in complying with the performing of annual audits required under section 349.19, subdivision 9;

(7) payment of real estate taxes and assessments on licensed gambling premises wholly owned by the licensed organization; or

(8) if approved by the board, construction, improvement, expansion, maintenance, and repair of athletic fields and outdoor ice rinks

and their appurtenances, owned by the organization or a public agency.

(b) "Lawful purpose" does not include the erection, acquisition, improvement, expansion, repair, or maintenance of any real property or capital assets owned or leased by an organization, other than a hospital or nursing home exempt from taxation under section 501(c)(3) of the Internal Revenue Code, unless the board has first specifically authorized the expenditures after finding: (1) that the property or capital assets will be used exclusively for one or more of the purposes specified in paragraph (a), clauses (1) to (3); or (2) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; or (3) with respect to expenditures for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance. The board shall by rule adopt procedures and standards to administer this subdivision.

(1) any expenditure by or contribution to a 501(c)(3) organization, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 19;

(2) a contribution to an individual or family suffering from poverty, homelessness, or physical or mental disability, which is used to relieve the effects of that poverty, homelessness, or disability;

(3) a contribution to an individual for treatment for delayed post-traumatic stress syndrome, or a contribution to a recognized program for the treatment of compulsive gambling on behalf of an individual who is a compulsive gambler;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to a scholarship fund for defraying the cost of education to individuals, where the funds are awarded through an open and fair selection process not controlled by the contributing organization;

(6) activities by a veterans organization or a government entity which recognize humanitarian or military service to the United States, the state of Minnesota, or a community;

(7) recreational and athletic facilities and activities intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender, as evidenced by (i) provision of equipment and supplies, (ii) scheduling of activities, including games and practice times, (iii) supply and assignment of coaches or other adult supervisors, (iv) provision and availability of support facilities, and (v) whether the opportunity to participate reflects each gender's demonstrated interest in the activity;

(8) payment of local taxes authorized under this chapter, and taxes imposed by the United States on receipts from lawful gambling;

(9) payment of real estate taxes and assessments on licensed gambling premises wholly owned by the licensed organization paying the taxes;

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency; or

(11) a contribution to or expenditure by a nonprofit organization, church or body of communicants, gathered in common membership for mutual support and edification in piety, worship, or religious observances.

(b) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a); (ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made unin-

habitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; or (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value; or

(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a).

Sec. 7. Minnesota Statutes 1989 Supplement, section 349.12, subdivision 12, is amended to read:

Subd. 12. [ORGANIZATION.] "Organization" means any fraternal, religious, veterans, or other nonprofit organization which has at least 15 active members, and either has been duly incorporated as a nonprofit organization for at least three years, or has been recognized by the Internal Revenue Service as exempt from income taxation for the most recent three years.

Sec. 8. Minnesota Statutes 1989 Supplement, section 349.12, subdivision 15, is amended to read:

Subd. 15. [GAMBLING EQUIPMENT.] "Gambling equipment" means: bingo cards or sheets, devices for selecting bingo numbers, pull-tabs, jar tickets, pull-tab and/or tipboard dispensing machines, video pull-tab devices, paddlewheels, and tipboards.

Sec. 9. Minnesota Statutes Second 1989 Supplement, section 349.12, subdivision 19, is amended 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. In the calculation of ideal gross and prizes, a free play ticket shall be valued at face value. In the case of video pull-tab devices "ideal gross" is the total amount of receipts that can be received by the read-only memory chip driving the device.

Sec. 10. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 30. [501(c)(3) ORGANIZATION.] "501(c)(3) organization" is an organization exempt from the payment of federal income taxes under section 501(c)(3) of the Internal Revenue Code.

Sec. 11. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 31. [AFFILIATE.] "Affiliate" is any person or entity directly or indirectly controlling, controlled by, or under common control or ownership with a licensee of the board or any officer or director of a licensee of the board.

Sec. 12. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 32. [PERSON.] "Person" is an individual, firm, association, partnership, corporation, trustee, or legal representative.

Sec. 13. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 33. [VIDEO PULL-TAB DEVICE WHOLESALER.] "Video pull-tab device wholesaler" is a person who purchases video pull-tab devices from a manufacturer and sells them to a distributor.

Sec. 14. Minnesota Statutes Second 1989 Supplement, section 349.15, is amended to read:

349.15 [USE OF GROSS PROFITS.]

(a) Gross profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized at a regular meeting of the conducting organization. Provided that no more than 55 percent of the gross profit less the tax imposed under section 349.212, subdivision 1, from bingo, no more than 50 percent of the gross profit from raffles, paddlewheels, and tipboards, and no more than 50 percent of the gross profit less the taxes imposed by section 349.212, subdivisions 1, 4, and 6, from other forms of lawful gambling pull-tabs, may be expended for allowable expenses related to lawful gambling.

(b) 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. 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 profits which may be expended for certain expenses.

(c) Allowable expenses also include reasonable costs of bank account service charges, and the reasonable costs of an audit required by the board, except an audit required under section 349.19, subdivision 9.

(d) Allowable expenses include reasonable legal fees and damages that relate to the conducting of lawful gambling, except for legal fees or damages incurred in defending the organization against the board, attorney general, United States attorney, commissioner of revenue, or a county or city attorney.

Sec. 15. Minnesota Statutes 1989 Supplement, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) Until July 1, 1993, the board has the following powers and duties:

(1) to regulate lawful gambling to ensure it is conducted in the public interest;

(2) to issue, revoke, and suspend licenses to organizations, distributors, bingo halls, and manufacturers under sections 349.16, 349.161, 349.163, and 349.164, and gambling managers;

(2) (3) to collect and deposit license, permit, and registration fees due under this chapter;

(3) (4) to receive reports required by this chapter and inspect the all premises, records, books, and other documents of organizations and suppliers, distributors, manufacturers, and bingo halls to insure compliance with all applicable laws and rules;

(4) (5) to make rules required authorized by this chapter;

(5) (6) to register gambling equipment and issue registration stamps under section 349.162;

(6) (7) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;

(7) (8) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing gambling;

(8) (9) to impose civil penalties of not more than \$500 per violation on organizations, distributors, and manufacturers, bingo halls, and gambling managers for failure to comply with any provision of sections 349.12 to 349.23 this chapter or any rule of the board;

(9) to notify city councils, county boards, and town boards before issuing or renewing licenses to organizations and bingo halls as specified under section 349.213; and

(10) to issue premises permits to organizations licensed to conduct lawful gambling;

(11) to delegate to the director the authority to issue licenses and premises permits under criteria established by the board;

(12) to suspend or revoke licenses and premises permits of organizations, distributors, manufacturers, bingo halls, or gambling managers for violations of law or board rule;

(13) to register recipients of net profits from lawful gambling and to revoke or suspend such registrations;

(14) to register employees of organizations licensed to conduct lawful gambling;

(15) to require fingerprints from those persons determined by board rule to be subject to fingerprinting; and

(16) to take all necessary steps to ensure the integrity of and public confidence in lawful gambling.

(b) Any organization, distributor, bingo hall operator, or manufacturer assessed a civil penalty may request a hearing before the board. Hearings conducted on appeals of imposition of penalties are not subject to the provisions of the administrative procedure act.

(c) All fees and penalties received by the board must be deposited in the general fund.

(d) On and after July 1, 1993, the board has only the following powers and duties:

(1) to impose civil penalties of up to \$500 per violation on organizations, distributors, manufacturers, bingo halls, and gambling managers who violate any provision of this chapter or any rule of the board before July 1, 1993; and

(2) to hear appeals of civil penalties imposed by the board before July 1, 1993.

Sec. 16. Minnesota Statutes 1989 Supplement, section 349.152, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF THE DIRECTOR.] The director has the following duties:

- (1) to carry out gambling policy established by the board;
- (2) to employ and supervise personnel of the board;
- (3) to advise and make recommendations to the board on rules;
- (4) to issue licenses and premises permits as authorized by the board;
- (5) to issue cease and desist orders;
- (6) to make recommendations to the board on license issuance, denial, suspension and revocation, and civil penalties the board imposes; and
- (7) to ensure that board rules, policy, and decisions are adequately and accurately conveyed to the board's licensees.

Sec. 17. Minnesota Statutes 1989 Supplement, section 349.152, is amended by adding a subdivision to read:

Subd. 3. [CEASE AND DESIST ORDERS.] Whenever it appears to the director that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter or any rule:

(a) The director has the power to issue and cause to be served upon the person an order requiring the person to cease and desist from violations of this chapter. The order must give reasonable notice of the rights of the person to request a hearing and must state the reason for the entry of the order. A hearing shall be held not later than seven days after the request for the hearing is received by the board after which and within 20 days of the date of the hearing the board shall issue an order vacating the cease and desist order or making it permanent as the facts require. All hearings shall be conducted in accordance with the provisions of chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against the person upon consideration of the cease and desist order, the allegations of which may be deemed to be true.

(b) The board may bring an action in the district court in the appropriate county to enjoin the acts or practices and to enforce compliance with this chapter or any rule and may refer the matter to the attorney general. Upon a proper showing, a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted. The court may not require the board to post a bond.

Sec. 18. Minnesota Statutes 1989 Supplement, section 349.152, is amended by adding a subdivision to read:

Subd. 4. [EXECUTIVE ASSISTANT.] The director may appoint an executive assistant to the director, who is in the unclassified service.

Sec. 19. [349.154] [EXPENDITURE OF NET PROFITS FROM LAWFUL GAMBLING.]

Subdivision 1. [STANDARDS FOR CERTAIN ORGANIZATIONS.] The board shall by rule prescribe standards that must be met by any licensed organization that is a 501(c)(3) organization. The standards must provide:

(1) operating standards for the organization, including a maximum percentage or percentages of the organization's total expenditures that may be expended for the organization's administration and operation; and

(2) standards for any expenditure by the organization of net profits from lawful gambling, including a requirement that the expenditure be related to the primary purpose of the organization.

Subd. 2. [NET PROFIT REPORTS.] (a) Each licensed organization must report monthly to the board on a form prescribed by the board each expenditure and contribution of net profits from lawful gambling. The reports must provide for each expenditure or contribution:

(1) the name, address, and telephone number of the recipient of the expenditure or contribution;

(2) the date the contribution was approved by the organization;

(3) the date, amount, and check number of the expenditure or contribution; and

(4) a brief description of how the expenditure or contribution meets one or more of the purposes in section 349.12, subdivision 11, paragraph (a).

(b) Each report required under paragraph (a) must be accompanied by an acknowledgment, on a form the board prescribes, of each contribution of net profits from lawful gambling included in the report. The acknowledgment must be signed by the recipient of the contribution, or, if the recipient is not an individual, or other authorized representative of the recipient, by an officer. The acknowledgment must include the name and address of the contributing organization and each item in paragraph (a), clauses (1) to (3).

(c) The board shall provide the commissioners of revenue and public safety copies of each report received under this subdivision.

Subd. 3. [REGISTRATION OF LAWFUL GAMBLING NET PROFIT RECIPIENTS.] The board may by rule require that any individual, organization, or other entity must be registered with the board to receive a contribution of net profits from lawful gambling. The rules may designate and define specific categories of recipients which are subject to registration. The board may suspend or revoke the registration of any recipient the board determines has made an unlawful expenditure of net profits from lawful gambling.

Sec. 20. Minnesota Statutes 1988, section 349.16, as amended by Laws 1989, chapter 334, article 2, sections 20 and 21, and Laws 1989, First Special Session chapter 1, article 13, section 8, is amended to read:

349.16 [ORGANIZATION LICENSES.]

Subdivision 1. [LICENSE REQUIRED.] An organization may conduct lawful gambling if it has a license to conduct lawful gambling and complies with this chapter.

Subd. 2. [ISSUANCE OF GAMBLING LICENSES.] Licenses authorizing organizations to conduct lawful gambling may be issued by the board to organizations meeting the following qualifications of section 349.14, if the board determines that the license is consistent with the purpose of sections 349.11 to 349.22:

(a) The organization must have been in existence for the most recent three years preceding the license application as a registered Minnesota nonprofit corporation or as an organization designated as exempt from the payment of income taxes by the Internal Revenue Code.

(b) The organization at the time of licensing must have at least 15 active members.

(c) The organization must not be in existence solely for the purpose of conducting gambling.

(d) The organization must not have as an officer or member of the governing body any person who has within the five years prior to the issuance of the license been convicted in a federal or state court of a felony or gross misdemeanor or who has ever been convicted of a crime involving gambling or who has had a license issued by the board or director revoked for a violation of law or board rule.

(e) The organization has identified in its license application the lawful purposes on which it proposes to expend net profits from lawful gambling.

(f) The organization has identified on its license application a gambling manager and certifies that the manager is qualified under this section.

(g) The organization must not, in the opinion of the board after consultation with the commissioner of revenue, be seeking licensing primarily for the purpose of evading or reducing the tax imposed by section 349.212, subdivision 6.

Subd. 3. [TERM OF LICENSE: SUSPENSION AND REVOCATION] (a) Licenses issued under this section are valid for one year and may be suspended by the board for a violation of law or board rule or revoked for what the board determines to be a ~~pattern of willful violations~~ violation 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.

(b) The board may summarily suspend the license of an organization that is more than three months late in filing a tax return required under this chapter, and may keep the suspension in effect until all required returns are filed. The board must notify an organization at least 14 days before suspending the organization's license under this paragraph. A contested case hearing must be held within 20 days of the summary suspension and the administrative law judge's report must be issued within 20 days after the close of the hearing record. In all cases involving summary suspension, the board must issue its final decision within 30 days after receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61.

(c) When an organization's license is suspended or revoked under this subdivision, the board shall within three days notify all municipalities in which the organization's gambling premises are located, and all licensed distributors in the state.

Subd. 1a. [RESTRICTIONS ON LICENSE ISSUANCE.] On and after October 1, 1989, the board shall not issue an initial license to any organization if the board, in consultation with the department of revenue, determines that the organization is seeking licensing for

the primary purpose of evading or reducing the tax imposed by section 349.212, subdivision 6.

Subd. 2 4. [APPLICATION.] All applications for a license under this section must be on a form prescribed by the board. The board may require the applying organization to submit a copy of its articles of incorporation and other documents it deems necessary.

Subd. 5. [RENEWALS.] The board shall not renew a license issued under this section unless it determines that the organization is (1) in compliance with all laws and rules governing lawful gambling; and (2) is not delinquent in filing tax returns or paying taxes required under this chapter. The board may delegate to the director the authority to make determinations required under this subdivision.

Subd. 3 6. [FEES.] The board may issue four classes of organization licenses: a class A license authorizing all forms of lawful gambling; a class B license authorizing all forms of lawful gambling except bingo; a class C license authorizing bingo only; and a class D license authorizing raffles only. The annual license fee for each class of license is:

- (1) \$200 for a class A license;
- (2) \$125 for a class B license;
- (3) \$100 for a class C license; and
- (4) \$75 for a class D license. board shall not charge a fee for an organization license.

Subd. 7. [PURCHASE OF GAMBLING EQUIPMENT.] An organization may purchase gambling equipment only from a person licensed as a distributor.

Subd. 4 8. [LOCAL INVESTIGATION FEE.] A statutory or home rule charter city or county notified under section 349.213, subdivision 2, may assess an investigation fee on organizations or bingo halls applying for or renewing a license to conduct lawful gambling or operate a bingo hall. An investigation fee may not exceed the following limits:

- (1) for cities of the first class, \$500;
- (2) for cities of the second class, \$250;
- (3) for all other cities, \$100; and
- (4) for counties, \$375.

Sec. 21. Minnesota Statutes 1989 Supplement, section 349.161, as amended by Laws 1989, First Special Session chapter 1, article 13, section 9, is amended to read:

349.161 [DISTRIBUTOR LICENSES.]

Subdivision 1. [PROHIBITED ACTS; LICENSES REQUIRED.]
No person may:

(1) sell, offer for sale, or furnish gambling equipment for use within the state for gambling purposes, other than for lawful gambling exempt or excluded from licensing under section 349.214, except to an organization licensed for lawful gambling;

(2) sell, offer for sale, or furnish gambling equipment to an organization licensed for lawful gambling without having obtained a distributor license under this section;

(3) sell, offer for sale, or furnish gambling equipment for use within the state that is not purchased or obtained from a manufacturer or distributor licensed under this chapter, or in the case of video pull-tab devices, purchased or obtained from a manufacturer or a video pull-tab device wholesaler; or

(4) sell, offer for sale, or furnish gambling equipment for use within the state that has the same serial number as another item of gambling equipment of the same type sold or offered for sale or furnished for use in the state by that distributor.

~~No licensed organization may purchase gambling equipment from any person not licensed as a distributor under this section.~~

Nothing in this subdivision prohibits the otherwise lawful sale of video pull-tab devices to a distributor by a licensed video pull-tab device wholesaler.

Subd. 2. [LICENSE APPLICATION.] The board may issue licenses for the sale of gambling equipment 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, other person in a supervisory or management position, or employee eligible to make sales on behalf of the distributor a person, who:

(1) has been convicted of a felony within the past five years;

(2) has ever been convicted of a felony involving fraud or misrepresentation or a crime involving gambling;

(3) has ever been convicted of (i) assault, (ii) any criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(4) is or has ever been engaged in an illegal business;

(4) (5) owes \$500 or more in delinquent taxes as defined in section 270.72;

(5) (6) has had a sales and use tax permit revoked by the commissioner of revenue within the last two years; or

(6) (7) after demand, has not filed tax returns required by the commissioner of revenue.

Subd. 4. [FEES.] The annual fee for a distributor's license is \$2,500.

Subd. 5. [PROHIBITION.] (a) No distributor, or employee of a distributor, may also be a wholesale distributor of alcoholic beverages or an employee of a wholesale distributor of alcoholic beverages.

(b) No distributor, distributor's or any representative, agent, affiliate, or employee of a distributor, may be involved directly in the operation conduct of lawful gambling conducted by an organization.

(c) No manufacturer or distributor or person acting as a any representative, agent, affiliate, or employee of a manufacturer or distributor may provide a lessor of gambling premises any compensation, gift, gratuity, premium, or other thing of value.

(d) No distributor, distributor's or any representative, agent, affiliate, or employee of a distributor may participate in any gambling activity at any gambling site or premises where gambling equipment purchased from that distributor is being used in the conduct of lawful gambling.

(e) No distributor, distributor's or any representative, agent, affiliate, or employee of a distributor may alter or modify any gambling equipment, except to add a "last ticket sold" prize sticker.

Subd. 6. [REVOCATION AND SUSPENSION.] A license under this section may be suspended by the board for a violation of law or board rule or. A license under this section may be revoked for (1) failure to meet the qualifications in subdivision 3 at any time; or revoked (2) for what the board determines to be a pattern of a willful

violations violation 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.

Subd. 7. [CRIMINAL HISTORY.] The board may request the assistance of the division of gambling enforcement in investigating the background of an applicant for a distributor's license and may reimburse the division of gambling enforcement for the costs thereof. The board has access to all criminal history data compiled by the division of gambling enforcement on licensees and applicants.

Subd. 8. [EMPLOYEES OF DISTRIBUTORS.] Licensed distributors shall provide the board upon request with the names and home addresses of all employees. Each distributor, employee of a distributor, or a person making sales of gambling equipment on behalf of a distributor must have in their possession a picture identification card approved by the board.

Subd. 9. [LEASES OF VIDEO PULL-TAB DEVICES.] For purposes of this section the terms "sell" and "sale" include the lease of a video pull-tab device or pull-tab dispensing machine by a distributor to a licensed organization.

Sec. 22. [349.1611] [VIDEO PULL-TAB DEVICE WHOLE-SALER.]

Subdivision 1. [LICENSE REQUIRED.] No person may engage in the business of purchasing video pull-tab devices from a manufacturer for sale to a distributor without having obtained a license from the board. The board may issue a license to persons who meet the qualifications of this section if the board determines that issuance of the license is consistent with the purposes of section 349.11 to 349.23. Applications must be on a form the board prescribes. Video pull-tab device wholesaler's licenses are valid for one year. The fee for a video pull-tab device wholesaler's license is \$2,500.

Subd. 2. [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, other person in a supervisory or management position, or employee eligible to make sales on behalf of the distributor, a person, who:

- (1) has been convicted of a felony;
- (2) has ever been convicted of a felony involving fraud or misrepresentation or a crime involving gambling;
- (3) has ever been convicted of (i) assault, (ii) any criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(4) is or has ever been engaged in an illegal business;

(5) owes \$500 or more in delinquent taxes as defined in section 270.72;

(6) has had a sales and use tax permit revoked by the commissioner of revenue within the last two years; or

(7) after demand, has not filed tax returns required by the commissioner of revenue.

Subd. 3. [PROHIBITIONS.] All prohibitions applicable to distributors or manufacturers under section 349.161, subdivision 5, apply to video pull-tab device wholesalers.

Subd. 4. [REVOCATION; SUSPENSION.] A license under this section may be suspended by the board for a violation of law or board rule. A license under this section may be revoked for (1) failure to meet the qualifications in subdivision 2 at any time, or (2) for a willful violation 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. 23. Minnesota Statutes 1989 Supplement, section 349.162, is amended to read:

349.162 [EQUIPMENT REGISTERED.]

Subdivision 1. [STAMP REQUIRED.] (a) A distributor may not sell, transfer, furnish, or otherwise provide to a person, organization, or distributor, and no person, organization, or distributor may purchase, borrow, accept, or acquire from a distributor gambling equipment unless the equipment has been registered with the board and has a registration stamp affixed. The board shall charge a fee of five cents for each stamp. Each stamp must bear a registration number assigned by the board. A distributor is entitled to a refund for unused stamps and replacement for stamps which are defective or canceled by the distributor.

(b) On and after January 1, 1991, no distributor, organization, or other person may sell a pull-tab which is not clearly marked "For Sale in Minnesota Only."

Subd. 2. [RECORDS REQUIRED.] A distributor must maintain a record of all gambling equipment which it sells to organizations. The record must include:

(1) the identity of the person or firm from whom the equipment was distributor purchased the equipment;

- (2) the registration number of the equipment;
- (3) the name ~~and~~, address and license or exempt permit number of the organization to which the sale was made;
- (4) the date of the sale;
- (5) the name of the person who ordered the equipment; ~~and~~
- (6) the name of the person who received the equipment;
- (7) the type of equipment;
- (8) the serial number of the equipment;
- (9) the name, form number, or other identifying information for each game; and
- (10) in the case of bingo cards sold on and after January 1, 1991, the individual number of each card.

The invoice for each sale must be retained for at least ~~two~~ three and one-half years after the sale is completed and a copy of each invoice is to be delivered to the board in the manner and time prescribed by the board. For purposes of this section, a sale is completed when the gambling equipment is physically delivered to the purchaser.

Each distributor must report monthly to the board, in a form the board prescribes, its sales of each type of gambling equipment. Employees of the division and the division of gambling enforcement may inspect the business premises, books, records, and other documents of a distributor at any reasonable time without notice and without a search warrant.

Subd. 3. [EXEMPTION.] For purposes of this section, bingo cards or sheets need not be stamped.

Subd. 4. [PROHIBITION.] (a) No person other than a licensed distributor may possess unaffixed registration stamps issued by the board.

(b) Unless otherwise provided in this chapter, no person may possess gambling equipment that has not been stamped and registered with the board.

(c) On and after January 1, 1991, no distributor may:

(1) sell a bingo card that does not bear an individual number; or

(2) sell a package of bingo cards that does not contain bingo cards in numerical order.

Subd. 5. [SALES FROM FACILITIES.] (a) All gambling equipment purchased or possessed by a licensed distributor for resale in Minnesota must, prior to the equipment's resale, be unloaded into a sales or storage facility located in Minnesota which the distributor owns or leases; and which has been registered, in advance and in writing, with the division of gambling enforcement as a sales or storage facility of the distributor's. All unregistered gambling equipment and all unaffixed registration stamps owned by, or in the possession of, a licensed distributor in the state of Minnesota shall be stored at a sales or storage facility which has been registered with the division of gambling enforcement. No gambling equipment may be moved from the facility unless the gambling equipment has been first registered with the board.

(b) All sales and storage facilities owned, leased, used, or operated by a licensed distributor may be entered upon and inspected by the employees of the division of gambling enforcement or the director's authorized representatives during reasonable and regular business hours. Obstruction of, or failure to permit, entry and inspection is cause for revocation or suspension of a distributor's licenses and permits issued under this chapter.

(c) Unregistered gambling equipment and unaffixed registration stamps found at any location in Minnesota other than a registered sales or storage facility are contraband under section 349.2125. This paragraph does not apply to unregistered gambling equipment being transported in interstate commerce between locations outside Minnesota, if the interstate shipment is verified by a bill of lading or other valid shipping document.

Subd. 6. [VIDEO PULL-TAB DEVICE MEMORY CHIPS.] For purposes of this section only, "gambling equipment" includes any memory chip used or intended to be used to drive a video pull-tab device.

Sec. 24. Minnesota Statutes 1989 Supplement, section 349.163, as amended by Laws 1989, First Special Session chapter 1, article 13, section 10, is amended to read:

349.163 [LICENSING OF MANUFACTURERS.]

Subdivision 1. [LICENSE REQUIRED.] No manufacturer of gambling equipment may sell any gambling equipment to any person unless the manufacturer has been issued a current and valid license by the board under objective this section and other criteria prescribed by the board by rule.

A manufacturer licensed under this section may not also be directly or indirectly licensed as a distributor under section 349.161 or as a video pull-tab wholesaler under section 22.

Subd. 1a. [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, other person in a supervisory or management position, or employee eligible to make sales on behalf of the distributor, a person, who:

- (1) has been convicted of a felony;
- (2) has ever been convicted of a felony involving fraud or misrepresentation or a crime involving gambling;
- (3) has ever been convicted of (i) assault, (ii) any criminal violation involving the use of a firearm, or (iii) making terroristic threats;
- (4) is or has ever been engaged in an illegal business;
- (5) owes \$500 or more in delinquent taxes as defined in section 270.72;
- (6) has had a sales and use tax permit revoked by the commissioner of revenue within the last two years; or
- (7) after demand, has not filed tax returns required by the commissioner of revenue.

Subd. 2. [LICENSE; FEE.] A license under this section is valid for one year. The annual fee for the license is \$2,500.

Subd. 3. [PROHIBITED SALES.] (a) A manufacturer may not:

- (1) sell gambling equipment to any person not licensed as a distributor unless the manufacturer is also a licensed distributor; or
- (2) sell gambling equipment to a distributor in this state that has the same serial number as another item of gambling equipment of the same type that is sold by that manufacturer for use in this state; or
- (3) on and after January 1, 1991, ship or cause to be shipped into this state a paper pull-tab that is not clearly marked with the words "For Sale in Minnesota Only."

(b) A manufacturer, affiliate of a manufacturer, or person acting as a representative, agent, or employee of a manufacturer may not

provide a lessor of gambling premises any compensation, gift, gratuity, premium, or other thing of value.

Subd. 4. [INSPECTION OF MANUFACTURERS.] Employees of the division and the division of gambling enforcement may inspect the books, records, inventory, and manufacturing operations of a licensed manufacturer without notice during the normal business hours of the manufacturer.

Subd. 5. [PULL-TAB AND TIPBOARD FLARES.] A manufacturer may not ship or cause to be shipped into this state any deal of pull-tabs or tipboards that does not have its own individual flare as required for that deal by rule of the board. No person other than a manufacturer may manufacture, alter, modify, or otherwise change a flare for a deal of pull-tabs or tipboards except as allowed by this chapter or board rules.

Subd. 6. [SAMPLES OF GAMBLING EQUIPMENT.] The board shall require each licensed manufacturer to submit samples to the board of each item of gambling equipment the manufacturer manufactures for sale in this state. The board shall inspect and test all such equipment as it deems necessary to determine the equipment's compliance with law and board rules. The board may request the assistance of the commissioner of public safety and the director of the state lottery division in performing such tests.

Subd. 7. [RECYCLED PAPER REQUIRED.] All pull-tabs sold in Minnesota by a licensed manufacturer on and after January 1, 1991, must be manufactured on recycled paper.

Sec. 25. Minnesota Statutes 1989 Supplement, section 349.164, is amended to read:

349.164 [BINGO HALL LICENSES.]

Subdivision 1. [LICENSE REQUIRED.] No person may lease a facility to more than one individual, corporation, partnership, or organization to conduct bingo without having obtained a current and valid bingo hall license under this section, unless the lessor 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. The board may not issue or renew a bingo hall license unless the conditions of section 349.213, subdivision 2, have been satisfied.

Subd. 3. [QUALIFICATIONS.] A license may not be issued under

this section to a person, ~~or to a organization~~, corporation, firm, or partnership which is not the legal owner of the facility, or to a person, organization, 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 within the past five years;
- (2) has ever been convicted of a felony involving fraud or misrepresentation or a crime involving gambling; ~~or~~
- (3) has every been convicted of (i) assault, (ii) any criminal violation involving the use of a firearm, or (iii) making terroristic threats;
- (4) owes delinquent taxes in excess of \$500 as defined in section 270.72; or
- (5) after demand, has not filed tax returns required by the commissioner of revenue.

Subd. 4. [FEES.] The annual fee for a bingo hall license is \$2,500.

Subd. 5. [CRIMINAL HISTORY.] The board may request the assistance of the division of gambling enforcement in investigating the background of an applicant for a bingo hall license and may reimburse the division of gambling enforcement for the costs. The board has access to all criminal history data compiled by the bureau of criminal apprehension and the division of gambling enforcement on licensees and applicants.

Subd. 6. [PROHIBITION PROHIBITED ACTS.] No bingo hall licensee, person holding a financial or managerial interest in a bingo hall, or an affiliate thereof may also:

- (1) be a licensed distributor or licensed manufacturer or affiliate of the distributor or manufacturer under section 349.161 or 349.163 or a wholesale distributor of alcoholic beverages;

Subd. 7. [RESTRICTIONS.] A bingo hall licensee ~~or affiliate of the licensee may not:~~

- (1) (2) provide any staff to conduct or assist in the conduct of bingo or any other form of lawful gambling during the bingo occasion on the premises;

- (2) (3) acquire, provide storage or inventory control, or report the use of any gambling equipment used by an organization that conducts bingo lawful gambling on the premises;

(3) (4) provide accounting services to an organization conducting bingo lawful gambling on the premises;

(4) (5) solicit, suggest, encourage, or make any expenditures of gross receipts of an organization from lawful gambling; or

(5) (6) charge any fee to a person at a bingo occasion, without which the person could not play a bingo game or participate in another form of lawful gambling on the premises;

(7) provide assistance or participate in the conduct of lawful gambling on the premises; or

(8) permit more than 21 bingo occasions to be conducted on the premises in any week.

Subd. 8 7. [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 licensee based on the number of participants attending the bingo occasion or participating in lawful gambling on the premises, or based on the gross receipts or profit received by the organization. All provisions of section 349.18 apply to lawful gambling conducted in bingo halls.

Subd. 9 8. [REVOCAION AND SUSPENSION.] A license under this section may be suspended by the board for a violation of law or board rule or revoked for (1) failure to meet the qualifications in subdivision 3 at any time; or revoked for what the board determines to be (2) a pattern of willful violations violation 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. 26. [349.165] [PREMISES PERMITS.]

Subdivision 1. [PREMISES PERMIT REQUIRED; APPLICATION.] No licensed organization may conduct any lawful gambling at any site unless it has first obtained from the board a premises permit for the site. The board shall prescribe a form for permit applications, and each application for a permit must be submitted on a separate form. The board may by rule limit the number of premises permits that may be issued to an organization.

Subd. 2. [CONTENTS OF APPLICATION.] Each application for a premises permit must contain:

(1) the name and address of the applying organization and of the organization's gambling manager;

(2) a description of the site for which the permit is sought,

including its address and, where applicable, its placement within another premises or establishment;

(3) if the site is leased, the name and address of the lessor and such information about the lease as the board requires, including all rents and other charges for the use of the site; and

(4) other information the board deems necessary to carry out its purposes.

An organization holding a premises permit must notify the board within ten days whenever any material change is made in the above information.

Subd. 3. [FEES.] The board may issue four classes of premises permits, corresponding to the classes of licenses authorized under section 349.16, subdivision 6. The annual fee for each class of permit is:

- (1) \$200 for a class A permit;
- (2) \$125 for a class B permit;
- (3) \$100 for a class C permit; and
- (4) \$75 for a class D permit.

Sec. 27. [349.166] [EXEMPTIONS; EXCLUSIONS.]

Subdivision 1. [EXCLUSIONS.] (a) Bingo may be conducted without a license and without complying with sections 349.17, subdivision 1, and 349.18, if it is conducted:

- (1) in connection with a county fair, the state fair, or a civic celebration if it is not conducted for more than 12 consecutive days in a calendar year; or
- (2) by an organization that conducts four or fewer bingo occasions in a calendar year.

No organization that holds a license to conduct lawful gambling under this chapter may conduct bingo under this subdivision.

(b) Bingo may be conducted within a nursing home or a senior citizen housing project or by a senior citizen organization without compliance with sections 349.11 to 349.213 if the prizes for a single bingo game do not exceed \$10, total prizes awarded at a single bingo occasion do not exceed \$200, no more than two bingo occasions are held by the organization or at the facility each week, only members of the organization or residents of the nursing home or housing

project are allowed to play in a bingo game, no compensation is paid for any persons who conduct the bingo, a manager is appointed to supervise the bingo, and the manager registers with the board. The gross receipts from bingo conducted under the limitations of this subdivision are exempt from taxation under chapter 297A.

(c) Raffles may be conducted by an organization without complying with sections 349.11 to 349.14 and 349.151 to 349.213 if the value of all raffle prizes awarded by the organization in a calendar year does not exceed \$750.

Subd. 2. [EXEMPTIONS.] (a) Lawful gambling may be conducted by an organization as defined in section 349.12, subdivision 12, without complying with sections 349.151 to 349.16; 349.167; 349.168; 349.18; 349.19; and 349.212 if:

(1) the organization conducts lawful gambling on five or fewer days in a calendar year;

(2) the organization does not award more than \$50,000 in prizes for lawful gambling in a calendar year;

(3) the organization pays a fee of \$25 to the board, notifies the board in writing not less than 30 days before each lawful gambling occasion of the date and location of the occasion, or 60 days for an occasion held in the case of a city of the first class, the types of lawful gambling to be conducted, the prizes to be awarded, and receives an exemption identification number;

(4) the organization notifies the local government unit 30 days before the lawful gambling occasion, or 60 days for an occasion held in a city of the first class;

(5) the organization purchases all gambling equipment and supplies from a licensed distributor; and

(6) the organization reports to the board, on a single page form prescribed by the board, within 30 days of each gambling occasion, the gross receipts, prizes, expenses, expenditures of net profits from the occasion, and the identification of the licensed distributor from whom all gambling equipment was purchased.

(c) If the organization fails to file a timely report as required by paragraph (b), clause (3) or (6), a \$250 penalty is imposed on the organization. Failure to file a timely report does not disqualify the organization as exempt under this paragraph if a report is subsequently filed and the penalty paid.

(d) Merchandise prizes must be valued at their fair market value.

(e) Unused pull-tab and tipboard deals must be returned to the distributor within seven working days after the end of the lawful gambling occasion. The distributor must accept and pay a refund for all returns of unopened and undamaged deals returned under this paragraph.

(f) An organization that is exempt from taxation on purchases of pull-tabs and tipboards under section 349.212, subdivision 4, paragraph (c), must return to the distributor any tipboard or pull-tab deal no part of which is used at the lawful gambling occasion for which it was purchased by the organization.

Subd. 3. [RAFFLES; CERTAIN ORGANIZATIONS.] The provisions of sections 349.21 and 349.211, subdivision 3, and the membership requirements of sections 349.14 and 349.20 do not apply to raffles conducted by an organization which directly or under contract to the state or a political subdivision delivers health or social services and which is a 501(c)(3) organization if the prizes awarded in the raffles are real or personal property donated by an individual, firm, or other organization. The person who accounts for the gross receipts, expenses, and profits of the raffles may be the same person who accounts for other funds of the organization.

Subd. 4. [TAXATION.] An organization's receipts from lawful gambling that is exempt from licensing under this section is not subject to the tax imposed by section 297A.02 or 349.212.

Sec. 28. [349.167] [GAMBLING MANAGERS.]

Subdivision 1. [GAMBLING MANAGER REQUIRED.] (a) All lawful gambling conducted by a licensed organization must be under the supervision of a gambling manager. A gambling manager designated by an organization to supervise lawful gambling is responsible for the gross receipts of the organization and for its conduct in compliance with all laws and rules. The organization must maintain, or require the person designated as a gambling manager to maintain, a fidelity bond in the sum or \$25,000 in favor of the organization and the state, conditioned on (1) the faithful performance of the manager's duties; and (2) the payment of all taxes due under this chapter on lawful expenditures of gross profits from lawful gambling. The terms of the bond must provide that notice be given to the board in writing not less than 30 days before its cancellation. In the case of conflicting claims against a bond a claim by the state has preference over a claim by the organization.

(b) A person may not act as a gambling manager for more than one organization.

(c) An organization may not conduct lawful gambling without having a gambling manager. The board must be notified in writing of a change in gambling managers. Notification must be made

within ten days of the date the gambling manager assumes the manager's duties.

(d) An organization may not have more than one gambling manager at any time.

Subd. 2. [GAMBLING MANAGERS; LICENSES.] No person may serve as a gambling manager for any organization unless the person possesses a valid gambling manager's license from the board. The board may issue a gambling manager's license to a person applying for the license who:

(1) has received training as required in subdivision 5;

(2) has not been convicted of a felony in a state or federal court;

(3) has not at any time within the five years prior to the license application committed any violation of law or board rule which resulted in the revocation of any license issued by the board;

(4) has never been convicted in a state or federal court of any criminal violation involving fraud, theft, tax evasion, misrepresentation, or gambling;

(5) has never been convicted of (i) assault, (ii) any criminal violation involving the use of a firearm, or (iii) making terroristic threats; and

(6) has not engaged in conduct the board determines is contrary to the public health, welfare, or safety or the integrity of lawful gambling.

A gambling manager's license is valid for one year unless suspended or revoked. The annual fee for a gambling manager's license is \$100.

Subd. 4. [SUSPENSION; REVOCATION.] The board may suspend or revoke, as provided in board rules, a gambling manager's license for a violation of law or board rule. A suspension or revocation is a contested case under sections 14.57 to 14.69 of the administrative procedure act.

Subd. 5. [TRAINING OF GAMBLING MANAGERS.] (a) The board shall by rule require all persons licensed as gambling managers to receive periodic training in laws and rules governing lawful gambling. The rules must contain the following requirements:

(1) each gambling manager must have received such training before being issued a new license;

(2) each gambling manager applying for a renewal of a license must have received training within the three years prior to the date of application for the renewal; and

(3) the training required by this subdivision may be provided by a person, firm, association, or organization authorized by the board to provide the training. Before authorizing a person, firm, association, or organization to provide training, the board must determine that:

(i) the provider and all of the provider's personnel conducting the training are qualified to do so;

(ii) the curriculum to be used fully and accurately covers all elements of lawful gambling law and rules that the board determines are necessary for a gambling manager to know and understand;

(iii) the fee to be charged for participants in the training sessions is fair and reasonable; and

(iv) the training provider has an adequate system for documenting completion of training.

The rules may provide for differing training requirements for gambling managers based on the class of license held by the gambling manager's organization.

The board or the director may provide the training required by this subdivision using employees of the division.

Subd. 6. [CRIMINAL HISTORY.] The board may request the assistance of the division of gambling enforcement in investigating the background of an applicant for a gambling manager's license and may reimburse the division of gambling enforcement for the costs thereof. The board has access to all criminal history data compiled by the division of gambling enforcement on licensees and applicants.

Sec. 29. [349.168] [GAMBLING EMPLOYEES.]

Subdivision 1. [REGISTRATION OF EMPLOYEES.] No person may receive compensation for participating in the conduct of lawful gambling as an employee of a licensed organization unless the person has first registered with the board on a form the board prescribes. The form must require that each person registering must provide (1) the person's name, address, and social security number; (2) a current photograph; (3) the name, address, and license number of the employing organization; and (4) a listing of all employment in the conduct of lawful gambling within the previous three years,

including the name and address of each employing organization and the circumstances under which the employment was terminated.

Subd. 2. [IDENTIFICATION OF EMPLOYEES.] The board shall issue to each person registering under subdivision 1 a registration number and identification card which must include the employee's photograph. Each person receiving compensation for the conduct of lawful gambling must wear the identification card provided by the board at all times while engaged in such employment.

Subd. 3. [COMPENSATION.] Compensation to persons who participate in the conduct of lawful gambling may be paid only to active members of the conducting organization or its auxiliary, or the spouse or surviving spouse of an active member, except that the following persons may receive compensation without being active members: (1) sellers of pull-tabs, tipboards, raffle tickets, paddle-wheel tickets, and bingo paper; and (2) accountants performing auditing or bookkeeping services for the organization; and (3) attorneys providing legal services to the organization.

Subd. 4. [AMOUNTS PAID.] The amounts of compensation which may be paid under this section may be provided for in a schedule of compensation adopted by the board by rule. In adopting a schedule, the board must consider the nature of the participation and the types of lawful gambling participated in.

Subd. 5. [COMPENSATION RECORDS.] An organization paying compensation to persons for the conduct of lawful gambling must maintain a compensation record. The record must be retained for at least two years after the month in which the compensation is paid. The record must be an itemization of each payment made to each recipient of compensation and must include the amount of compensation paid and the full name, address, and membership status of each recipient.

Subd. 6. [COMPENSATION PAID BY CHECK.] Compensation paid by an organization in connection with lawful gambling must be in the form of a check drawn on the organization's gambling account, as specified in section 349.19, and paid directly to the employee of the organization.

Subd. 7. [PENALTY.] (a) An organization that makes payment of compensation, or causes compensation to be made, which violates the provisions of subdivision 4 shall be assessed a civil penalty not to exceed \$1,000 for each violation of subdivision 4. A second violation within 12 months of notification by the board to the organization of the first violation shall result in suspension of the organization's gambling license for a period of three months, in addition to any civil penalty assessed. A third violation within 12 months of the board's notification to the organization of the second

violation shall result in revocation of the organization's gambling license in addition to any civil penalty assessed.

(b) Upon each violation, the director shall notify the organization in writing of its violation and of the penalties under this subdivision for future violations. Notification is effective upon mailing.

(c) For purposes of this subdivision, a violation consists of a payroll period or compensation date that includes payments made in violation of subdivision 4.

Subd. 8. [PERCENTAGE OF GROSS PROFIT PAID.] A licensed organization may pay a percentage of the gross profit from raffle ticket sales to a nonprofit organization which sells raffle tickets for the licensed organization.

Sec. 30. Minnesota Statutes 1988, section 349.17, as amended by Laws 1989, chapter 334, article 2, section 26, is amended to read:

349.17 [CONDUCT OF BINGO.]

Subdivision 1. [BINGO OCCASIONS.] Not more than ~~six~~ seven bingo occasions each week may be conducted by an organization. At least 15 bingo games must be held at each occasion and a bingo occasion must continue for at least 1-½ hours but not more than four consecutive hours.

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 names 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 conducted 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; and

(5) preparation of the bingo packets.

Subd. 2a. [DISTRIBUTOR LICENSE EXEMPTION FOR LESSOR.] As part of a lease agreement on a leased bingo premises, the lessor may furnish bingo equipment without being a licensed distributor. For purposes of this section, "furnish" does not include the right to sell or offer for sale.

Subd. 3. Each bingo winner must be determined and every prize shall be awarded and delivered the same day on which the bingo occasion is conducted.

Subd. 4. [CHECKERS.] One or more checkers must be engaged for each bingo occasion. The checker or checkers must record, on a form the board provides, the number of cards played in each game and the prizes awarded to recorded cards. The form must provide for the inclusion of the registration number of each card and must include a checker's certification that the figures recorded are correct to the best of the checker's knowledge.

Subd. 5. [BINGO CARD NUMBERING.] The board shall by rule require that all licensed organizations (1) conduct bingo only using liquid daubers on cards that bear an individual number recorded by the distributor; (2) sell all bingo cards only in the order of the numbers appearing on the cards; and (3) use each bingo card for no more than one bingo occasion. In lieu of the requirements of clauses (2) and (3), a licensed organization may electronically record the sale of each bingo card at each bingo occasion, using an electronic recording system approved by the board. In lieu of the requirements of clauses (1), (2), and (3), a licensed organization may conduct bingo using electronic remote units which simulate bingo games and which are programmed for a certain number of plays by a central computer, provided that all such electronic equipment is approved by the board.

Sec. 31. [349.172] [PULL-TABS; INFORMATION REQUIRED TO BE POSTED.]

An organization selling pull-tabs, other than plays on a video pull-tab device at any location must post for each deal of pull-tabs all major prizes that have been awarded for pull-tabs purchased from that deal and the name of the winner of each major prize. The information must be posted prominently at the point of sale of the deal. An easily legible pull-tab flare which lists prizes in that deal, and on which prizes are marked or crossed off as they are awarded, satisfies the requirement of this section that major prizes be posted, provided that a separate flare is posted for each deal of pull-tabs. An organization must post or mark off each major prize and post the

name of the prize winner immediately upon awarding the prize. A "major prize" in a deal of pull-tabs is any prize that is at least 50 times the face value of any pull-tab in the deal.

Sec. 32. [349.173] [VIDEO PULL-TAB DEVICES.]

Subdivision 1. [LICENSES.] (a) No organization may operate a video pull-tab device for which the board has not issued a license. An application for a video pull-tab device license must be on a form the board prescribes and must contain the following information:

(1) the name, address, and license number of the organization applying for the license;

(2) the name, address, and license number of the distributor that will be leasing the device to the applicant;

(3) the name and address of the premises on which the device is to be located;

(4) the serial number, the model number, and the name of the manufacturer or other identifying number of the device; and

(5) such other information as the board deems necessary to identify the device and insure its compliance with law and board rules.

(b) A license issued under this section is valid for one year. The board shall set and charge a fee for each license under this section in an amount sufficient to reimburse the board for its costs in administering and enforcing this section other than the costs recovered under subdivision 3.

(c) A license issued under this section must display all the information required in paragraph (a), clauses (1) to (5).

(d) The license must specify by name those persons whom the board has approved to have access to the device, and the extent of that access. The board may not approve any person to have such access who is not (1) an active member of the licensed organization applying for the license, or (2) a licensed distributor or an employee thereof. No person other than a licensed peace officer or an authorized employee of the board, the commissioner of revenue or the commissioner of public safety may obtain or attempt to obtain access to a device or to any of its parts or components unless that person is named and authorized on the license to have such access.

Subd. 2. [LICENSES; LIMITATIONS.] (a) The board may not have outstanding at any time more than 100 licenses issued under this section. The board shall, in issuing licenses under this section,

insure as nearly as practicable that the locations of the licenses are equally divided between locations where paper pull-tabs will also be sold and locations where paper pull-tabs will not be sold.

(b) All licenses issued under this section expire July 1, 1993.

Subd. 3. [INSPECTION OF DEVICES.] (a) The board may issue a video pull-tab device license only for a device it has determined is in compliance with all applicable law and rules. The board shall examine and if necessary conduct tests on each video pull-tab device for which a license is applied, and may examine and if necessary conduct tests on any component of such a video pull-tab device. The board may request the assistance of the commissioner of public safety or contract for the services of a consultant or testing laboratory in making examinations or conducting tests. The board shall require that the manufacturer of a video pull-tab device pay all costs of examining and testing the device or any of its components.

(b) No manufacturer, distributor, or video pull-tab device wholesaler may sell or lease any video pull-tab device unless the board has determined that the device and all its components are in compliance with all applicable laws and rules.

Subd. 4. [DISPLAY OF LICENSE.] An organization operating a video pull-tab device must prominently display the license on the device at all times when the device is available for play by the public. An organization may display a license only on the device for which it was issued.

Subd. 5. [SPECIFICATIONS.] (a) A video pull-tab device approved by the board must be driven by a sealed read-only memory chip displaying or having attached such information as the board deems necessary, which must include (1) identification of the manufacturer; (2) the number of plays for which the chip has been programmed; (3) the serial number of the chip; and (4) the words "For Sale in Minnesota Only." A chip must be secured within the device by a strip of security tape of a type approved by the board, capable of evidencing the removal of a chip from its memory board.

(b) A chip must be programmed for a specific number of plays and be incapable of offering any plays in excess of that number. The number of plays programmed onto any chip must be the number on which tax has been paid under section 349.212, subdivision 4. The chip must be programmed to accept only the same price for all plays on the chip. A chip must also have programmed onto it the percentage of plays which are winning plays and the percentage of total receipts on all plays which are returned to players as prizes, and may not be capable of having these percentages altered. Winning plays must be randomly distributed on each chip, and a chip must be designed and programmed in such a way that the location of winning chances cannot be determined in advance. A

chip on which all programmed plays have been exhausted must be replaced before the device may again be operated.

(c) A video pull-tab device must display, on the video screen or elsewhere, the price of each chance, the percentage of total chances on the chip that are winning chances, and the number of free games or credits awarded for each successful chance. If the information is displayed on the video screen it must be displayed at all times when the machine is operable but not being played.

(d) A video pull-tab device must contain a prize meter with a printer. The prize meter must be capable of dispensing to any player a voucher containing:

- (1) the name of the establishment where the device is located;
- (2) the organization operating the device;
- (3) the license number of the device;
- (4) a sequential number of the voucher and a separate encrypted validation number;
- (5) the time and date of the play; and
- (6) the value of any credits won.

The prize meter must print and retain inside the device a copy of each such voucher issued. The device must not be capable of returning anything to the player other than the voucher.

(e) A video pull-tab device must contain electronic accounting meters which must be maintained at all times, whether or not the game is being supplied with external power. The following information must be recorded and stored on a meter capable of maintaining totals of not less than eight digits:

- (1) total coins and bills inserted by players and their value;
- (2) total credits wagered;
- (3) total credits won; and
- (4) total credits paid out by printed ticket voucher.

The following information must be recorded and stored on a meter capable of maintaining totals of not less than six digits:

(1) number of times access was obtained to the compartment containing the memory chip;

(2) number of chances played on the memory chip; and

(3) number of cumulative credits representing credits won and money inserted by a player but not redeemed or played off.

Electronic accounting meters may be cleared only by an employee of the board, or by an authorized person in the presence of an employee of the board. The organization to which the device was leased must make a written record of the readings before and after clearing. The record must include the reason why the meter was cleared. A separate record must be made for each meter cleared. If the record is kept by an authorized person, a copy must be provided to the board.

(f) A video pull-tab device may not offer any game or gambling form other than the simulation of the game of pull-tabs.

(g) A video pull-tab device may not have any functions or parameters adjustable by or through any separate video display or input codes except for the adjustment of wholly cosmetic features.

(h) A video pull-tab device must contain a meter and printer which issues, on activation of a switch, an accounting ticket containing the following information:

(1) the name of the licensed organization;

(2) the location of the device;

(3) the license number and manufacturer's serial number of the device;

(4) the time and date of the printout;

(5) the registration number of the chip driving the device;

(6) the readings from the meter required under paragraph (e); and

(7) other information the board by rule requires.

No person may activate the switch required in this paragraph who is not authorized by the board to do so.

Subd. 6. [HARDWARE REQUIREMENTS:] (a) A video pull-tab device must have:

(1) a surge protector for all power fed to the device;

(2) a power switch located in an accessible place within the interior of the device, which controls the electrical current which powers the device;

(3) a separate secure compartment for holding coins or currency, with a key or combination different from that used for unlocking any other part of the device;

(4) a battery back-up or its equivalent, which allows the electronic meters of the device to maintain accurate readings for not less than 180 days after power is discontinued to the device, for all information regarding:

(i) current and total tallies for amount wagered and paid out;

(ii) records of access to the logic board compartment;

(iii) records of access to the cash and coin compartments; and

(iv) other information the board by rule requires.

(b) A video pull-tab device may not have:

(1) any hardware switch capable of altering the payment tables or payout percentages of the device; or

(2) a mechanism or program which will cause the electronic accounting meters to clear automatically.

(c) A video pull-tab device and all its components may not be capable of being adversely affected by static discharge, radio frequency interference, or other electromagnetic interference.

(d) All logic boards, memory chips, and other logic control components of a video pull-tab device must be located in a locked compartment which is separate from any other compartment. The key or combination of this compartment must be different from that used for unlocking any other part of the device.

(e) A video pull-tab device must not be capable of being activated by a credit card.

Subd. 7. [LOCATIONS.] (a) An organization may place a video pull-tab device for operation only in a location approved by the board, which location must be specified on the license. The board may approve locations that are authorized to sell alcoholic beverages at on-sale under chapter 340A. The board may not allow the placement of more than two video pull-tab devices in any location.

(b) All leases by which a licensed organization leases space in a location for the placement of a video pull-tab device are subject to the provisions of section 349.18.

(c) The board, the commissioner of revenue, and the commissioner of public safety may inspect at any time any location agreement made between a distributor and a licensed organization governing the terms of leasing a video pull-tab device.

(d) No video pull-tab device may stand at any place in a location where it cannot readily be observed by employees of the location or persons supervising the device on behalf of a licensed organization.

Subd. 8. [CONDUCT OF GAMBLING ON VIDEO PULL-TAB DEVICES.] No person receiving compensation for participating in the conduct of gambling on a video pull-tab device may gamble on such a device while so participating. No person receiving compensation for participating in the conduct of gambling on a video pull-tab device and no employee of the lessor of the premises on which the device is located may provide any information on the device that would give any player an unfair advantage in operating the device. No person under age 18 may wager on or receive a prize from a video pull-tab device.

Subd. 9. [PAYMENT OF PRIZES.] An organization may not pay any prize won on a video pull-tab device except on presentation by the winner of the ticket voucher printed by the device's prize meter. The provisions of law and board rules governing the retention of winning pull-tabs apply to ticket vouchers. An organization must upon presentation of a ticket voucher and making payment thereof immediately deface the voucher in a manner that prevents its reuse.

Subd. 10. [LIMITATION OF PRIZES.] A video pull-tab device may not:

- (1) charge any price for a single chance of more than \$2; or
- (2) award any single prize of more than \$250.

Subd. 11. [RULES.] The board may by rule provide additional requirements for video pull-tab devices as it deems necessary to ensure their integrity and the full accounting for all play thereon. The rules may include:

- (1) authorization of persons who have access to any locked area of a video pull-tab device;
- (2) additional device specifications;

(3) methods of determining randomness of distributing prizes in a memory chip; and

(4) testing procedures for video pull-tab devices.

Sec. 33. [349.174] [PULL-TAB DISPENSING MACHINES.]

Subdivision 1. [MACHINES AUTHORIZED.] The board may authorize a licensed organization to sell pull-tabs by means of a dispensing device which dispenses pull-tabs on insertion of a coin or currency. The board must indicate on the license of each organization whether the organization is authorized to sell pull-tabs by means of a dispensing device. Each dispensing device installed and maintained by a licensed organization must be of a type approved by the board. The board shall approve for installation only those pull-tab dispensing devices that it determines provide adequate security, integrity, and accountability. The board may not approve for installation any dispensing machine which cannot hold at least 2,500 pull-tabs at any time.

Subd. 2. [MACHINE REQUIREMENTS.] Each pull-tab dispensing machine must have a meter which records (i) the total amounts of coin and currency inserted into the machine, and (ii) the total number of pull-tabs dispensed. The meter must be in a compartment which is separate from the compartment which holds the coins and currency inserted into the machine.

Subd. 3. [ACCESS TO MACHINES.] The board shall specify each person authorized to have access to a pull-tab dispensing machine and shall identify each such person on the license of the organization authorized to install the machine, and the extent of that access. No person may obtain or attempt to obtain access to a pull-tab dispensing machine or any part or component of a machine without being authorized by the board to have such access.

Subd. 4. [DISPLAY OF INFORMATION.] Each pull-tab dispensing machine installed by a licensed organization must conspicuously display the following information:

- (1) the name and license number of the installing organization;
- (2) the number of pull-tabs originally placed in the machine at the beginning of the current game;
- (3) the number and amount of all prizes in the game which are at least 50 times the price of each individual chance in the game; and
- (4) the prize payout percentage for that game.

Pull-tab dispensing machines are subject to the requirements of section 349.172.

Subd. 5. [LEASE OF MACHINES.] A licensed organization may lease a pull-tab dispensing machine only from a distributor licensed under section 349.161.

Subd. 6. [PERMITTED LOCATIONS.] The license of an organization authorized to install a pull-tab dispensing machine must specify the locations where the machines will be installed. The organization must have a premises permit for each such location. Not more than two machines may be installed on any premises.

Subd. 7. [LIMITATIONS.] The board may not (1) authorize more than 100 organizations at any time to operate a pull-tab dispensing machine, or (2) authorize any organization to operate more than two machines.

Subd. 8. [REPEAL.] This section is repealed July 1, 1993.

Sec. 34. Minnesota Statutes 1988, section 349.18, as amended by Laws 1989, chapter 334, article 2, sections 27 and 28, is amended to read:

349.18 [PREMISES USED FOR GAMBLING.]

Subdivision 1. [LEASE OR OWNERSHIP REQUIRED.] An organization may conduct lawful gambling only on premises it owns or leases. Leases must be for a period of one year and must be ~~in~~ writing on a form prescribed by the board. Copies of all leases must be made available to employees of the division and the division of gambling enforcement on request. A lease may not provide for payments determined directly or indirectly by the receipts or profits from lawful gambling. The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for lawful gambling. Any rule adopted by the board limiting the amount of rent to be paid may only be effective for leases entered into, or renewed, after the effective date of the rule.

No person, distributor, manufacturer, lessor, or organization other than the licensed organization leasing the space may conduct any activity ~~in a~~ on the leased space premises during times when lawful gambling is being conducted ~~in the space on the premises~~.

Subd. 1a. [STORAGE OF GAMBLING EQUIPMENT.] (a) Gambling equipment owned by or in the possession of a licensed organization must be kept at a licensed gambling premises owned or operated by the organization, or at other storage sites within the state that the organization has notified the board are being used as gambling equipment storage sites. At each storage site or licensed

premises, the organization must have the invoices or true and correct copies of the invoices for the purchase of all gambling equipment at the site or premises. No gambling equipment owned by an organization may be kept at a distributor's office, warehouse, storage unit, or other place of the distributor's business.

(b) Gambling equipment, other than devices for selecting bingo numbers, owned by a licensed an organization must be secured and kept separate from gambling equipment owned by other persons, organizations, distributors, or manufacturers consistent with the organization's internal controls filed with the board.

(c) Gambling equipment kept in violation of this subdivision is contraband under section 349.2125.

(d) ~~A licensed~~ An organization may transport gambling equipment it owns or possesses between approved gambling equipment storage sites and to and from licensed distributors.

Subd. 2. [EXCEPTIONS.] (a) ~~A licensed~~ An organization may conduct raffles on a premise it does not own or lease.

(b) ~~A licensed~~ An organization may with the permission of the board, conduct bingo on premises it does not own or lease for up to six 12 consecutive days in a calendar year, in connection with a county fair, the state fair, or ~~even~~ a civic celebration.

(c) A licensed organization may, after compliance with section 349.213, conduct lawful gambling on premises other than the organization's licensed premise for one day per year for not more than 12 hours that day. A lease for that time period for the exempted premises must accompany the request to the board.

Subd. 3. [~~PROCEEDS FROM RENTAL.~~] Rental proceeds from premises owned by a licensed an organization and leased or sub-leased to one or more other licensed organizations for the purposes of conducting lawful gambling shall not be reported as gambling proceeds under this chapter.

Subd. 4. [PROHIBITION.] An organization may not pay rent to itself or to any of its affiliates for use of space for conducting lawful gambling.

Sec. 35. Minnesota Statutes 1988, section 349.19, as amended by Laws 1989, chapter 334, article 2, sections 29, 30, 32, and 33, and Laws 1989, First Special Session chapter 1, article 13, section 11, is amended to read:

349.19 [RECORDS AND REPORTS.]

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, prizes, and profits gross profit. 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.

Subd. 2. [ACCOUNTS.] Gross receipts from lawful gambling by each organization at each licensed permitted premises must be segregated from all other revenues of the conducting organization and placed in a separate account. All expenditures for expenses, taxes, and lawful purposes must be made from such a separate account except in the case of expenditures previously approved by the organization's membership for emergencies as defined by board rule. The name and address of the bank and the account number for that separate account for that licensed premises, and the names of organization members authorized as signatories on the separate account must be provided to the board when the application is submitted. Changes in the information must be submitted to the board at least ten days before the change is made. Gambling receipts must be deposited into the gambling bank account within ~~one business day~~ three days of completion of the bingo occasion, deal, or game from which they are received, and deposit records must be sufficient to allow determination of deposits made from each bingo occasion, deal, or game. The person who accounts for gambling gross receipts and profits may not be the same person who accounts for other revenues of the organization.

Subd. 3. [EXPENDITURES.] All expenditures of gross profits from lawful gambling must be itemized as to payee, purpose, amount, and date of payment, and must be in compliance with section 349.154. Authorization of the expenditures must be recorded in the regular monthly meeting minutes of the licensed organization. All checks for expenditures of gross profits must be signed by at least two persons authorized by board rules to sign the checks.

Subd. 4. [DISCREPANCIES.] If at a bingo occasion a discrepancy of more than \$20 is found between the gross receipts as reported by the checkers and the gross receipts determined by adding the cash receipts, the discrepancy must be reported to the board within five days of the bingo occasion.

Subd. 5. [REPORTS.] A licensed organization must report to the board and to its membership monthly, or quarterly in the case of a

licensed organization which does not report more than \$1,000 in gross receipts from lawful gambling in any calendar quarter, on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling. If the organization conducts both bingo and other forms of lawful gambling, the figures for both must be reported separately. In addition, a licensed organization must report to the board monthly on its purchases of gambling equipment and must include the type, quantity, and dollar amount from each supplier separately. The reports must be on a form the board prescribes. Submission of the report required by section 15 satisfies the requirement for reporting monthly to the board on expenditure of net profits.

Subd. 6. [PRESERVATION OF RECORDS.] Records required to be kept by this section must be preserved by a licensed organization for at least 3-½ years and may be inspected by the commissioner of revenue, the commissioner of gaming, or the commissioner of public safety at any reasonable time without notice or a search warrant.

Subd. 7. [TAX RECORDS.] The board may by rule require each licensed organization to provide copies of forms it files with the United States department of the treasury which are required for organizations exempt from income tax.

Subd. 8. [TERMINATION PLAN.] Upon termination of a license for any reason, a licensed organization must notify the board in writing within 15 calendar days of the license termination date of its plan for disposal of registered gambling equipment and distribution of remaining gambling proceeds. Before implementation, a plan must be approved by the board. The board may accept or reject a plan and order submission of a new plan or amend a proposed plan. The board may specify a time for submission of new or amended plans or for completion of an accepted plan.

Subd. 9. [ANNUAL AUDIT; FILING REQUIREMENT.] An organization licensed under this chapter must have an annual financial audit of its lawful gambling activities and funds performed by an independent auditor licensed by the state of Minnesota or performed by an independent accountant who has had prior approval of the board. The board shall by rule prescribe standards for the audit, which must provide for the reconciliation of the organization's gambling account or accounts with the organization's reports filed under subdivision 5 and section 19. A complete, true, and correct copy of the audit report must be filed with the board upon completion of the audit.

Subd. 10. [PULL-TAB RECORDS.] The board shall by rule require a licensed organization to require each winner of a pull-tab prize of \$50 or more to present identification in the form of a drivers license, Minnesota identification card, or other identification the board deems sufficient to allow the identification and tracing of the

winner. The rule must require the organization to retain winning pull-tabs of \$50 or more, and the identification of the winner of each such pull-tab, for 3-1/2 years.

Sec. 36. Minnesota Statutes Second 1989 Supplement, section 349.212, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION.] 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, and (3) operation of video pull-tab devices, at the rate of ten percent on the gross receipts as defined in section 349.12, subdivision 26, less prizes actually paid. 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 8, or a tax authorized under section 349.212, subdivision 5.

The tax imposed under this subdivision is payable by the organization or party conducting, directly or indirectly, the gambling.

Sec. 37. Minnesota Statutes Second 1989 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, and each read-only memory chip intended to drive a video pull-tab device. The rate of the tax is two percent of the ideal gross of the pull-tab or tipboard deal or the chip. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the licensed distributor and on the sale of a chip intended to drive a video pull-tab device 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 8.

(b) The liability for the tax imposed by this section is incurred when the pull-tabs and tipboards are delivered by the distributor to the customer, to a common or contract carrier for delivery to the customer, or when received by the customer's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of the sale.

The tax imposed by this subdivision is imposed on all sales of pull-tabs and tipboards, except the following:

(1) sales to the governing body of an Indian tribal organization for use on an Indian reservation;

(2) sales to distributors licensed under this chapter;

(3) sales to distributors licensed under the laws of another state or of a Province of Canada, as long as all statutory and regulatory requirements are met in the other state or province; and

(4) sales of promotional tickets as defined in section 349.12.

(c) In the case of a memory chip intended to drive a video pull-tab device, the liability for the tax imposed by this section is incurred when the chip has been delivered by the manufacturer to the purchaser, to a common carrier, for delivery to the purchaser, or when received by the purchaser's representative at the manufacturer's place of business, regardless of the manufacturer's method of accounting.

(d) Pull-tabs and tipboards sold to an organization that sells pull-tabs and tipboards under the exemption from licensing in section 349.214 27, subdivision 2, paragraph (b), are exempt from the tax imposed by this subdivision. A distributor must require an organization conducting exempt gambling to show proof of its exempt status before making a tax-exempt sale of pull-tabs or tipboards to such an organization. A distributor shall identify, on all reports submitted to the commissioner, all sales of pull-tabs and tipboards that are exempt from tax under this subdivision.

Sec. 38. Minnesota Statutes 1988, section 349.212, subdivision 5, is amended to read:

Subd. 5. [LOCAL GAMBLING TAX.] (a) A statutory or home rule charter city which has one or more licensed organizations operating conducting lawful gambling, and a county which has one or more licensed organizations outside incorporated areas operating conducting lawful gambling, may with the prior approval of the board impose a local gambling tax on each licensed organization within the city's or county's jurisdiction. The tax may be imposed only if the amount to be received by the city or county is necessary to cover the costs incurred by the city or county to regulate lawful gambling. The board may approve a local gambling tax only if it determines that the revenue from the tax will be used exclusively for lawful gambling enforcement and regulation or other law enforcement purposes. The board may withdraw approval of a local gambling tax if it determines that the revenue from the tax is or will be used for any purpose other than lawful gambling enforcement and regulations or other law enforcement.

(b) The tax imposed by this subdivision may not exceed three percent of the gross receipts profit of a licensed organization from all lawful gambling less prizes actually paid out conducted by the organization. A city or county may not use money collected under this subdivision for any purpose other than for the purpose of

regulating lawful gambling. A tax imposed under this subdivision is in lieu of all other local taxes and local investigation fees on lawful gambling.

(c) Any city or county that imposes a tax under this subdivision shall annually by March 15 file a report with the board in a form prescribed by the board showing (1) the amount of revenue produced by the tax during the preceding calendar year, and (2) the use of the proceeds of the tax.

Sec. 39. Minnesota Statutes 1988, 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, and every manufacturer who sells video pull-tab devices 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 or video pull-tab device manufacturer in whose name it is issued.

Sec. 40. Minnesota Statutes 1989 Supplement, section 349.2121, subdivision 2, is amended to read:

Subd. 2. [RECORDS.] (a) 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 3-½ years after the date of the documents, or the date of the entries appearing in the records, unless the commissioner of revenue authorizes in writing their destruction or disposal at an earlier date. At any time during usual business hours, the commissioner of revenue, director of gambling enforcement, or any of their duly authorized agents or employees, may enter a place of business of a distributor or organization, any site from which pull-tabs or tipboards or other gambling equipment are being sold, or any site at which lawful gambling is being conducted, 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 of revenue, director of

gambling enforcement, 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 gambling control board.

(b) A distributor who replaces a memory chip used to drive a video pull-tab device after all chances on the chip have been played must retain the chip for 3-1/2 years from the date of its removal from the device. All provisions of law relating to the availability of a distributor's books and records apply to such chips.

Sec. 41. Minnesota Statutes 1988, section 349.2121, subdivision 4a, is amended to read:

Subd. 4a. [REFUND.] (a) 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, or if any memory chip used to drive a video pull-tab device is returned to its manufacturer with unplayed chances, the commissioner of revenue shall allow a refund of the tax paid.

(b) In the case of a defective deal or defective memory chip 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 or chip 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.

(c) The commissioner may require that no refund under this subdivision be made unless the returned pull-tabs or tipboards, or the returned memory chip, have been set aside for inspection by the commissioner's employee.

(d) Reductions in previously paid taxes authorized by this subdivision shall be made at the time and in the manner prescribed by the commissioner.

Sec. 42. Minnesota Statutes 1989 Supplement, section 349.2122, is amended to read:

349.2122 [MANUFACTURERS; REPORTS TO THE COMMISSIONER OF REVENUE; PENALTY.]

A manufacturer licensed ~~with~~ by the board who sells pull-tabs and tipboards to a licensed 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 any person in the state, including the established governing body of Indian tribes recognized by the United States Department of the Interior. The report must be filed monthly on or before the 25th day of the month succeeding the month in which the sale was made. The commissioner of revenue may inspect the books, records, and inventory of a licensed manufacturer without notice during the normal business hours of the manufacturer. Any person violating this section shall be guilty of a misdemeanor.

Sec. 43. Minnesota Statutes 1988; section 349.2123, is amended to read:

349.2123 [CERTIFIED PHYSICAL INVENTORY.]

The board or commissioner of revenue may, upon request, require a licensed distributor to furnish a certified physical inventory of ~~the pull-tabs and tipboards~~ all gambling equipment in stock. The inventory must contain the information required by the board or the commissioner.

Sec. 44. Minnesota Statutes 1989 Supplement, section 349.213, subdivision 1, is amended to read:

Subdivision 1. [LOCAL REGULATION.] A statutory or home rule city or county has the authority to adopt more stringent regulation of any form of lawful gambling within its jurisdiction, including the prohibition of any form of lawful gambling, and may require a permit for the conduct of gambling exempt from licensing under section 349.214. The fee for a permit issued under this subdivision may not exceed \$100. The authority granted by this subdivision does not include the authority to require a license or permit to conduct gambling by organizations or sales by distributors licensed by the board. The authority granted by this subdivision does not include the authority to require an organization to make specific expenditures of more than ten percent from its net profits derived from lawful gambling. For the purposes of this subdivision, net profits are profits less amounts expended for allowable expenses. A statutory or home rule charter city or a county may not require an organization conducting lawful gambling within its jurisdiction to make an expenditure to the city or county as a condition to operate within that city or county, except as authorized under section 349.16, subdivision 4 8, or 349.212; provided, however, that an ordinance requirement that such organizations must contribute ten percent of their net profits derived from lawful gambling to a fund administered and regulated by the responsible local unit of government without cost to such fund, for disbursement by the responsible local unit of government of the receipts for lawful purposes, is not considered an expenditure to the city or county nor a tax under section 349.212, and is valid and lawful.

A statutory or home rule city or county may by ordinance require

that a licensed organization conducting lawful gambling within its jurisdiction expend all or a portion of its expenditures for lawful purposes on lawful purposes conducted or located within the city's or county's trade area. Such an ordinance must define the city's or county's trade area and must specify the percentage of lawful purpose expenditures which must be expended within the trade area. A trade area defined by a city under this subdivision must include each city contiguous to the defining city.

Sec. 45. Minnesota Statutes 1989 Supplement, section 349.213, subdivision 2, is amended to read:

Subd. 2. [LOCAL APPROVAL.] Before issuing or renewing an ~~organization~~ license a premises permit or bingo hall license, the board must notify the city council of the statutory or home rule city in which the organization's premises or the bingo hall is located or, if the premises or hall is located outside a city, the county board of the county and the town board of the town where the premises or hall is located. The board may require organizations or bingo halls to notify the appropriate local government at the time of application. This required notification is sufficient to constitute the notice required by this subdivision. If the city council or county board adopts a resolution disapproving the license and so informs the board within 60 days of receiving notice of the application, the license may not be issued or renewed. The board may not issue or renew a premises permit or bingo hall license unless the organization submits a resolution from the city council or county board approving the premises permit or bingo hall license. The resolution must have been adopted within 60 days of the date of application for the new or renewed permit or license.

Sec. 46. Minnesota Statutes 1988, section 349.30, subdivision 2, is amended to read:

Subd. 2. "Gambling devices" means slot machines, roulette wheels, punchboards, and pin ball machines which return coins or slugs, chips, or tokens of any kind, which are redeemable in merchandise or cash device" has the meaning given it in section 609.75, subdivision 4.

Sec. 47. Minnesota Statutes 1988, section 349.31, is amended to read:

349.31 [GAMBLING DEVICE; POSSESSION OF]

Subdivision 1. [INTENTIONAL POSSESSION; WILLFUL KEEPING.] The intentional possession or willful keeping of a gambling device on a licensed premises is cause for the suspension or revocation of any license under which the licensed business is carried on upon the premises where the gambling device is found, provided that possession of gambling equipment as defined in section 349.12,

subdivision 17, which is used for lawful gambling authorized by this chapter, and the manufacture of gambling devices for use in jurisdictions where use of the gambling device is legal as provided for by section 349.40 shall not be cause for revocation of a license.

Subd. 2. [SUSPENSION AND REVOCATION OF LICENSES.]

All licenses under which any licensed business is permitted to be carried on upon the licensed premises shall be suspended or revoked if the intentional possession or willful keeping of any such gambling devices upon the licensed premises is established, notwithstanding that it may not be made to appear that such devices have actually been used or operated for the purpose of gambling.

Sec. 48. Minnesota Statutes 1988, section 349.32, is amended to read:

349.32 [ISSUING AUTHORITY TO REVOKE.]

The proceedings for suspension or revocation shall be had before the issuing authority, which shall have power to suspend or revoke the license or licenses involved, as hereinafter provided.

Sec. 49. Minnesota Statutes 1988, section 349.34, is amended to read:

349.34 [PROCEEDINGS BEFORE ISSUING AUTHORITY; ORDER TO SHOW CAUSE.]

Upon the receipt of such information from any of the peace officers referred to in section 349.33, if any issuing authority is of the opinion that cause exists for the suspension or revocation of any such license, then that authority shall issue an order to show cause directed to the licensee of the premises, stating the ground upon which the proceeding is based and requiring the licensee to appear and show cause at a time and place, within the county in which the licensed premises are located, not less than ten days after the date of the order, why the license should not be suspended or revoked. That order to show cause shall be served upon the licensee in the manner prescribed by law for the service of summons in a civil action, or by certified mail, not less than eight days before the date fixed for the hearing thereof. A copy of the order shall forthwith be mailed to the owner of the premises, as shown by the records in the office of the county recorder, at the owner's last known post office address. A copy of the order shall at the same time be mailed to any other issuing authority, of which the authority issuing the order to show cause has knowledge, by which other license to that licensee may have been issued, and any such other authority may participate in the suspension or revocation proceedings after notifying the licensee and the officer or authority holding the hearing of its intention so to do on or before the date of hearing, and after the hearing take such action as

it could have taken had it instituted the suspension or revocation proceedings in the first instance.

Sec. 50. Minnesota Statutes 1988, section 349.35, subdivision 1, is amended to read:

Subdivision 1. [REVOCAION; STAY; APPEAL.] If, upon the hearing of the order to show cause, it appears that the licensee intentionally possessed or willfully kept upon the licensed premises any gambling device, then the license or licenses under which the licensed business is operated on the licensed premises, shall be suspended or revoked. The order of suspension or revocation shall not be enforced during the period allowed by section 349.39 for taking an appeal.

Sec. 51. Minnesota Statutes 1988, section 349.36, is amended to read:

349.36 [DUTIES OF COUNTY ATTORNEY.]

The county attorney of the county in which the hearing is held, or the city attorney if the issuing authority is the city, shall attend the hearing, interrogate the witnesses, and advise the issuing authority. ~~The county attorney shall also, and appear for the issuing authority on any appeal taken pursuant to the provisions of section 349.39.~~

Sec. 52. Minnesota Statutes 1988, section 349.38, is amended to read:

349.38 [PROPERTY OWNERS LIABILITY.]

When a license is suspended or revoked under the provisions of sections 349.30 to 349.39, the owner of the premises upon which any licensed business has been operated shall not be penalized by reason thereof unless it is established that the owner had knowledge of the existence of the gambling devices resulting in license suspension or revocation.

Sec. 53. Minnesota Statutes 1988, section 349.39, is amended to read:

349.39 [APPEAL TO DISTRICT COURT; STAY; CONTINUANCE UNDER BOND; HEARING UPON ONE YEAR LIMITATION ON PREMISES.]

Any licensee, or any owner of licensed premises, aggrieved by an order of an issuing authority suspending or revoking any license may appeal from that order to the district court of the county in which the licensee resides by serving a notice of the appeal upon the

issuing authority or the clerk thereof. The notice of appeal shall state that the person appealing takes an appeal to that district court from the order suspending or revoking the license or licenses, describing them and identifying the order appealed from. This notice shall be served within 15 days from the date of service of the order appealed from, and the same, with proof of service thereof, shall be filed with the court administrator of the district court of the proper county. The appeal shall stand for trial at the next term of the district court following the filing of the notice of appeal, without the service of any notice of trial, and shall be tried in the district court de novo. The trial shall be by jury if the appellant shall so demand. The licensee may continue to operate the licensed business or businesses until the final disposition of such appeal. If the district court upon the appeal shall determine that any license involved in the appeal should be suspended or revoked, it may, nevertheless, in its discretion permit the continuance of the licensed business under a bond in the amount and in the form and containing the conditions prescribed by the court. The district court on the appeal, or in a separate proceeding, may permit the issuance of a new license to a different licensee before the expiration of the period of one year specified in section 349.35, subdivision 2, upon such terms and conditions imposed by the court as will insure that no gambling device shall thereafter be maintained upon the licensed premises.

Sec. 54. Minnesota Statutes 1988, section 349.50, subdivision 8, is amended to read:

Subd. 8. [VIDEO GAME OF CHANCE.] "Video game of chance" means games or devices that simulate games commonly referred to as poker, blackjack, craps, hi-lo, roulette or other common gambling forms, though not offering any type of pecuniary award or gain to players. The term also includes any video game having one or more of the following characteristics:

(1) it is primarily a game of chance, and has no substantial elements of skill involved;

(2) it awards game credits or replays and contains a meter or device which records unplayed credits or replays and contains a device that permits them to be canceled.

"Video game of chance" does not include a video pull-tab device as defined in section 5.

Sec. 55. Minnesota Statutes 1988, section 349.55, is amended to read:

349.55 [GAME SPECIFICATIONS.]

No payment may be made directly from any game or in connection with the operation of any device. Each game must contain a random character generator, and any internal meter must be nonresetable. Any game canceling replays or credits must cancel them no more than one at a time. A video game of chance may not contain or have attached to it any switch, lever, button, or other device capable of canceling replays or credits in any way other than by playing the game offered by the machine. A video game of chance must be programmed and must operate in such a way that all credits accumulated on a game must automatically cancel within 60 seconds of the completion of a play. No person may cancel replays or credits on a video game of chance in any way other than by playing the game offered by the machine. A video game of chance may not be restarted after cancellation of all accumulated credits except on insertion of a coin.

Sec. 56. [349.61] [REPEAL; TERMINATION OF LICENSES.]

Section 1 and sections 349.50 to 349.60 are repealed January 1, 1992. All licenses issued under sections 349.51 and 349.52 in effect on that date expire on that date. The commissioner of finance shall on that date transfer all money in the video gaming license account to the general fund.

Sec. 57. Minnesota Statutes 1989 Supplement, section 349A.02, subdivision 4, is amended to read:

Subd. 4. [EMPLOYEES; CLASSIFICATION.] The director may appoint other personnel as are necessary to operate the state lottery. Employees of the division who are not professional employees as defined in section 179A.03, subdivision 13, and employees whose primary responsibilities are in data processing and accounting, are in the classified service. All other employees of the division are in the unclassified service. For purposes of this subdivision, employees engaged in sales, marketing, and telemarketing are professional employees. At least one position in the division must be an attorney position and the director must employ in that position an attorney to perform legal services for the division.

Sec. 58. Minnesota Statutes 1989 Supplement, section 349A.02, subdivision 5, is amended to read:

Subd. 5. [COMPENSATION INCENTIVE PLAN.] The compensation of employees in the division is as provided in chapter 43A. The commissioner of employee relations director may, at the request of the director, develop and implement a plan for making incentive payments to employees of the division whose primary responsibilities are in marketing.

Sec. 59. Minnesota Statutes 1989 Supplement, section 349A.15, is amended to read:

349A.15 [REPORT.]

The director shall file an annual report with the governor and legislature which must include a complete statement of lottery revenues, administrative and operating costs, net proceeds transferred, and other financial transactions for the period the report covers. The report must specify the classification and salary of each employee of the division.

Sec. 60. Minnesota Statutes 1989 Supplement, section 609.75, subdivision 3, is amended to read:

Subd. 3. [WHAT ARE NOT BETS.] The following are not bets:

(1) A contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance.

(2) A contract for the purchase or sale at a future date of securities or other commodities.

(3) Offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest.

(4) ~~The game of bingo when conducted in compliance with sections 349.11 to 349.23.~~

(5) A private social bet not part of or incidental to organized, commercialized, or systematic gambling.

(6) ~~The operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the gambling control board or an organization exempt from licensing under section 349.214.~~

(7) (5) Pari-mutuel betting on horse racing when the betting is conducted under chapter 240.

(8) (6) The purchase and sale of state lottery tickets under chapter 349A.

Sec. 61. Minnesota Statutes 1988, section 609.75, subdivision 4, is amended to read:

Subd. 4. [GAMBLING DEVICE.] A gambling device is a contrivance which for a consideration affords the player an opportunity to obtain something of value, other than free plays, automatically from the machine or otherwise, the award of which is determined princi-

pally by chance. "Gambling device" includes any video game of chance, as defined in section 349.50, subdivision 8, that is not in compliance with sections 349.50 to 349.60.

Sec. 62. Minnesota Statutes 1989 Supplement, section 609.761, subdivision 1, is amended to read:

Subdivision 1. [LAWFUL GAMBLING.] Notwithstanding sections 609.755 and 609.76, ~~an organization may conduct lawful gambling as defined in section 349.12, if authorized under chapter 349, and a person may manufacture, sell, or offer for sale a gambling device to an organization authorized under chapter 349 to conduct lawful gambling, and pari-mutuel betting on horse racing may be conducted under chapter 240.~~

Sec. 63. Laws 1989, First Special Session chapter 1, article 13, section 27, is amended to read:

Sec. 27. [STATE TO BE SUPPLIER OF GAMBLING EQUIPMENT.]

~~Notwithstanding any other law to the contrary, After June 30, 1990 1993, the state of Minnesota will be the sole supplier of all gambling equipment under Minnesota Statutes, chapter 349. The commissioner of revenue shall no later than January 15, 1990 December 7, 1992, submit to the legislature a bill making all statutory changes required to implement this section including proposing the required staff and appropriation. The bill shall include provisions requiring the state to provide an adequate supply and variety of gambling equipment and to supply it efficiently. The commissioner of revenue shall provide copies of this bill to the chair of the house of representatives tax committee and to the chair of the senate committee on taxes and tax laws. Notwithstanding any contrary requirements of Minnesota Statutes, section 3C.035, subdivision 2, the revisor shall assess the commissioner of revenue for the actual cost of bill drafting services rendered to the department with respect to the bill required by this section.~~

Sec. 64. [GAMBLING BOARD ABOLISHED.]

Subdivision 1. [BOARD ABOLISHED.] The gambling control board, the division of gambling control in the department of gaming, and the position of director of the division of gambling control, are abolished December 31, 1993. The terms of all members of the board expire on that date. The attorney general is the successor agency to the board for the purpose of continuing any actions against the board pending on December 31, 1993, or any appeal of a civil penalty imposed by the board before July 1, 1993.

Subd. 2. [LICENSES.] All licenses issued by the gambling control

board in effect on July 1, 1993, expire on that date. The board shall pay from any funds appropriated for the purpose pro rata refunds for the unused portion of licenses that are in effect on July 1, 1993, provided that requests for refunds must be submitted to the board by October 1, 1993.

Subd. 3. [FUNDS.] All funds appropriated to the gambling control board and the division of gambling control shall revert to the general fund on January 1, 1994.

Sec. 65. [REPORTS.]

Subdivision 1. [LEGISLATIVE AUDITOR.] The legislative auditor shall study and report to the legislature by January 15, 1993, on:

- (1) the current statute of lawful gambling in Minnesota;
- (2) the incidence of abuses and illegal activities in lawful gambling;
- (3) the effectiveness of state regulation of lawful gambling; and
- (4) the probable consequences of the repeal of lawful gambling laws and the abolishment of the gambling control board.

Subd. 2. [GAMBLING CONTROL BOARD.] The gambling control board shall study and report to the legislature by January 15, 1993, on the use of video pull-tab devices in Minnesota. The study must include, among other subjects:

- (1) the volume of gambling on video pull-tab devices compared with paper pull-tabs;
- (2) the effectiveness of video pull-tabs in eliminating pull-tab cheating;
- (3) the effectiveness of state licensing and regulation of video pull-tab devices;
- (4) the effects of video pull-tab devices on the accountability of lawful gambling; and
- (5) recommendations for future legislative action regarding video pull-tab devices.

Sec. 66. [APPROPRIATION.]

Subdivision 1. [PUBLIC SAFETY.] (a) \$ is appropriated from the general fund to the commissioner of public safety for lawful

gambling enforcement. This appropriation is for the fiscal year ending June 30, 1991.

(b) The approved complement of the department of public safety is increased by .. positions.

Subd. 2. [LAWFUL GAMBLING CONTROL DIVISION.] (a) \$ is appropriated from the general fund to the director of the lawful gambling division, department of gaming. This appropriation is for the fiscal year ending June 30, 1991.

(b) The approved complement of the division of lawful gambling control is increased by .. positions.

Subd. 3. [ATTORNEY GENERAL.] (a) \$ is appropriated from the general fund to the attorney general for gambling enforcement activities. This appropriation is for the fiscal year ending June 30, 1991.

(b) The approved complement of the attorney general's office is increased by .. positions.

Subd. 4. [DEPARTMENT OF REVENUE.] (a) \$ is appropriated from the general fund to the commissioner of revenue for administration and enforcement of taxes on lawful gambling. This appropriation is for the fiscal year ending June 30, 1991.

(b) The approved complement of the department of revenue is increased by .. positions.

Sec. 67. [REPEALER.]

(a) Minnesota Statutes 1988, sections 349.14 and 349.214, subdivisions 1, 1a, 3, and 4; Minnesota Statutes 1989 Supplement, section 349.151, subdivision 4a; and Minnesota Statutes Second 1989 Supplement, section 349.214, subdivision 2, are repealed.

(b) Minnesota Statutes 1989 Supplement, sections 349.20 and 349.21, are repealed.

(c) Minnesota Statutes 1988, sections 349.11, as amended; 349.12, as amended; 349.13; 349.15, as amended; 349.16, as amended; 349.161, as amended; 349.162, as amended; 349.163, as amended; 349.164, as amended; 349.17, as amended; 349.18, as amended; 349.19, as amended; 349.211; 349.212, as amended; 349.2121, as amended; 349.2122, as amended; 349.2123; 349.2124; 349.2125, as amended; 349.2127, as amended; 349.213, as amended; 349.22, as amended; and 349.23; and sections 13, 16, 18, 20, 21, 22, 23, 25, and 26; Minnesota Statutes 1989 Supplement, section 349.153; and Minnesota Statutes Second 1989 Supplement, sections 349.215;

349.2151; 349.2152; 349.216; 349.217; 349.2171; 349.218; and 349.219, are repealed.

(d) Minnesota Statutes 1989 Supplement, sections 349.151, subdivisions 1, 2, 4, and 5; and 349.152, are repealed.

Sec. 68. [EFFECTIVE DATE.]

Sections 4, 5, 8, 9, 13, 22, 32, 36, 37, 39, 40, 41, and 63 are effective the day following final enactment. Sections 26, 28, 29, 55, 61, and 67, paragraph (b), are effective January 1, 1991. Sections 3, 60, 62, 64, and 67, paragraph (c), are effective July 1, 1993. Section 67, paragraph (d), is effective January 1, 1994.

Delete the title and insert:

“A bill for an act relating to lawful gambling; providing primary enforcement for criminal violations in the division of gambling enforcement; defining lawful purposes for expenditures of gambling profits; establishing licensing qualifications for organizations and manufacturers; requiring organizations to report monthly on expenditures and contributions of gambling profits; authorizing the gambling control board to require recipients of contributions of gambling profits to register with the board; authorizing summary suspension of gambling licenses for failure to file tax returns; authorizing a limited number of video pull-tab devices and establishing standards and requirements for them; regulating pull-tab dispensing machines; requiring inspection and testing of gambling equipment; requiring permits for gambling premises; requiring gambling managers to be licensed; requiring that employees of organizations conducting lawful gambling be registered with the board; expanding allowable uses for revenue from local gambling taxes and requiring board approval of these taxes; specifying authority to set salaries for state lottery employees; repealing video games of chance regulating provisions on January 1, 1992; abolishing lawful gambling on July 1, 1993; appropriating money; amending Minnesota Statutes 1988, sections 349.12, subdivision 10, and by adding subdivisions; 349.16, as amended; 349.17, as amended; 349.18, as amended; 349.19, as amended; 349.212, subdivision 5; 349.2121, subdivisions 1 and 4a; 349.2123; 349.30, subdivision 2; 349.31; 349.32; 349.34; 349.35, subdivision 1; 349.36; 349.38; 349.39; 349.50, subdivision 8; 349.55; and 609.75, subdivision 4; Minnesota Statutes 1989 Supplement, sections 299L.03, by adding a subdivision; 340A.410, subdivision 5; 349.12, subdivisions 12 and 15; 349.151, subdivision 4; 349.152, subdivision 2, and by adding subdivisions; 349.161, as amended; 349.162; 349.163, as amended; 349.164; 349.2121, subdivision 2; 349.2122; 349.213, subdivisions 1 and 2; 349A.02, subdivisions 4 and 5; 349A.15; 609.75, subdivision 3; and 609.761, subdivision 1; Minnesota Statutes Second 1989 Supplement, sections 349.12, subdivisions 11 and 19; 349.15; and 349.212, subdivisions 1 and 4; Laws

1989, First Special Session chapter 1, article 13, section 27; proposing coding for new law in Minnesota Statutes, chapters 299L and 349; repealing Minnesota Statutes 1988, sections 349.11, as amended; 349.12, as amended; 349.13; 349.14; 349.15, as amended; 349.16, as amended; 349.161, as amended; 349.162, as amended; 349.163, as amended; 349.164, as amended; 349.17, as amended; 349.18, as amended; 349.19, as amended; 349.211; 349.212, as amended; 349.2121, as amended; 349.2122, as amended; 349.2123; 349.2124; 349.2125, as amended; 349.2127, as amended; 349.213, as amended; 349.214, subdivisions 1, 1a, 3, and 4; 349.22, as amended; and 349.23; Minnesota Statutes 1989 Supplement, sections 349.151, subdivisions 1, 2, 4, 4a, and 5; 349.152; 349.153; 349.20; and 349.21; Minnesota Statutes Second 1989 Supplement, sections 349.214, subdivision 2; 349.215; 349.2151; 349.2152; 349.216; 349.217; 349.2171; 349.218; and 349.219."

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 Government and Metropolitan Affairs to which was referred:

H. F. No. 2007, A bill for an act relating to environment and natural resources; amending provisions relating to water management organizations; providing legislative commission oversight of the metropolitan water management act; providing for appointment of metropolitan watershed district managers from residents within the district; authorizing management and financing of drainage systems under certain laws; exempting certain water planning and implementation costs in the metropolitan area from levy limits; clarifying water management purposes; authorizing counties to remove watershed district managers for just cause; authorizing a technical advisory committee; requiring watershed management organizations to prepare newsletters, annual reports, and audits; providing for preparation of watershed plans and implementation of plans; providing penalties for not implementing plans; authorizing and directing the board of water and soil resources to adopt rules; providing for appeal of plan failures; providing for requests for proposals for certain services; authorizing accumulation of levy proceeds; authorizing establishment of a special tax district in certain areas; requiring a draining system report; amending Minnesota Statutes 1988, sections 110B.28; 110B.30; 112.42, subdivision 3, and by adding a subdivision; 473.875; 473.876, by adding a subdivision; 473.877, subdivision 1; 473.878, subdivisions 1, 1a, 2, 3, 4, 8, and by adding subdivisions; 473.879, subdivision 2; 473.881; 473.882, subdivision 1; and 473.883, subdivisions 3 and 7; Minnesota Statutes 1989 Supplement, section 473.883, subdivision 6;

Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 112 and 473.

Reported the same back with the following amendments:

Page 2, line 6, strike "commission" and insert "commissions"

Page 2, line 19, after "of" insert "sections 473.875 to 473.883 under"

Page 2, line 19, delete "paragraph"

Page 2, line 20, delete "(a),"

Page 2, lines 32 and 33, reinstate the stricken language

Page 2, line 34, reinstate the stricken language and delete the new language

Page 2, line 36, after the period insert "If the district is wholly within the metropolitan area, the county commissioners may appoint the managers from a list of persons nominated jointly or severally by the towns and municipalities within the district." and delete "be submitted"

Page 3, lines 1 to 12, reinstate the stricken language and delete the new language

Page 4, delete lines 19 to 24

Page 10, after line 5, insert:

"Sec. 6. [473.157] [WATER RESOURCES PLAN.]

To help achieve federal and state water quality standards, provide effective water pollution control, and help reduce unnecessary investments in advanced wastewater treatment, the council shall adopt a water resources plan that includes management objectives and target pollution loads for watersheds in the metropolitan area. The council shall recommend to the board of water and soil resources performance standards for watershed plans in the metropolitan area, including standards relating to the timing of plan revisions and proper water quality management."

Page 10, line 31, after "habitat" insert "and water recreational facilities"

Page 12, line 11, delete "including." and insert a period

Page 12, delete lines 12 and 13

Page 12, line 14, delete "(2) that" and insert "(c)" and delete "cannot" and insert "may not"

Page 12, after line 34, insert:

"Subd. 3. [REMOVAL.] The board of water and soil resources shall adopt rules prescribing standards and procedures for removing members of watershed management organization boards for just cause."

Renumber the subdivisions in sequence

Page 12, line 36, after "publish" insert "and distribute" and after "newsletter" insert "or other appropriate written communication" and delete "and distribute"

Page 13, line 1, delete the first "the newsletter" and after the second "newsletter" insert "or other communication"

Page 13, line 5, delete everything after "shall"

Page 13, line 6, delete "requests for" and insert "at least every two years solicit interest"

Page 14, lines 15 and 16, reinstate the stricken language

Page 14, lines 23 to 36, reinstate the stricken language

Page 15, line 1, reinstate the stricken language

Page 15, line 9, delete "under paragraph (b)"

Page 15, line 12, delete "the" and insert "state agencies may withhold from" and delete everything after "units"

Page 15, line 15, delete everything after "(2)" and insert "state agencies may withhold from local government units delegation of state water resource"

Page 15, line 17, delete "shall" and insert "may"

Page 15, after line 18, insert:

"The provisions of this paragraph apply until the board of water and soil resources determines that a plan is being implemented in accordance with its rules."

(d) Appeals from the board of water and soil resources determination are made in the same manner as appeals under section 110B.25, subdivision 5.

Page 17, line 21, after “establish” insert “standards and requirements for amendments to watershed plans. The rules must include”

Page 17, line 22, delete “second generation” and insert “the”

Page 17, line 28, delete “and”

Page 17, after line 28, insert:

“(3) standards for the content of capital improvement programs to implement watershed plans, including a requirement that capital improvement programs identify structural and nonstructural alternatives that would lessen capital expenditures; and”

Page 17, line 29, delete “(3)” and insert “(4)”

Page 17, after line 33, insert:

“Sec. 16. Minnesota Statutes 1988, section 473.878, subdivision 6, is amended to read:

Subd. 6. [REVIEW BY METROPOLITAN COUNCIL.] After completion of the review under subdivision 5, the plan and all comments received shall be submitted to the metropolitan council for review. Notwithstanding any provision to the contrary in sections 112.46 and 473.165, the council shall review the plan in the same manner and with the same authority and effect as provided for the council’s review of the comprehensive plans of local government units under section 473.175. The council shall comment on the apparent conformity with metropolitan system plans of any anticipated amendments to local comprehensive plans. The council shall advise the board of water and soil resources on whether the plan conforms with the management objectives and target pollution loads stated in the council’s water resources plan and shall recommend changes in the plan that would satisfy the council’s plan. The council may mediate and attempt to resolve differences among local governmental agencies regarding the plan.”

Page 18, line 11, delete the colon

Page 18, delete lines 12 to 16

Page 18, line 17, delete “(2)”

Page 18, line 29, delete “a watershed management organization’s” and insert “an”

Page 18, line 30, delete "its" and insert "an" and delete "appeal to" and insert "request review by"

Page 18, line 31, delete everything after the period and insert "The board shall establish a procedure for resolving disputes and making a determination on whether the plan is being implemented."

Page 18, delete lines 32 and 33

Page 19, line 18, delete "473.8781" and insert "473.880"

Page 20, line 7, after the period insert "The standards apply to plan amendments made to conform to changes in the watershed plans that are adopted under the board rules required by section 15."

Page 23, delete line 10

Page 23, line 11, delete "metropolitan" and delete "to" and insert "in the metropolitan area shall"

Page 23, line 12, delete everything after "jurisdiction"

Page 23, line 13, delete "must" and insert a comma

Page 23, line 16, after the period insert "The board shall provide guidance and technical assistance to the drainage authorities in meeting this requirement."

Page 23, after line 16, insert:

"Sec. 29. [COOPERATION IN PLANNING.]

The council shall establish an advisory water quality management task force to assist the council in the plans and recommendations required by section 7. The council and the board shall coordinate agency activities and technical assistance to watershed management organizations and local governments to achieve the maximum benefit from staff resources.

Sec. 30. [APPLICATION.]

Sections 7 to 29 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 31. [APPROPRIATION.]

\$ is appropriated to the board of water and soil resources for the purpose of carrying out this act."

Renumber sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 24, after the semicolon insert "appropriating money;"

Page 1, line 26, delete ", and by adding"

Page 1, line 27, delete "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.

McEachern from the Committee on Education to which was referred:

H. F. No. 2016, A bill for an act relating to education; establishing an automobile safety awareness week; proposing coding for new law in Minnesota Statutes 1988, chapter 126.

Reported the same back with the following amendments:

Page 1, line 10, delete "In the"

Page 1, line 11, delete ", time must be devoted by teachers" and insert "are encouraged to devote time"

Page 1, line 17, after "transportation" insert "and the department of public safety"

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. 2023, A bill for an act relating to veterans; authorizing the veterans homes board to rent certain facilities; appropriating money; amending Minnesota Statutes 1989 Supplement, section 198.003.

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. 2041, A bill for an act relating to elections; clarifying language and changing procedures for voter registration, absentee voters, and polling place rosters; defining certain terms; changing certain time limits; amending Minnesota Statutes 1988, sections 200.02, by adding a subdivision; 201.022; 201.023; 201.054, subdivision 1; 201.061, subdivision 1; 201.071, subdivisions 3 and 4; 201.081; 201.091; 201.12, subdivision 2; 201.121, subdivisions 1 and 2; 201.171; 201.211; 201.221; 201.27, subdivision 1; 203B.09; 203B.12, subdivisions 2 and 3; 204B.28, subdivision 2; 204B.45, subdivision 2; 204C.10; 204C.12, subdivision 4; and 204C.27; Minnesota Statutes 1989 Supplement, section 203B.13, subdivision 3a; proposing coding for new law in Minnesota Statutes, chapter 201; and repealing Minnesota Statutes 1988, sections 201.061, subdivision 2; 201.071, subdivisions 5 and 6; and 201.091, subdivision 3.

Reported the same back with the following amendments:

Page 14, after line 6, insert:

"Sec. 18. Minnesota Statutes 1989 Supplement, section 202A.13, is amended to read:

202A.13 [COMMITTEES, CONVENTIONS.]

The rules of each major political party shall provide that for each congressional district and each county or legislative district a convention shall be held at least once every state general election year. Each major political party shall also provide for each congressional district and each county or legislative district an executive committee consisting of a chair and such other officers as may be necessary. The party rules may provide for only one executive committee and one convention where any county and congressional district have the same territorial limits.

A communicatively impaired delegate or alternate who needs interpreter services at a county, legislative district, or congressional district, or state convention shall so notify the executive committee of the major political party unit whose convention the delegate or alternate plans to attend. Written notice must be given by certified mail to the executive committee at least 30 days before the convention date. The major political party, not later than 14 days before the convention date, shall secure the services of one or more interpreters if available and shall assume responsibility for the cost of the services. The state central committee of the major political party shall determine the process for reimbursing interpreters.

A visually impaired delegate or alternate to a county, legislative district, or congressional district, or state convention may notify the executive committee of the major political party unit that the delegate or alternate requires convention materials in audio tape, Braille, or large print format. Upon receiving the request, the executive committee shall provide all official written convention materials as soon as they are available, so that the visually impaired individual may have them converted to audio tape, Braille, or large print format, prior to the convention.

Sec. 19. Minnesota Statutes 1988, section 203B.04, is amended by adding a subdivision to read:

Subd. 5. [PERMANENT ILLNESS OR DISABILITY.] An eligible voter who reasonably expects to be permanently unable to go to the polling place on election day because of illness or disability may apply to a county auditor or municipal clerk under this section to automatically receive an absentee ballot application before each election and to have the status as a permanent absentee voter indicated on the voter's registration record. The secretary of state shall adopt rules governing procedures under this subdivision."

Page 16, after line 16, insert:

"Sec. 24. Minnesota Statutes 1988, section 204B.09, subdivision 1, is amended to read:

Subdivision 1. [CANDIDATES IN STATE AND COUNTY GENERAL ELECTIONS.] Except as otherwise provided by this subdivision, affidavits of candidacy and nominating petitions for county, state and federal offices filed at the state general election shall be filed not more than 70 days nor less than 56 days before the state primary. The affidavit may be prepared and signed at any time between 60 days before the filing period opens and the last day of the filing period. Candidates for presidential electors may file petitions on or before the state primary day. Nominating petitions to fill vacancies in nominations shall be filed as provided in section 204B.13. No affidavit or petition shall be accepted later than 5:00 p.m. on the last day for filing. Affidavits and petitions for offices to

be voted on in only one county shall be filed with the county auditor of that county. Affidavits and petitions for offices to be voted on in more than one county shall be filed with the secretary of state."

Page 19, after line 21, insert:

"Sec. 30. [211B.045] [NONCOMMERCIAL SIGNS EXEMPTION.]

In any municipality with an ordinance that regulates the size of noncommercial signs, notwithstanding the provisions of that ordinance, all noncommercial signs of any size may be posted from August 1 in a state general election year until ten days following the state general election.

Sec. 31. Minnesota Statutes 1988, section 367.03, subdivision 1, is amended to read:

Subdivision 1. [OFFICERS, TERMS.] Except in towns operating under option A, there shall be elected in each town three supervisors as provided in this section. Where a new town has been or may be organized and supervisors have been or may be elected for such town at a town meeting prior to the annual town election, such supervisors shall serve only until the next annual town election at which election three supervisors shall be elected, one for three years, one for two years, and one for one year, so that the term of one shall expire each year. The number of years for which each is elected shall be indicated on the ballot. When two supervisors are to be elected for three-year terms under option A, a candidate shall indicate on the affidavit of candidacy which of the two offices the candidate is filing for. At all other annual town elections one supervisor shall be elected for three years to fill the place of the one whose term expires at that time. Except in towns operating under either option B or option D, or both, there shall be elected at the annual town election held in even-numbered years one town clerk, and at the annual town election held in odd-numbered years one town treasurer. The clerk and treasurer each shall serve for a term of two years and until their successors are elected and qualified.

Sec. 32. Minnesota Statutes 1988, section 367.33, subdivision 4, is amended to read:

Subd. 4. [TERMS.] If the additional supervisors are elected at a special election, they shall serve only until the next annual town election, at which the additional members shall stand for election, one for a term of two years and one for a term of three years. The candidate receiving the highest number of votes shall be elected for the longer term. If the additional supervisors are elected at an annual election, one shall serve for a term of two years and the other for a term of three years with the candidate receiving the highest number of votes being elected for the longer term. A candidate for one of the additional supervisor positions shall specify in the

affidavit of candidacy that the candidate is filing for either the two-year or the three-year term.

Sec. 33. [REPORT TO LEGISLATURE.]

The secretary of state shall evaluate the operation of section 19 and shall report to the chairs of the general legislation committee in the house of representatives and the elections committee in the senate by February 1, 1992.

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 5, after the second semicolon insert "providing for persons who are permanently ill or disabled to automatically receive absentee ballot applications before each election; providing for certain services at state party conventions; requiring a report; changing filing requirements for town elections; exempting certain noncommercial signs from municipal regulation;"

Page 1, line 11, after "1," insert "203B.04, by adding a subdivision;"

Page 1; line 12, after "3;" insert "204B.09, subdivision 1;"

Page 1, line 13, delete "and" and after "204C.27;" insert "367.03, subdivision 1; and 367.33, subdivision 4;"

Page 1, line 14, delete "section" and insert "sections 202A.13; and"

Page 1, line 16, delete everything after the comma and insert "chapters 201 and 211B; repealing"

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. 2075, A bill for an act relating to utilities; providing for the assessment of expenses for adjudicating service area disputes to municipal electric utilities; amending Minnesota Statutes 1988, section 216B.62, subdivision 5.

Reported the same back with the following amendments:

Page 1, line 14, strike "and" and insert a comma and before the period insert "and rates"

Page 1, line 17, after "shall" insert "also"

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. 2077, A bill for an act relating to criminal sexual contact; expanding the definition of "sexual contact" in fifth degree criminal sexual conduct; amending Minnesota Statutes 1988, section 609.3451, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, 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, or noisy conduct or in offensive, obscene, or abusive language 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. 2. Minnesota Statutes 1988, section 609.746, subdivision 1, is amended to read:

Subdivision 1. [SURREPTITIOUS INTRUSION.] A person ~~who~~ is guilty of a misdemeanor if the person:

(1) enters upon another's property and surreptitiously gazes, stares, or peeps in the window of a house or place of dwelling of another with intent to intrude upon or interfere with the privacy of a member of the household is guilty of a misdemeanor; or

(2) surreptitiously gazes, stares, or peeps at another person who is in an area of a commercial establishment where the person has a reasonable expectation of privacy, unless the actor's conduct is for the purpose of preventing criminal activity and notice has been posted warning that the premises are under surveillance by the actor or the actor's employees.

Sec. 3. Minnesota Statutes 1988, section 617.241, subdivision 2, is amended to read:

Subd. 2. [CRIME.] It is unlawful for a person, knowing or with reason to know its content and character, to:

(a) exhibit, sell, rent, print, offer to sell, give away, circulate, publish, distribute or attempt to distribute any obscene material; or

(b) produce, present, participate in, or direct an obscene performance.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective August 1, 1990, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crime; expanding the crime of disorderly conduct to cover certain offensive, obscene, or abusive conduct; expanding the crime of interference with privacy to include certain public places; clarifying that the obscenity statute covers the rental of obscene material; amending Minnesota Statutes 1988, sections 609.72, subdivision 1; 609.746, subdivision 1; and 617.241, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2111, A bill for an act relating to occupations and professions; providing for independent medical examinations by doctors of chiropractic; amending Minnesota Statutes 1988, sections 148.01, subdivision 1; and 148.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 148.

Reported the same back with the following amendments:

Page 3, line 20, after "doctor" insert "of chiropractic"

Page 3, line 21, after "party" insert "selecting a chiropractic examination"

Page 3, line 24, after "doctor" insert "of chiropractic"

Page 3, line 30, after "doctor" insert "of chiropractic"

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. 2144, A bill for an act relating to education; expanding open enrollment to bordering states; amending Minnesota Statutes 1989 Supplement, section 120.062, subdivision 12, and by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 120.062, subdivision 12, is amended to read:

Subd. 12. [GENERAL EDUCATION AID.] Adjustments to general education aid, capital expenditure facilities aid, and equipment aid for the resident and nonresident districts for intrastate transfers shall be made according to sections 124A.036, subdivision 5, and 124.245, subdivision 6, respectively. For interstate transfers, the state shall make the same adjustments for resident districts and shall pay tuition, according to section 120.08, subdivision 1, to nonresident districts.

Sec. 2. Minnesota Statutes 1988, section 120.062, is amended by adding a subdivision to read:

Subd. 13. [BORDERING STATES.] (a) A pupil residing in Minnesota may attend a school or a program in a district located in a county that borders Minnesota.

(b) A pupil residing in a county that borders Minnesota may attend a school or a program in a Minnesota school district if:

(1) the resident school board provides written consent; and

(2) the resident school board or resident state pays tuition in an amount that is at least comparable to the tuition specified in section 120.08, subdivision 1.

(c) The requirements of this section apply to interstate transfers, except the aid payment provision of subdivision 9, and as otherwise provided in this subdivision.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective September 1, 1993."

Delete the title and insert:

"A bill for an act relating to education; expanding open enrollment to bordering states; amending Minnesota Statutes 1988, section 120.062, by adding a subdivision; Minnesota Statutes 1989 Supplement, section 120.062, subdivision 12."

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. 2151, A resolution memorializing the President and Congress of the United States to maintain the federal subsidy for federal crop insurance.

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. 2152, A bill for an act relating to education; permitting most ECSUs to form a representative assembly; amending Minnesota Statutes 1988, section 123.58, subdivision 5.

Reported the same back with the following amendments:

Page 3, after line 12, insert:

“(i) Notwithstanding section 15.054, an ECSU board may sell computers and related products to the staff members of the member school districts to advance the instructional and research abilities of the staff members. The ECSU may contract with a private vendor for service, maintenance, and support for computers and related products sold by the board.”

Amend the title as follows:

Page 1, line 3, after the semicolon insert “permitting an ECSU to sell computers;”

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. 2171, A bill for an act relating to horse racing; increasing per diem rate for racing commissioners; requiring licenses for pari-mutuel clerks at county fairs; apportioning money for promotion of the breeding and racing industry; allowing administration of certain medications by designated persons; reducing state tax withholding on pari-mutuel winnings; amending Minnesota Statutes 1988, sections 240.02, subdivision 3; 240.09, subdivision 2; 240.18; 240.24, subdivision 2; and 290.92, subdivision 27.

Reported the same back with the following amendments:

Page 2, lines 17 to 19, delete the new language and insert “in the form of grants, contracts, or expenditures for (1) equine research and related education; (2) substance abuse programs for licensed personnel of Minnesota racetracks; and (3) promotion of and public information concerning (i) industry and commission activities, (ii)

racehorse breeding, ownership, and management, and (iii) development and expansion of the economic benefits from racing”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Beginch from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2196, A bill for an act relating to judicial administration; proposing an amendment to the Minnesota Constitution, articles VI and VIII, creating a court of compensation appeals; abolishing the workers' compensation court of appeals; providing for designation by the governor of the chief judge of the workers' compensation court of appeals; regulating the administration of the workers' compensation court of appeals; appropriating money; amending Minnesota Statutes 1988, sections 3C.11, subdivision 3; 3C.12, subdivision 2; 5.08, subdivision 2; 10A.01, subdivision 19; 14.03, subdivision 2; 15A.082, subdivisions 1 and 3; 15A.083, subdivision 7; 43A.18, subdivision 3; 43A.27, subdivision 4; 175A.01, subdivision 1; 175A.02; 175A.07, subdivision 4; 176.421, subdivisions 5, 6, and by adding a subdivision; 204B.06, subdivisions 4 and 6; 204B.11, subdivision 1; 204B.34, subdivision 3; 204B.36, subdivision 4; 204D.02, subdivision 1; 204D.08, subdivision 6; 209.01, subdivision 2; 268.10, subdivision 8; 268.12, subdivision 13; 480.052; 480.054; 480.055, subdivision 1; 480.19; 480A.06, subdivision 3; 481.02, subdivisions 3 and 6; 490.15, subdivision 1; and 574.18; Minnesota Statutes 1989 Supplement, sections 10A.01, subdivisions 5 and 18; 357.08; proposing coding for new law as Minnesota Statutes, chapter 480B; repealing Minnesota Statutes 1988, sections 175A.01 to 175A.10; and 176.471.

Reported the same back with the following amendments:

Page 15, line 6, after the period insert “Of the initial appointments, two judges shall be appointed to six-year terms; two judges, to four-year terms; and one judge, to a two-year term.”

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 Insurance to which was referred:

H. F. No. 2204, A bill for an act relating to insurance; clarifying an insurer's duty to provide loss or claims experience data to an insured; amending Minnesota Statutes 1989 Supplement, section 72A.20, subdivision 26.

Reported the same back with the following amendments:

Page 1, line 10, delete "aggregate"

Page 2, after line 5, insert:

"Sec. 2. Minnesota Statutes 1989 Supplement, section 72A.501, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT; CONTENT.] An authorization used by an insurer, insurance-support organization, or insurance agent to disclose or collect personal or privileged information must be in writing and must meet the following requirements:

- (1) is written in plain language;
- (2) is dated;
- (3) specifies the types of persons authorized to disclose information about the person;
- (4) specifies the nature of the information authorized to be disclosed;
- (5) names the insurer or insurance agent and identifies by generic reference representatives of the insurer to whom the person is authorizing information to be disclosed;
- (6) specifies the purposes for which the information is collected; and
- (7) specifies the length of time the authorization remains valid.

Sec. 3. Minnesota Statutes 1989 Supplement, section 72A.502, subdivision 9, is amended to read:

Subd. 9. [GROUP POLICYHOLDER.] Personal or privileged information may be disclosed ~~with~~ without written authorization to a group policyholder only to report claims experience or conduct an audit of the insurer's or agent's operations or services, if the information disclosed is reasonably necessary for the group policyholder to conduct the review or audit. Claims experience data must

be provided in accordance with state and federal requirements regarding the confidentiality of medical data.

Sec. 4. Minnesota Statutes 1989 Supplement, section 72A.502, is amended by adding a subdivision to read:

Subd. 11a. [MERGER OR SALE.] Personal or privileged information may be disclosed to a party or representative of a party to a proposed or consummated sale, transfer, merger, or consolidation of all or part of the business of the insurer, agent, or insurance-support organization, without a written authorization provided:

(1) prior to the consummation of the sale, transfer, merger, or consolidation, only such information is disclosed as is reasonably necessary to enable the recipient to make business decisions about the merger, transfer, purchase, or consolidation; and

(2) the recipient agrees not to disclose the information unless the disclosure would otherwise be permitted by this section if made by an insurer, agent, or insurance-support organization."

Delete the title and insert:

"A bill for an act relating to insurance; clarifying an insurer's duty to provide loss or claims experience data to an insured; regulating insurance fair information reporting; amending Minnesota Statutes 1989 Supplement, sections 72A.20, subdivision 26; 72A.501, subdivision 1; and 72A.502, subdivision 9, and by adding a subdivision."

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. 2220, A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1988, sections 11A.14, subdivision 5; 15.0597, subdivision 1; 15.50, subdivisions 2 and 5; 16B.53, subdivision 3; 62C.141; 115.49, subdivision 4; 163.06, subdivision 6; 197.55; 232.21, subdivision 7; 256B.69, subdivision 6; 257.41; 273.124, subdivision 13; 273.1315; 333.135; 336.9-105; 353A.02, subdivision 14; 354.05, subdivision 23; 354.66, subdivision 7; 412.701; 412.711; 459.07; 469.155, subdivision 12; 481.12; 626.556, subdivision 10c; Minnesota Statutes 1989 Supple-

ment, sections 18.022, subdivision 2; 62A.045; 105.41, subdivision 1a; 115C.03, subdivision 9; 124.86, subdivision 2; 127.455; 144.6501, subdivision 10; 168.013, subdivision 1a; 168.33, subdivision 2; 176.421, subdivision 7; 204C.361; 236.02, subdivision 7; 245.462, subdivision 4; 256E.08, subdivision 5; 256H.08; 256H.22, subdivisions 2 and 3; 260.185, subdivision 1; 270B.12, subdivision 7; 273.119, subdivision 1; 319A.20; 336.2A-104; 352.01, subdivision 2b; 352.72, subdivision 1; 352B.30, subdivision 1; 383D.41, subdivisions 1 and 2; 422A.05, subdivision 2a; 469.129, subdivision 1; 501B.61, subdivision 1; 563.01, subdivision 3; 609.605, subdivision 3; Minnesota Statutes Second 1989 Supplement, sections 121.904, subdivision 4a; 245A.14, subdivision 6; and 275.50, subdivision 5; and Laws 1989, chapters 329, article 8, section 15, subdivision 2; 332, section 3, subdivision 3; repealing Minnesota Statutes 1988, sections 11A.19, subdivisions 1 to 8; 43A.192; Minnesota Statutes 1989 Supplement, sections 11A.19, subdivision 9; and 226.01 to 226.06.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 2242, A bill for an act relating to insurance; no-fault auto; exempting certain antique automobiles and recreational vehicles from rental vehicle coverage; amending Minnesota Statutes 1989 Supplement, section 65A.49, subdivision 5a.

Reported the same back with the following amendments:

Page 1, delete line 21

Page 1, line 22, delete "168.011" and insert "vehicles, classic vehicles and special interest vehicles, or recreational equipment"

Page 2, after line 2, insert:

"For purposes of this paragraph, the following terms have the meanings given them:

(1) "antique vehicle" means a motor vehicle 25 years or more of age that is maintained solely for use in exhibitions, club activities, parades, or other functions of public interest, and is not used primarily for the transportation of persons or goods;

(2) "classic vehicle and special interest vehicle" means a motor vehicle of unique or rare design and of limited production that is an

object of curiosity and maintained solely for use in exhibitions, club activities, parades, and other functions of public interest, and is not used primarily for the transportation of persons or goods; and

(3) "recreational equipment" has the meaning given the term in section 168.011."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar:

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 2243, A bill for an act relating to commercial transactions; adopting an article of the uniform commercial code that governs funds transfers; amending Minnesota Statutes 1989 Supplement, section 336.1-105; proposing coding for new law in Minnesota Statutes, chapter 336.

Reported the same back with the following amendments:

Page 4, line 24, delete "336.1-109" and insert "336.1-209"

Page 34, after line 21, insert:

"Sec. 2. [EFFECTIVE DATE.]

This act is effective January 1, 1991."

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 2249, A bill for an act relating to insurance; no-fault auto; clarifying eligibility for economic loss benefits; amending Minnesota Statutes 1988, sections 65B.48, subdivision 1; and 65B.64, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 65B.64, subdivision 1, is amended to read:

Subdivision 1. A person entitled to basic economic loss benefits because of injury covered by sections 65B.41 to 65B.71 may obtain basic economic loss benefits through the assigned claims plan or bureau established pursuant to section 65B.63 and in accordance with the provisions for making assigned claims provided in sections 65B.41 to 65B.71, if:

(a) The person is 14 years old or younger and basic economic loss benefits are not applicable to the injury because of section 65B.58;

(b) Basic economic loss benefits are not applicable to the injury for some reason other than those specified in section 65B.58, 65B.59, or 65B.60;

(c) The plan of reparation security applicable to the injury cannot be identified; or

(d) A claim for basic economic loss benefits is rejected by a reparation obligor on some ground other than the person is not entitled to basic economic loss benefits under sections 65B.41 to 65B.71.

In addition to the requirements for eligibility contained in section 65B.48, a nonresident is not entitled to basic economic loss benefits if the nonresident is the owner of a motor vehicle and does not carry the minimum automobile insurance coverage required by the state in which the vehicle is registered.

Sec. 2. Minnesota Statutes 1989 Supplement, section 65B.64, subdivision 3, is amended to read:

Subd. 3. A person shall not be entitled to basic economic loss benefits through the assigned claims plan with respect to injury which was sustained if at the time of such injury the injured person was the owner of a private passenger motor vehicle for which security is required under sections 65B.41 to 65B.71 and that person failed to have such security in effect. Persons, whether or not related by blood or marriage, who dwell and function together with the owner as a family, other than adults who have been adjudicated as incompetent and minor children, shall also be disqualified from benefits through the assigned claims plan.

For purposes of determining whether security is required under section 65B.48, an owner of any vehicle is deemed to have contemplated the operation or use of the vehicle at all times unless the owner demonstrates to the contrary."

Amend the title as follows:

Page 1, line 4, delete everything after "1988,"

Page 1, delete line 5 and insert "section 65B.64, subdivision 1; Minnesota Statutes 1989 Supplement, section 65B.64, subdivision 3."

With the recommendation that when so amended the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2253, A bill for an act relating to economic development; establishing the Minnesota natural wild rice promotion advisory council; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 2, line 3, delete the first "the" and insert "no more than 15" and delete "of" and insert "to"

Page 2, after line 15, insert:

"The advisory council functions shall include but not be limited to addressing the issues of trademarking, labeling, packaging, consumer awareness, and marketing techniques necessary to the successful promotion of the exclusive and original nature of the home-grown Minnesota product.

The advisory council shall advise the department of trade and economic development annually of its activities and progress in this regard."

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. 2276, A bill for an act relating to peace officers; requiring applicants seeking initial peace officer licensure on or after August 1, 1994, to have successfully completed a professional peace officer

education program; requiring the board of peace officer standards and training to adopt rules by August 1, 1993, providing for the certification of professional peace officer education programs in accredited colleges and universities; requiring the board to establish a task force to assist in the formulation of these rules; requiring the board to submit an interim report to the legislature concerning the development of these rules; 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. [PROFESSIONAL PEACE OFFICER EDUCATION; STUDY REQUIRED.]

Subdivision 1. [LEGISLATIVE FINDING; PURPOSE.] The legislature finds and declares that it is necessary to establish minimum academic requirements for peace officers as a prerequisite to licensure in order to maximize their ability to understand the complexities of the current criminal justice system and to deal effectively with the other professionals involved in the system. The legislature further finds and declares that the successful attainment of a baccalaureate degree and completion of a strong professional peace officer education program is an essential means to achievement of this objective.

Subd. 2. [STUDY AND REPORT.] The peace officer standards and training board, the state board for community colleges, the state board of vocational technical education, the state university board, and the higher education coordinating board shall jointly study the ways in which the objectives outlined in subdivision 1 can best be achieved. This study shall include but need not be limited to: (1) the availability of financial aid to those students who need financial assistance to earn a baccalaureate degree; and (2) the transferability to state universities of academic credits earned in law enforcement programs offered by technical colleges and community colleges. In conducting this study, the boards shall, at a minimum, consult with peace officers, professionals currently engaged in law enforcement education, police chiefs, sheriffs, elected officials from municipalities and counties, and representatives of the minority communities. A report based on this study shall be submitted to the legislature on or before February 1, 1991.

Sec. 2. Minnesota Statutes 1988, section 626.86, is amended to read:

626.86 [PEACE OFFICERS TRAINING.]

Money appropriated for peace officers training shall be expended as follows:

(a) ~~Ten~~ Thirty percent shall be provided for reimbursement to board approved skills courses in ~~proportion to the number of students successfully completing the board's skills licensing examination.~~

(b) To each local unit of government an amount in proportion to the number of licensed peace officers and constables employed, at a rate to be determined by the board. The disbursed amount shall be used exclusively for reimbursement of the cost of in-service training required under chapters 214 and 626.

Sec. 3. Minnesota Statutes: 1989 Supplement, section 626.861, subdivision 4, is amended to read:

Subd. 4. [PEACE OFFICERS TRAINING ACCOUNT.] Receipts from penalty assessments must be credited to the general fund. The peace officers standards and training board may allocate from funds appropriated as follows:

(a) Up to ~~ten~~ 30 percent may be provided for reimbursement to board approved skills courses in ~~proportion to the number of students successfully completing the board's skills licensing examination.~~

(b) The balance may be used to pay each local unit of government an amount in proportion to the number of licensed peace officers and constables employed, at a rate to be determined by the board. The disbursed amount must be used exclusively for reimbursement of the cost of in-service training required under this chapter and chapter 214."

Delete the title and insert:

"A bill for an act relating to peace officer education; requiring the POST board and the state higher education boards to study ways of restructuring professional peace officer education programs to include a requirement for a baccalaureate degree; requiring a report to the legislature; increasing the percentage of penalty assessments funds allocated for skills course reimbursement; amending Minnesota Statutes 1988, section 626.86; and Minnesota Statutes 1989 Supplement, section 626.861, subdivision 4."

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. 2277, A bill for an act relating to crime victims; providing for a notice for victims of sexual assault concerning their risk of developing sexually transmitted diseases; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 611A.

Reported the same back with the following amendments:

Page 1, line 17, delete everything after "with" and insert "sexual assault victim advocates and health care professionals"

Page 1, line 18, delete "advocates"

Page 2, delete section 2

Amend the title as follows:

Page 1, line 5, delete "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2304, A bill for an act relating to state government; increasing the time limit for rental of state property; authorizing payment to tenants for capital improvements under certain circumstances; amending Minnesota Statutes 1988, section 16B.24, subdivision 5.

Reported the same back with the following amendments:

Page 1, line 14, strike "five" and insert "ten"

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. 2325, A bill for an act relating to elections; presidential primary; changing the primary date; changing the requirements for being a candidate at the primary; allowing voters to prefer uncommitted delegates; allowing write-in votes; providing for voter receipt of ballots; eliminating the provision that the primary winner is the party's endorsed candidate; changing the apportionment of party delegates; requiring provision of certain information to interested persons; amending Minnesota Statutes 1989 Supplement, sections 207A.01; 207A.02, subdivision 1; 207A.03; and 207A.06; proposing coding for new law in Minnesota Statutes, chapter 207A; repealing Minnesota Statutes 1989 Supplement, section 207A.05.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 10A.15, subdivision 3b, is amended to read:

Subd. 3b. ~~[BY INDIVIDUAL MEMBERS OF POLITICAL FUND OR COMMITTEE.]~~ Contributions made to a candidate or principal campaign committee by individual members of a political fund or committee that are solicited for or on behalf of a candidate by the a political fund or committee must be reported as attributable to the political fund or committee and count toward the contribution limits of that fund or committee specified in section 10A.27, if the political fund or committee was organized or is operated primarily to solicit on behalf of or direct the contributions of its members and other than from its own funds to influence the nomination or election of a candidate. The term "individual members" as used in this subdivision means a person or entity who in any manner participates in or in any manner contributes financially or otherwise to the activities of the political fund or committee one or more candidates or principal campaign committees.

Sec. 2. Minnesota Statutes 1988, section 204B.06, is amended by adding a subdivision to read:

Subd. 1a. [PRESIDENTIAL PRIMARY AFFIDAVIT.] An affidavit of candidacy for the presidential primary shall include the candidate's name, address, office sought, and the candidate's political party or principal in three words or less. The affidavit shall include a statement that the candidate satisfies the federal constitutional requirements for holding office.

Sec. 3. Minnesota Statutes 1988, section 204B.11, subdivision 2, is amended to read:

Subd. 2. [PETITION IN PLACE OF FILING FEE.] At the time of filing an affidavit of candidacy, a candidate may present a petition in place of the filing fee. The petition may be signed by any individual eligible to vote for the candidate. A nominating petition filed pursuant to section 204B.07 or 204B.13, subdivision 4, is effective as a petition in place of a filing fee if the nominating petition includes a prominent statement informing the signers of the petition that it will be used for that purpose.

The number of signatures on a petition in place of a filing fee shall be as follows:

(a) For a state office voted on statewide, or for president of the United States, or United States senator, 2,000;

(b) For a congressional office, 1,000;

(c) For a county or legislative office, or for the office of district, county or county municipal judge, 500; and

(d) For any other office which requires a filing fee as prescribed by law, municipal charter or ordinance, the lesser of 500 signatures or five percent of the total number of votes cast in the municipality, ward or other election district at the preceding general election at which that office was on the ballot.

An official with whom petitions are filed shall make sample forms for petitions in place of filing fees available upon request.

Sec. 4. Minnesota Statutes 1989 Supplement, section 207A.01, is amended to read:

207A.01 [PRESIDENTIAL PRIMARY.]

A presidential primary must be held on the ~~fourth~~ first Tuesday in ~~February~~ April of each year in which a president and vice president of the United States are to be nominated and elected, at which the voters of this state may express their preference among the candidates of the major political party of their choice, for that party's nomination to be president of the United States or may vote for uncommitted delegates to the national party convention. For the purposes of sections 207A.01 to 207A.07, "political party" or "party" means a political party as defined in section 200.02, subdivision 7.

Sec. 5. Minnesota Statutes 1989 Supplement, section 207A.02, is amended to read:

207A.02 [CANDIDATES ON BALLOT.]

Subdivision 1. [REQUIRED LISTING.] The following individuals must be listed as candidates on the appropriate major political party presidential ballot with a separate ballot for each major political party:

(1) any individual whose name has been entered as a candidate for the nomination of a major political party in presidential primaries in two or more other states during the same year who files an affidavit of candidacy pursuant to section 204B.06 and submits the appropriate filing fee or petition in place of filing fee pursuant to section 204B.11; and

(2) any individual nominated as a candidate for the presidential nomination of a political party by a petition submitted not later than ten weeks before the primary and bearing the names of 2,000 1,000 eligible voters from each congressional district.

In addition, each major political party's ballot must contain a place for a voter to indicate a preference for having delegates to the party's national convention remain uncommitted, and a blank line printed below the other choices on the ballot so that a voter may write in the name of a person who is not listed on the ballot.

Subd. 1a. [TIME FOR FILING; FEE.] The period for filing an affidavit of candidacy for the presidential primary shall commence 16 weeks before the primary and close 14 weeks before the primary. The filing fee shall be \$500. The period for signing nominating petitions shall commence 16 weeks before the primary and close ten weeks before the primary.

Subd. 2. [TENTATIVE LISTING ANNOUNCING CANDIDATES.] A tentative determination of the Candidates to be listed who have filed an affidavit of candidacy pursuant to subdivision 1, clause (1), for each political party on the presidential primary ballot must be announced by the secretary of state ten weeks before the primary the day after filings close for the purpose of giving voters sufficient time to nominate unlisted other candidates by petition.

Subd. 3. [ANNOUNCEMENT.] The determination of which candidates must be listed on the presidential primary ballot must be made by the secretary of state not later than six eight weeks before the presidential primary. The secretary of state shall certify to the county auditor of each county the names of all candidates in the presidential primary at least seven weeks before the primary.

Subd. 4. [NOTIFICATION.] Not later than three days after the last day for filing a nominating petition pursuant to subdivision 1, clause (2), the secretary of state shall notify each individual whose name is to be listed on the presidential primary ballot that the individual's name will be listed unless the individual submits an affidavit stating that the individual is not a candidate for the

presidential nomination, does not intend to become a candidate, and would not accept the nomination. The affidavit must be submitted to and received by the secretary of state no later than five eight weeks before the presidential primary.

Sec. 6. Minnesota Statutes 1989 Supplement, section 207A.03, is amended to read:

207A.03 [PRESIDENTIAL PRIMARY; HOW CONDUCTED.]

Subdivision 1. [GENERAL RULE.] Except as otherwise provided in sections 207A.01 to 207A.07, the presidential primary must be announced, held, and conducted, and the results canvassed and returned in the manner provided by law for other primaries and in accordance with the general election laws of the state, as applicable to the state primary. If a municipality which uses lever voting machines or an electronic voting system determines that the use of the machines or voting system would not be practical in the presidential primary, the municipality may use a paper ballot for the presidential primary.

Subd. 2. [VOTER CERTIFICATION; BALLOT.] An individual seeking to vote at the presidential primary shall request the ballot of the party for whose candidates the individual wishes to vote. The voter registration certificate or duplicate registration file for the presidential primary shall list the names of the political parties appearing on the ballot at the presidential primary. Before receiving a ballot, a voter shall sign the voter's certificate or duplicate registration file and shall place a check mark beside the name of the political party whose ballot the voter requested.

Sec. 7. Minnesota Statutes 1989 Supplement, section 207A.04, is amended to read:

207A.04 [AUDITOR FURNISHED INFORMATION BY SECRETARY OF STATE; BALLOT PREPARATION.]

Subdivision 1. [NOTICE OF FILING PERIOD.] Before December 1 of the year Twenty weeks before a presidential primary is to be held, the secretary of state shall provide notice to the county auditor of each county of the date of the presidential primary. Within ten days after notification by the secretary of state, each county auditor shall provide notice of the date of the presidential primary to each municipal clerk in the county.

Subd. 2. [NOTICE OF PRIMARY.] At least 15 days before the date of the presidential primary, each municipal clerk shall post a public notice stating the date of the presidential primary, the location of each polling place in the municipality, and the hours during which the polling places in the municipality will be open. The county

auditor shall post a similar notice in the auditor's office with information for any polling places in unorganized territory in the county. The governing body of a municipality or county may publish the notice in addition to posting it. Failure to give notice does not invalidate the election.

Subd. 23. [BALLOT PREPARATION.] The secretary of state shall prepare paper ballots, absentee ballot envelopes, ballot return envelopes, election return envelopes, and summary statements for use in the presidential primary. The ballots must be printed on white paper with a separate ballot for the names of the candidates of each political party.

Sec. 8. Minnesota Statutes 1989 Supplement, section 207A.06, is amended to read:

207A.06 [SELECTION OF DELEGATES; NATIONAL CONVENTION BALLOTING.]

Subdivision 1. [APPORTIONMENT OF VOTES.] The delegates to the national convention of each political party appearing on the presidential primary ballot who are chosen on the basis of their support for particular presidential candidates must be apportioned among the various candidates of that party receiving votes in the presidential primary, in proportion to their respective vote totals.

The secretary of state shall certify to the state chairperson of each political party appearing on the presidential primary ballot the number of delegates to which each presidential candidate is entitled.

Subd. 2. [CHOSEN DELEGATES.] Delegates to the national convention of each political party appearing on the presidential primary ballot must be chosen by the state convention or congressional district convention of that party, except as otherwise provided in this subdivision. The secretary of each party's state convention or congressional district convention shall promptly notify the secretary of state of the names of the delegates to the national convention chosen as supporters of each presidential candidate. Only supporters of candidates whose names appeared on the presidential primary ballot may be chosen by the state convention of that party to be delegates to the national convention. The secretary of state shall promptly notify each presidential candidate of the names of the delegates to the national convention chosen as supporters of that candidate. If the presidential candidate determines that the delegates chosen as supporters by the state convention are not in fact committed to the candidate's candidacy, the candidate shall, within ten days of receiving the notification from the secretary of state, advise the secretary of state of the names of those delegates to whom the candidate objects on those grounds and shall name as substitute delegates any other individuals who are committed to the candidacy. The determination and selection by the presidential candidate

shall take precedence over the decision of the state convention and is final. The secretary of state shall promptly notify the secretary of the state convention of the affected political party of the action by a presidential candidate.

Subd. 3. [DELEGATE VOTES.] At the national convention, delegates chosen because of their support for a presidential candidate, unless they have been released from their obligation by the candidate, shall vote for that candidate on the first ballot at the national convention regardless of the number of votes the candidate receives, and shall also vote for the candidate on the second and third ballots if the candidate receives at least 20 percent of the votes cast on the preceding ballot; unless they have been released from that obligation by the candidate.

Sec. 9. [207A.08] [INFORMATION ON PARTY CHOICE.]

Notwithstanding section 204C.18, subdivision 1, or other law to the contrary, a person entitled to inspect the duplicate registration file or receive a copy of a current precinct list under section 201.091, must also be informed of the party choice of any voter who voted in the most recent presidential primary under this chapter.

Sec. 10. [207A.09] [RULEMAKING AUTHORITY.]

The secretary of state shall adopt rules to implement the provisions of this chapter, as follows:

- (1) to implement the provisions of section 9;
- (2) to determine a method for verifying the signatures on nominating petitions and petitions in place of filing fees for the presidential primary;
- (3) to determine the format of the presidential primary ballots; and
- (4) to determine the manner of paying or reimbursing the costs to the counties of conducting the presidential primary.

Sec. 11. [REGIONAL PRIMARY STUDY.]

The secretary of state shall study the feasibility of Minnesota's joining any other state to hold a regional presidential primary and shall report conclusions to the chairs of the general legislation committee in the house and the elections committee in the senate by February 1, 1991.

Sec. 12. [REPEALER.]

Minnesota Statutes 1989 Supplement, section 207A.05, is repealed.

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing procedures for conducting the primary;"

Page 1, line 11, after "Statutes" insert "1988, sections 10A.15, subdivision 3b; 204B.06, by adding a subdivision; and 204B.11, subdivision 2; Minnesota Statutes"

Page 1, lines 11 and 12, delete ", subdivision 1"

Page 1, line 12, before "and" insert "207A.04;"

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. 2327, A bill for an act relating to telephone service; requiring the expansion of the metropolitan extended area telephone service, under some circumstances; proposing coding for new law in Minnesota Statutes, chapter 237.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [237.161] [EXTENDED AREA SERVICE.]

Subdivision 1. [CRITERIA.] The commission may grant a petition for installation of extended area service only when each of the following criteria has been met:

(1) the petitioning exchange is contiguous to the exchange or local calling area to which extended area service is requested in the petition;

(2) a lower cost alternative to basic flat rate service is available in the petitioning exchange; in the alternative, polling by the commission shows that 60 percent of the customers responding to the poll in

the petitioning exchange favor the installation of extended area service;

(3) polling by the commission shows that a majority of the customers responding to the poll in the petitioning exchange favor its installation, unless all parties and the commission agree that no polling is necessary;

(4) at least 50 percent of the customers in the petitioning exchange make one or more calls per month to the exchange or local calling area to which extended area service is requested, as determined by a traffic study; and

(5) the commission determines that a community of interest exists between the petitioning and the petitioned exchanges and that the installation of extended area service is in the public interest as governed by the commission's rules.

The rate to the polled exchange must be available to its customers before the commission determines what proportion of them favor the installation of extended area service.

In making the determination required in clause (4), the commission shall include a reasonable estimate of FX telephone traffic and other types of toll traffic. For the purposes of this subdivision, "FX" means tariffed telephone toll service provided by placing a telephone line from another telephone exchange area in the telephone customer's exchange area.

Subd. 2. [COSTS.] The costs for extended area service shall include the specific additional costs incurred as a result of the installation of the extended area service and the net book cost of existing facilities transferred from another service to now provide extended area service.

Subd. 3. [RATES.] Seventy-five percent of the cost of providing extended area service as identified in subdivision 2, must be apportioned to the petitioning exchange and the remaining 25 percent apportioned to the exchange or exchanges to which extended area service is requested. The cost must be apportioned among the customers in an exchange so that the relationship between the rates for classes of basic local service remains the same. The commission shall set rates that are income neutral for each affected telephone company at the point in time at which the commission determines the extended area service rates. The commission shall consider the interests of all parties when determining a fair and equitable extended area service rate for a local telephone exchange that is newly included in the extended area service.

Sec. 2. [METROPOLITAN EXTENDED AREA TELEPHONE SERVICE.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "metropolitan" or "metropolitan area" means all of the area made up by the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Subd. 2. [REQUIRED EXPANSION OF METROPOLITAN EXTENDED AREA SERVICE.] Notwithstanding section 1, by July 1, 1991, the public utilities commission shall expand the metropolitan extended area service to include each local service telephone exchange served by a central office or wire center located within the metropolitan area if a majority of the consumers in an exchange that respond to polling by the commission are in favor of including that exchange in the extended area service as determined under subdivisions 3 and 4.

Subd. 3. [COMMISSION DUTIES; PROJECT.] The commission, in cooperation with each affected telephone company, shall determine the rates that would be charged to the customers in each metropolitan exchange that is not currently included in the metropolitan extended area service if that exchange were to be included. The commission shall then conduct a poll of all the customers in each exchange. The ballot or questionnaire sent to each customer must clearly identify the rate that would be charged to customers in the applicable exchange if the exchange becomes part of the metropolitan extended area service and must be returnable to the commission, at no cost to the customers, within 60 days of the date the ballot or questionnaire was mailed. If a majority of the customers in an exchange who respond to the commission's poll indicate that they favor inclusion, the commission shall include that exchange in the metropolitan extended area service.

Subd. 4. [COSTS; RATES.] The commission shall determine the costs and rates for each exchange subject to subdivision 3, as provided in section 1, subdivisions 2 and 3, and applicable commission rules.

Subd. 5. [FUTURE EXPANSION.] Customers in metropolitan exchanges that are not included in the extended area service under subdivision 3, and customers in nonmetropolitan exchanges that want to be included in the metropolitan extended area service after the completion of the project under subdivision 3, may petition the commission for inclusion under section 1 and applicable commission rules, provided that no state boundary may be crossed in expanding the metropolitan extended area service.

Subd. 6. [DUTIES; TELEPHONE COMPANIES.] Each telephone company that is potentially affected by the activities of the commission in undertaking the project required by subdivision 3 shall

cooperate with the commission in determining costs and rates and any other activity or determination necessary to implement that subdivision.

Sec. 3. [LOCAL TELEPHONE SERVICE AREA BOUNDARY CHANGE.]

The public utilities commission shall change the boundary between the Red Wing and Hastings local telephone exchanges to include Section 33, Township 116, Range 16, of Dakota county in the Hastings local telephone exchange. The commission shall follow its existing rules in making the change.

Sec. 4. [EFFECTIVE DATE; APPLICATION.]

Sections 1 to 3 are effective the day following final enactment and section 1 applies to all petitions pending before the public utilities commission unless the petitioners are customers of a metropolitan exchange and they withdraw their petition and notify the commission in writing that they want to be governed by section 2."

Delete the title and insert:

"A bill for an act relating to telephones; regulating the installation of extended area services in exchanges; prescribing standards; requiring expansion of extended area service to all exchanges that want to be included in the seven-county metropolitan area; requiring a local telephone exchange boundary change in Dakota county; proposing coding for new law in Minnesota Statutes, chapter 237."

With the recommendation that when so amended the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2328; A bill for an act relating to the Cambridge regional human services center; permitting the transfer of water and sewer facilities; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [CAMBRIDGE REGIONAL HUMAN SERVICES CENTER.]

The purpose of this section is to provide authority for the better coordination of property and facilities at the Cambridge regional human services center with the city and community of Cambridge. The department of administration may transfer to the city of Cambridge any property at the Cambridge regional human services center that is appropriate for development or relates to the provision of water or sewer service or other utilities. The department and city may attach to the transfer the conditions that they agree are appropriate, including conditions that relate to water and sewer service at the center and in the city. If the transfer requires the conveyance of any interest in real estate, the attorney general shall prepare appropriate instruments of conveyance. \$ of the appropriation made by Laws 1989, chapter 300, article 1, section 7, is further appropriated to the commissioner of administration to be disbursed to the city of Cambridge to implement the transfer and its conditions. This appropriation expires upon the accomplishment or abandonment of its purpose."

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. 2334, A bill for an act relating to crime; imposing felony penalties for discharging toxic chemicals into the air or water; imposing gross misdemeanor penalties for the illegal disposal of solid waste; imposing felony penalties for tampering with pollution monitoring devices; authorizing environmental cleanup as restitution for environmental crimes; amending Minnesota Statutes 1988, section 609.671, subdivisions 1, 2, 8, and 9, and by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 609.671, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Agency" means the pollution control agency.

(b) "Deliver" or "delivery" means the transfer of possession of hazardous waste, with or without consideration.

(c) "Dispose" or "disposal" has the meaning given it in section 115A.03, subdivision 9.

(d) "Hazardous air pollutant" means an air contaminant listed as a hazardous air pollutant under United States Code, title 42, section 7412.

(e) "Hazardous substance" means a substance on the list established under United States Code, title 33, section 1321.

(f) "Hazardous waste" means any waste identified as hazardous under the authority of section 116.07, subdivision 4, except for those wastes exempted under Minnesota Rules, part 7045.0120, wastes generated under Minnesota Rules, part 7045.0213 or 7045.0304, and household appliances.

(g) "Permit" means a permit issued by the pollution control agency or interim status for a treatment, storage, or disposal facility for hazardous waste that qualifies under the agency rules.

(h) "Toxic waste pollutant" means a toxic pollutant designated under United States Code, title 33, section 1317.

Sec. 2. Minnesota Statutes 1988, section 609.671, is amended by adding a subdivision to read:

Subd. 12. [WATER AND AIR POLLUTION; KNOWING ENDANGERMENT.] (a) A person is guilty of a felony if the person:

(1) commits any of the acts described in subdivision 13 or 14; and

(2) at the time of the violation knowingly places another person in imminent danger of death, great bodily harm, or substantial bodily harm.

(b) A person convicted under this subdivision may be sentenced to imprisonment for not more than ten years, or to payment of a fine of not more than \$100,000, or both, except that a defendant that is an organization may be sentenced to payment of a fine of not more than \$1,000,000.

Sec. 3. Minnesota Statutes 1988, section 609.671, is amended by adding a subdivision to read:

Subd. 13. [WATER POLLUTION; TOXIC POLLUTANTS AND HAZARDOUS SUBSTANCES; FELONY.] (a) A person is guilty of a felony who knowingly:

(1) violates any effluent limit established for a toxic water

pollutant in a national pollutant discharge elimination system permit; or

(2) introduces into a storm or sanitary sewer or into a publicly-owned treatment works a hazardous substance that the person knew or reasonably should have known could cause personal injury or property damage or, other than in compliance with all applicable federal, state, or local requirements or permits, which causes the treatment works to violate any effluent limitation or condition of the treatment works' national pollutant discharge elimination system permit.

(b) A person convicted under this subdivision may be sentenced to imprisonment for not more than three years, or to payment of a fine of not more than \$50,000 per day of violation, or both.

Sec. 4. Minnesota Statutes 1988, section 609.671, is amended by adding a subdivision to read:

Subd. 14. [AIR POLLUTION; HAZARDOUS AIR POLLUTANTS.] (a) A person is guilty of a felony who knowingly:

(1) violates any emission standard or limitation adopted under United States Code, title 42, section 7412, for a hazardous air pollutant; or

(2) violates any emission limitation established for a hazardous air pollutant in a permit.

(b) A person convicted under this subdivision may be sentenced to imprisonment for not more than three years, or to payment of a fine of not more than \$50,000 per day of violation, or both.

Sec. 5. Minnesota Statutes 1988, section 609.671, is amended by adding a subdivision to read:

Subd. 15. [TOXIC WATER POLLUTANTS AND HAZARDOUS AIR POLLUTANTS; GROSS MISDEMEANOR.] A person who commits any of the acts described in subdivision 13 or 14 as a result of the person's gross negligence is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year, or to payment of a fine of not more than \$25,000 per day of violation, or both.

Sec. 6. Minnesota Statutes 1988, section 609.671, is amended by adding a subdivision to read:

Subd. 16. [DEFENSE.] Except in the case of an intentional violation, it is a defense to liability under subdivisions 12 to 15 if a person shows by a preponderance of the evidence that the person:

(1) notified the agency or, in the case of a discharge into a publicly-owned treatment works, notified the treatment works of the violation of an emission limit or standard; and

(2) made the notice by mail or telephone within 24 hours of the time the person became aware of the violation.

Sec. 7. Minnesota Statutes 1988, section 609.671, is amended by adding a subdivision to read:

Subd. 17. [INFORMATION AND MONITORING; TOXIC WATER POLLUTANTS; HAZARDOUS SUBSTANCES; HAZARDOUS AIR POLLUTANTS.] (a) A person is guilty of a felony who knowingly:

(1) falsifies data or other information required to be filed or maintained to demonstrate compliance with an effluent limitation or standard or a permit term or condition established for a toxic water pollutant, a hazardous substance, or a hazardous air pollutant under chapter 115 or 116; or

(2) falsifies, tampers with, or renders inaccurate any monitoring device or method used for purposes of complying with an effluent limitation or standard or a permit term or condition established for a toxic water pollutant, a hazardous substance, or a hazardous air pollutant under chapter 115 or 116.

(b) A person convicted under this subdivision may be sentenced to imprisonment for not more than three years, or to payment of a fine of not more than \$25,000, or both.

Sec. 8. Minnesota Statutes 1988, section 609.671, is amended by adding a subdivision to read:

Subd. 18. [WASTE DISPOSAL; GROSS MISDEMEANOR.] (a) A person who knowingly commits any of the following acts is guilty of a gross misdemeanor:

(1) pays for or accepts payment for the disposal of solid waste at an unpermitted location; or

(2) pays for or accepts payment for the transportation of solid waste to an unpermitted location.

(b) A person convicted under this subdivision may be sentenced to imprisonment for not more than one year, or to payment of a fine of not more than \$10,000 per day of violation, or both. A person convicted of a second or subsequent violation of this subdivision may be sentenced to imprisonment for not more than two years, or to payment of a fine of not more than \$25,000 per day of violation, or both.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective August 1, 1990, and apply to violations occurring on or after that date."

Delete the title and insert:

"A bill for an act relating to crime; imposing felony penalties for discharging toxic chemicals into the air or water; imposing gross misdemeanor penalties for the illegal disposal of solid waste; imposing felony penalties for tampering with pollution monitoring devices; amending Minnesota Statutes 1988, section 609.671, subdivision 1, and by adding subdivisions."

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. 2374, A bill for an act relating to agriculture; changing the makeup of potato research and promotion councils; amending Minnesota Statutes 1988, section 17.54, subdivision 9.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2383, A bill for an act relating to education; providing for the environmental education act; creating the office of environmental education; proposing coding for new law as Minnesota Statutes, chapter 126A; repealing Minnesota Statutes 1988, sections 116E.01; 116E.02; 116E.03, subdivisions 2, 3, 4, 5, 6, 7, 7a, 8, and 9; and 116E.04; Minnesota Statutes 1989 Supplement, sections 116E.03, subdivision 1; and 116E.035.

Reported the same back with the following amendments:

Page 2, line 18, after "K-12" insert ", community education,"

Page 2, line 21, delete "17" and insert "18"

Page 2, line 28, after "service;" insert "a representative of the Minnesota school boards association;"

Page 3, line 32, before "ADVISORY" insert "TECHNICAL"

Page 3, line 33, after "establish" insert "technical"

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. 2385, A bill for an act relating to agriculture; requiring cash discounts on agricultural production inputs if there are interest discounts on credit terms for seller-financed sales; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2390, A bill for an act relating to children; providing improved procedures to protect the safety and welfare of abused and neglected children; providing for more permanent placements of children in need of protection or services; improving data practices; requiring the commissioner of health to encourage display of posters informing pregnant women of the dangers of alcohol use; excluding persons with a history of child abuse or criminal sexual behavior from certain protections for criminal offenders; increasing penalties for assault against a child when there is a past pattern of child abuse; increasing the penalties for malicious child punishment resulting in great bodily harm and assaulting a child protection worker; including mental injuries and threatened injuries as abuse to be reported as maltreatment of minors; appropriating money for early intervention and targeted family services, and for family planning grants; amending Minnesota Statutes 1988, sections 147.09; 260.011, subdivision 2; 260.155, subdivision 1; 609.2231, by adding a subdivision; 626.556, subdivisions 1, 3, and by adding a subdivision; 626.559, subdivision 2; Minnesota Statutes 1989 Supplement, sections 245A.04, subdivision 3; 260.015, subdivision 2a; 260.161, subdivision 2; 260.171, subdivision 4; 260.191, subdivision 1; 260.221, subdivision 1; 364.09; 609.223; 609.377; 626.556, subdi-

visions 2, 10e, and 11; and 626.558, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 144; 245; and 260.

Reported the same back with the following amendments:

Page 1, line 38, after "women" insert "and the public"

Page 3, line 29, delete "AVERSIVE AND DEPRIVATION" and insert "RESTRICTIVE TECHNIQUES AND"

Page 3, line 33, delete "aversive and deprivation" and insert "restrictive techniques and"

Page 3, line 36, after "9545.1090" insert "or 9545.1400 to 9545.1500"

Page 4, line 1, delete "aversive and deprivation" and insert "restrictive techniques and"

Page 4, line 3, delete "aversive or deprivation" and insert "restrictive techniques and"

Page 4, line 6, delete "aversive or deprivation" and insert "restrictive techniques and" and delete "consumers" and insert "clients"

Page 4, line 10, delete "faradic shock without a court order" and insert "corporal punishment"

Page 4, line 11, delete "practices" and insert "techniques and procedures"

Page 4, line 12, delete "practices" and insert "techniques and procedures"

Page 4, line 13, delete everything after the period

Page 4, delete lines 14 and 15

Page 7, line 22, 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. and the Minnesota Indian family preservation act under sections 257.35 to 257.3579."

Page 8, line 1, after the period insert "and the Minnesota Indian family preservation act under sections 257.35 to 257.3579."

Page 16, lines 7, 11, 17, and 21, delete "legal"

Page 16, line 29, after "order" insert "for legal and physical custody"

Page 17, line 28, after "legal" insert "and physical"

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. 2401, A bill for an act relating to traffic regulations; establishing penalties for driving past railroad crossing warning devices and flaggers; providing for instruction in railroad crossing safety at driver improvement clinics; establishing standards and procedures for closing a railroad crossing; imposing penalties; amending Minnesota Statutes 1988, sections 169.26; and 169.973, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 219; repealing Minnesota Statutes 1988, sections 219.27 and 219.28.

Reported the same back with the following amendments:

Page 3, line 17, after the period insert "If the board determines that the vacation, relocation, consolidation, or separation is consistent with the standards adopted under section 3, the board may order the crossing vacated, relocated, consolidated, or separated."

Page 3, line 18, delete "CROSSING-CLOSING" and insert "CROSSING VACATION"

Page 3, line 21, delete "closed" and insert "vacated"

Page 3, line 28, delete "closings" and insert "vacations"

Page 3, line 31, after the period insert "If after the hearing the board determines that the vacation is consistent with the standards adopted under section 3, it may order the crossing vacated."

Page 3, line 33, delete "closed" and insert "vacated"

Page 4, delete line 2, and insert:

"Section 1 is effective August 1, 1990, and applies to crimes committed on or after that date."

Page 4, line 3, delete "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. 2434, A bill for an act relating to crime; imposing penalties for assaulting social workers and other medical and social service employees; prohibiting repeated threats of crimes of violence; amending Minnesota Statutes 1988, sections 609.2231, by adding a subdivision; and 609.713, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 11, after "WORKERS" insert "; CORRECTIONS WORKERS"

Page 1, line 12, delete everything after "nurse," and insert "parole or probation officer, or other medical, corrections, or social"

Page 1, line 13, delete the second "employee" and insert "person"

Page 1, line 14, delete everything after the first "of" and insert "duties of the person's position specifically mandated by law or court order, and"

Page 1, delete section 2

Page 2, line 1, delete "3" and insert "2"

Page 2, delete line 2 and insert "Section 1 is effective August 1, 1990, and applies to"

Amend the title as follows:

Page 1, line 3, after "medical" insert "; corrections,"

Page 1, line 4, delete everything after the semicolon

Page 1, line 5, delete "violence;" and delete "sections" and insert "section"

Page 1, lines 6 and 7, delete "; and 609.713, by adding a subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 2457, A bill for an act relating to public financing; allocating authority to issue tax exempt revenue bonds; amending Minnesota Statutes 1988, sections 474A.02, subdivisions 6, 8, and by adding a subdivision; 474A.03; 474A.061, subdivision 3, and by adding subdivisions; 474A.081, as amended; 474A.091, subdivisions 1 and 5; 474A.131, subdivision 2; and 474A.14; Minnesota Statutes Second 1989 Supplement, sections 474A.061, subdivisions 1 and 4; and 474A.091, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 1988, section 474A.091, subdivisions 4 and 4a; repealing Minnesota Statutes Second 1989 Supplement, section 474A.061, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 474A.02, subdivision 6, is amended to read:

Subd. 6. [DEPARTMENT; DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT FINANCE.] “Department” means the department of trade and economic development finance.

Sec. 2. Minnesota Statutes 1988, section 474A.02, subdivision 8, is amended to read:

Subd. 8. [FEDERAL TAX LAW.] “Federal tax law” means those provisions of the Internal Revenue Code of 1986, as amended through December 31, 1989, that limit the aggregate amount of obligations of a specified type or types which may be issued by an issuer during a calendar year whose interest is excluded from gross income for purposes of federal income taxation.

Sec. 3. Minnesota Statutes 1988, section 474A.02, is amended by adding a subdivision to read:

Subd. 22b. [PUBLIC FACILITIES PROJECT.] “Public facilities project” means any publicly owned facility that is eligible to be financed with the proceeds of public facilities bonds as defined under section 474A.02, subdivision 23a.

Sec. 4. Minnesota Statutes 1988, section 474A.03, is amended to read:

474A.03 [DETERMINATION OF ANNUAL VOLUME CAP.]

Subdivision 1. [ANNUAL VOLUME CAP UNDER FEDERAL TAX LAW; POOL ALLOCATIONS.] At the beginning of each calendar year after December 31, ~~1987~~ 1990, the commissioner shall determine the aggregate dollar amount of the annual volume cap under federal tax law for the calendar year, and of this amount the commissioner shall make the following allocation:

- (1) ~~\$74,000,000~~ \$75,000,000 to the manufacturing pool;
- (2) ~~\$30,000,000~~ \$46,000,000 to the multifamily housing pool;
- (3) ~~\$21,000,000~~ \$10,000,000 to the public facilities pool; and
- (4) amounts to be allocated as provided in subdivision 2a.

If the annual volume cap is greater or less than the amount of bonding authority allocated under clauses (1) to (4) and subdivision 2a, paragraph (a), clauses (1) to (3), the allocation must be adjusted so that each adjusted allocation is the same percentage of the annual volume cap as each original allocation is of the total bonding authority originally allocated.

Subd. 2a. [ENTITLEMENT ISSUER ALLOCATION.] (a) The commissioner shall make the following allocation to the Minnesota housing finance agency and the following cities:

(1) ~~\$50,000,000~~ \$51,000,000 per year to the Minnesota housing finance agency, less any amount received in the previous year under section 474A.091, subdivision 6;

(2) \$20,000,000 per year to the city of Minneapolis; and

(3) \$15,000,000 per year to the city of Saint Paul; and

(4) ~~\$3,000,000~~ to each of the cities of the first class located outside of the metropolitan area as defined in section 473.121, subdivision 2, or an amount equal to the amount of mortgage bonds or residential rental project bonds that each city permanently issued in the previous calendar year, whichever amount is less. If a city is eligible to receive an entitlement allocation under this clause, the amount of the allocation is deducted from the allocations made under clauses (1), (2), and (3) in proportion to the total amount of allocations made in clauses (1), (2), and (3).

(b) Allocations provided under this subdivision must be used for mortgage bonds, mortgage credit certificates, or residential rental project bonds, except that entitlement cities may also use their allocations for public facility bonds.

Sec. 5. [474A.045] [SCORING SYSTEM FOR MANUFACTURING PROJECTS.]

The following criteria must be used in determining the allocation of small issue bonds for manufacturing projects. The issuer must prepare and submit to the commissioner a public purpose scoring worksheet that presents the data and methods used in determining the total score under this section. The total score is the sum of the following:

(1) the number of net direct new jobs in the state generated by the proposed project for the next two years per \$100,000 of proposed allocation multiplied by 15;

(2) the number of direct jobs retained in the state due to the proposed project per \$100,000 of proposed allocation multiplied by 15;

(3) the quotient of the total increase in net payroll generated in the state by the proposed project divided by the proposed bond allocation, multiplied by 100;

(4) the quotient of the estimated total net increase in property taxes generated in the state by the project in the first full year of operation divided by the proposed bond allocation, multiplied by 500; and

(5) the unemployment rate in the community where the proposed project is located measured as a percent of the state's unemployment rate, multiplied by ten.

The community unemployment rate used in determining the points under clause (5) must be the rate for the county in which the proposed project is located unless an accurate rate may be estimated for a smaller geographic area. The commissioner of jobs and training must approve the rate used when an unemployment rate other than that for a county is used.

If the manufacturing project will retain jobs and the total score includes points calculated under clause (2), the issuer must certify to the commissioner that the proceeds of the small issue bonds are required to retain those jobs. The commissioner shall submit the information relating to the retaining of jobs to the commissioner of trade and economic development. The commissioner of trade and economic development must verify that the proceeds of the small

issue bonds are required to retain the jobs referred to in the certification prior to the awarding of any points under this section.

Sec. 6. [474A.047] [RESIDENTIAL RENTAL BONDS; LIMITATIONS.]

Subdivision 1. [ELIGIBILITY.] An issuer may only use the proceeds from residential rental bonds if the proposed project meets one of the following:

(a) The proposed project is a single room occupancy project and all the units of the project will be occupied by individuals whose incomes are 50 percent or less of the greater of the statewide or county median income adjusted for household size as determined by the federal Department of Housing and Urban Development; or

(b) The proposed project is a multifamily project where at least 75 percent of the units have two or more bedrooms and at least 25 percent of the units have three or more bedrooms. At least 75 percent of the units of the multifamily project must be occupied by individuals or families whose incomes are 60 percent or less of the greater of the statewide or county median income adjusted for household size as determined by the federal Department of Housing and Urban Development.

The maximum rent for a proposed single room occupancy unit under paragraph (a) is 30 percent of the amount equal to 30 percent of the greater of the statewide or county median income for a one-member household as determined by the federal Department of Housing and Urban Development. The maximum rent for a multifamily project under paragraph (b) is 30 percent of the amount equal to 50 percent of the greater of the statewide or county median income as determined by the federal Department of Housing and Urban Development based on a household size with one person per bedroom.

Subd. 2. [15-YEAR AGREEMENT.] Prior to the issuance of residential rental bonds, the developer of the project for which the bond proceeds will be used must enter into a 15-year agreement with the issuer that specifies the maximum rental rates of the units in the project and the income levels of the residents of the project. The rental rates and income levels must be within the limitations established under subdivision 1. The developer must annually certify to the issuer over the term of the agreement that the rental rates are within the limitations under subdivision 1. The issuer may request individual certification of the income of all residents of the project.

If a project is found to be out of compliance with the rental rate and income levels under subdivision 1, the issuer must notify the Minnesota housing finance agency and department of revenue. The

interest earnings on the bonds issued for the project will be subject to the tax under chapter 290.

Sec. 7. Minnesota Statutes Second 1989 Supplement, section 474A.061, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] (a) An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, and (4) an application deposit in the amount of one percent of the requested allocation before the last Monday in August, or in the amount of two percent of the requested allocation on or after the last Monday in August, and (5) a public purpose scoring worksheet for small issue applications. An issuer applying for an allocation from the multifamily housing pool who does not sign an agreement requiring that the project comply with the gross rent restrictions of the low-income housing credit program under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1988, must submit an additional application deposit in the amount of two percent of the requested allocation before the last Monday in August, or in the amount of one percent of the requested allocation on or after the last Monday in August. The issuer must pay the application deposit by check. The Minnesota housing finance agency may apply for and receive an allocation under this section without submitting an application deposit.

(b) An entitlement issuer may not apply for an allocation from the multifamily housing pool or from the public facilities pool unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount of bonding authority carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

(c) If an application is rejected under this section, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by a certificate of allocation.

Sec. 8. Minnesota Statutes 1988, section 474A.061, is amended by adding a subdivision to read:

Subd. 2a. [HOUSING POOL ALLOCATION.] (a) On the first business day that falls on a Monday of the calendar year and on the first Monday in April, the commissioner shall allocate available

bonding authority in the housing pool to applications received by the Monday of the previous week for residential rental projects that meet the eligibility criteria under section 6. After April 1, and until April 15, the Minnesota housing finance agency may accept applications from cities for single-family housing programs which meet program requirements as follows:

(1) the housing program must meet a locally identified housing need and be economically viable;

(2) the adjusted income of home buyers cannot exceed the greater of the agency's income limits or 80 percent of the greater of the state or area median income as published by the Department of Housing and Urban Development;

(3) house price limits may not exceed the greater of agency house price limits or 90 percent of the median purchase price in the city for which the bonds are to be sold up to a maximum of 90 percent of the safe harbor limitations for existing housing provided under section 143(e) of the Internal Revenue Code of 1986, as amended through December 31, 1989, except that house price limits may be 100 percent of the median city purchase price if subsidy is used to reduce the effective purchase price of the property to the above levels. Data establishing the median purchase price in the city must be included in the application by a city requesting house price limits higher than the housing finance agency's house price limits;

(4) mortgage bonds may be issued during the first eight months that mortgage bond proceeds are available only for the purchase or purchase and rehabilitation of existing housing except in the following circumstances: newly constructed housing located in an area where a redevelopment project as defined under section 469.002, subdivision 14, may occur; newly constructed housing approved under the Affordable Housing Program of the Department of Housing and Urban Development; newly constructed housing located on a parcel purchased by the city or conveyed to the city under section 282.01, subdivision 1; or newly constructed housing that is part of a housing affordability initiative, other than those financed with the proceeds from the sale of bonds, in which federal, state, or local assistance is used to substantially improve the terms of the financing or to substantially write down the purchase price of the new housing; and

(5) the agency or a city may not make available, provide set asides, or commit to make available money or proceeds of bonds for the exclusive use of builders or developers for loans to eligible purchasers for new housing except for housing located in an area where a redevelopment project as defined under section 469.002, subdivision 14, may occur. This prohibition is in effect for the entire time mortgage bond proceeds are available.

The Minnesota housing finance agency may accept applications from July 1 to July 15 from cities for single-family housing programs which meet program requirements specified under clauses (1) to (5) if bonding authority is available in the housing pool. The agency and a representative for each applicant shall negotiate the terms of an agreement regarding the allocation of available authority among the applicants. The agreement must allot available bonding authority among the applicants. For purposes of paragraphs (a) to (d), "city" has the meaning given it in section 462C.02, subdivision 6, and "agency" means the Minnesota housing finance agency.

(b) Upon reaching agreement with participating cities, the agency shall forward to the commissioner the amounts allotted to each applicant pursuant to the agreement. The agency may issue bonds on behalf of participating cities. The agency shall request an allocation from the commissioner for all applicants who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. The agency may request an allocation at any time between the first Tuesday after the first Monday in April and the last Monday in August, but may request an allocation no later than the last Monday in August.

(c) A city may choose to issue bonds on its own behalf or through a joint powers agreement and may request an allocation from the commissioner. If the total amount requested by all applicants exceeds the amount available in the pool, the city may not receive a greater allocation than the amount it would have received under the agreement forwarded by the Minnesota housing finance agency to the commissioner. No city may request or receive an allocation from the commissioner until the agreement under paragraph (b) has been forwarded to the commissioner. Between the first Monday in April and the last Monday in August, no city may receive an allocation from the housing pool which has not first applied to the Minnesota housing finance agency.

(d) If a city issues mortgage bonds from an allocation received under paragraph (c), the issuer must provide for the recycling of funds into new loans. If the issuer is not able to provide for recycling, the issuer must notify the commissioner in writing of the reason that recycling was not possible and the reason the issuer elected not to have the Minnesota housing finance agency issue the bonds. "Recycling" means the use of money generated from the repayment and prepayment of loans for further eligible loans or for the redemption of bonds and the issuance of current refunding bonds.

(e) The total amount of allocation for mortgage bonds for one city is limited to the lesser of (i) \$4,000,000 or (ii) 20 percent of the total amount available for allocation for mortgage bonds from the housing pool after the first Monday in April.

Sec. 9. Minnesota Statutes 1988, section 474A.061, is amended by adding a subdivision to read:

Subd. 2b. [MANUFACTURING POOL ALLOCATION.] From the beginning of the calendar year until the last Monday in August, the commissioner shall allocate available bonding authority from the manufacturing pool on Monday of each week to applications received on or before the Monday of the preceding week. The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 5. Proposed projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed projects that receive less than 50 points are eligible to receive a proportionally reduced share of the proposed authority.

If there are two or more applications for manufacturing projects from the manufacturing pool and there is insufficient bonding authority to provide allocations for all projects in any one week after all eligible bonding authority has been transferred as provided in section 474A.081, the available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

Sec. 10. Minnesota Statutes 1988, section 474A.061, is amended by adding a subdivision to read:

Subd. 2c. [PUBLIC FACILITIES POOL ALLOCATION.] From the beginning of the calendar year until the last Monday in August, the commissioner shall allocate available bonding authority from the public facilities pool on Monday of each week to applications for eligible public facilities projects received on or before the Monday of the preceding week. If there are two or more applications for public facilities projects from the pool and there is insufficient bonding authority to provide allocations for all projects in any one week after all eligible bonding authority has been transferred as provided in section 474A.081, the available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

Sec. 11. Minnesota Statutes 1988, section 474A.061, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL DEPOSIT.] An issuer which has received an allocation under this section may retain any unused portion of the allocation after the first Monday Tuesday in September only if the issuer has submitted to the department before the first Monday Tuesday in September a letter stating its intent to issue obligations pursuant to the allocation before the end of the calendar year or within the time period permitted by federal tax law and a deposit in addition to that provided under subdivision 1, equal to one percent of the amount of allocation to be retained. The Minnesota housing finance agency may retain an unused portion of an allocation after

the first Tuesday in September without submitting an additional deposit.

Sec. 12. Minnesota Statutes Second 1989 Supplement, section 474A.061, subdivision 4, is amended to read:

Subd. 4. [RETURN OF ALLOCATION; DEPOSIT REFUND.] (a) If an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section by the end of the current year within 90 days of allocation or within the time period permitted by federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies the department or the 90-day period since allocation has expired prior to the last Monday in August, the amount of allocation is canceled and returned must be reallocated for reallocation through the pool from which it was originally allocated. If the issuer notifies the department or the 90-day period since allocation has expired on or after the last Monday in August, the amount of allocation is canceled and returned must be reallocated for reallocation through the unified pool. If the issuer notifies the department after the last Monday in November, the amount of allocation is canceled and returned must be reallocated for reallocation to the Minnesota housing finance agency.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this section within 90 days of allocation shall receive within 30 days a refund of all of its application deposits equal to:

(1) one-half of the amount on application deposit for the amount of bonding authority returned before the first Monday in November within 30 days of receiving allocation;

(2) one-fourth of the amount on application deposit for the amount of bonding authority returned on or after the first Monday in November and before the third Monday in November between 31 and 60 days of receiving allocation; and

(3) one-eighth of the amount on application deposit for the amount of bonding authority returned on or after the third Monday in November and before the last Monday in November between 61 and 90 days of receiving allocation.

No refund shall be available for allocations returned on or after the last Monday in November 90 or more days after receiving the allocation. This subdivision does not apply to the Minnesota housing finance agency.

Sec. 13. Minnesota Statutes 1988, section 474A.081, as amended by Laws 1989, chapter 328, article 1, section 21, is amended to read:

474A.081 [POOL TRANSFERS.]

Subdivision 1. [AUTHORITY TO TRANSFER BONDING AUTHORITY.] If there is insufficient bonding authority in either the manufacturing pool or the multifamily housing pool to provide allocations for applications received in any one week, additional bonding authority for small issue bonds and residential rental project bonds may be obtained under this section.

Subd. 2. [TRANSFER LIMITS.] No transfer of bonding authority may be made from any pool for qualified bonds not eligible to receive allocations from that pool (i) prior to June 30, or (ii) if, on June 30, allocations of bonding authority have been made from that pool equal to or exceeding 50 percent of the annual volume cap originally allocated to that pool. For 1987, the amount considered originally allocated to each of the pools shall be \$80,000,000 for the manufacturing pool and \$60,000,000 for the multifamily housing pool.

Subd. 4. [POOL TRANSFERS.] If there is insufficient bonding authority to provide allocations for all small issue bonds or residential rental project bonds in any one week, applications for small issue bonds may receive bonding authority from the multifamily housing pool or applications for residential rental project bonds may receive bonding authority from the manufacturing pool, except as provided in subdivision 2. If bonding authority is transferred from one pool to the other pool, applications for small issue bonds must receive priority for allocations from the manufacturing pool, and applications for residential rental project bonds must receive priority for allocations from the multifamily housing pool.

Sec. 14. Minnesota Statutes 1988, section 474A.091, subdivision 1, is amended to read:

Subdivision 1. [UNIFIED POOL AMOUNT.] On the day after the last Monday in August any bonding authority remaining unallocated from the manufacturing pool, the multifamily housing pool, and the public facilities pool is transferred to the unified pool and must be reallocated as provided in this section.

Sec. 15. Minnesota Statutes Second 1989 Supplement, section 474A.091, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the

type of qualified bonds to be issued, and (4) an application deposit in the amount of two percent of the requested allocation, and (5) a public purpose scoring worksheet for small issue applications. An issuer applying for an allocation for residential rental project bonds who does not sign an agreement requiring that the project comply with the gross rent restrictions of the low-income housing credit program under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1988, must submit an additional application deposit in the amount of one percent of the requested allocation. The issuer must pay the application deposit by check. An entitlement issuer may not apply for an allocation for public facility bonds, residential rental project bonds, or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

The Minnesota housing finance agency may not apply for an allocation for mortgage bonds under this section until after the last Monday in September. Notwithstanding the restrictions imposed on unified pool allocations after October 1, under subdivision 3, paragraph (c)(2), the Minnesota housing finance agency may be awarded allocations for mortgage bonds from the unified pool after October 1. The Minnesota housing finance agency may apply for and receive an allocation under this section without submitting an application deposit.

Sec. 16. Minnesota Statutes Second 1989 Supplement, section 474A.091, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION PROCEDURE.] (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in September through and on the last Monday in November. Applications for allocations must be received by the department by the Monday preceding the Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day after the holiday.

(b) On or before October 1, allocations shall be awarded from the unified pool in the following order of priority:

(1) applications for small issue bonds, with preference given to projects to be located in distressed counties designated under section 297A.257;

(2) applications for residential rental project bonds, with preference given to issuers agreeing to require that the project comply

with the gross rent restrictions of the low-income housing credit program under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1988;

(3) applications for public facility projects funded by public facility bonds;

(4) applications for redevelopment bonds;

(5) applications for mortgage bonds; and

(6) applications for governmental bonds.

Allocations for residential rental projects may only be made during the first allocation in September. The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 5. Proposed manufacturing projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed manufacturing projects that receive less than 50 points under section 5 are only eligible to receive a proportionally reduced share of the proposed authority. If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 5 with those projects receiving the greatest number of points receiving allocation first.

(c)(1) On the first Monday in October, \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the manufacturing pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the manufacturing pool for that year, whichever is less, is reserved within the unified pool for small issue bonds. On the first Monday in October, ~~\$5,000,000~~ \$2,500,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the public facilities pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the public facilities pool for that year, whichever is less, is reserved within the unified pool for public facility bonds. If sufficient bonding authority is not available to reserve the required amounts for both small issue bonds and public facility bonds, ~~three-fourths~~ seven-eighths of the remaining available bonding authority is reserved for small issue bonds and ~~one-fourth~~ one-eighth of the remaining available bonding authority is reserved for public facility bonds.

(2) The total amount of allocations for mortgage bonds from the housing pool and the unified pool may not exceed:

- (i) \$10,000,000 for any one city; or
- (ii) \$20,000,000 for any number of cities in any one county; or
- (iii) 60 percent of the amount initially allocated to the unified pool.

An allocation for mortgage bonds may be used for mortgage credit certificates.

After October 1, allocations shall be awarded from the unified pool only for the following types of qualified bonds: small issue bonds, with preference given to manufacturing projects to be located in distressed counties designated under section 207A.257, public facility bonds, and residential rental project bonds.

(d) If there is insufficient bonding authority to fund all projects within any qualified bond category, allocations shall be awarded by lot unless otherwise agreed to by the respective issuers. If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.

Sec. 17. Minnesota Statutes 1988, section 474A.091, subdivision 4, is amended to read:

Subd. 4. [MORTGAGE BOND SUNSET BONDS.] If federal tax law is not amended to permit the issuance of tax exempt mortgage bonds after December 31, 1988, All remaining bonding authority available for allocation under this section on December 1, 1988, is allocated to the Minnesota housing finance agency. For purposes of this subdivision, "city" has the meaning given it in section 462C.02, subdivision 6. The Minnesota housing finance agency shall reallocate at least 50 percent of the remaining bonding authority available for allocation to cities requesting an allocation on or before November 1, 1988, for the issuance of mortgage bonds. A city may apply for an allocation under this subdivision by submitting to the Minnesota housing finance agency an application on or before November 1, 1988, on forms provided by the agency. After December 1, 1988, any unallocated bonding authority remaining after all city requests are filled is reallocated to the Minnesota housing finance agency for issuance by the agency or for reallocation to a city requesting an allocation on or before November 1, 1988.

Sec. 18. Minnesota Statutes 1988, section 474A.091, subdivision 5, is amended to read:

Subd. 5. [RETURN OF ALLOCATION; DEPOSIT REFUND.] (a) If an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section by the end of the current year within 90 days of the allocation or within the time period permitted by federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies the department or the 90-day period since allocation has expired prior to the last Monday in November, the amount of allocation is canceled and returned must be reallocated for reallocation through the unified pool.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this section within 90 days of the allocation shall receive within 30 days a refund of its application deposit equal to:

(1) one-half of the amount on application deposit for the amount of bonding authority returned before the first Monday in November within 30 days of receiving the allocation;

(2) one-fourth of the amount on application deposit for the amount of bonding authority returned on or after the first Monday in November and before the third Monday in November between 31 and 60 days of receiving the allocation; and

(3) one-eighth of the amount on application deposit for the amount of bonding authority returned on or after the third Monday in November and before the last Monday in November between 61 and 90 days of receiving the allocation.

No refund of the application deposit shall be available for allocations returned on or after the last Monday in November. This subdivision does not apply to the Minnesota housing finance agency.

Sec. 19. Minnesota Statutes 1988, section 474A.131, subdivision 2, is amended to read:

Subd. 2. [CARRYFORWARD NOTICE.] If an issuer intends to carry forward an allocation received under this chapter, it must notify the department in writing before the last Monday of December. If the written notice of carryforward is not provided within the time required, one-quarter of the amount of the application deposit eligible for refund upon filing of the notice of issue under this section is forfeited.

Sec. 20. Minnesota Statutes 1988, section 474A.14, is amended to read:

474A.14 [NOTICE OF AVAILABLE AUTHORITY.]

The department shall publish in the State Register at least twice monthly, a notice of the amount of bonding authority, if any, available for allocation pursuant to sections 474A.061 and 474A.091 in the housing, manufacturing, and public facilities pools as soon after January 1 as possible. The department shall publish in the State Register a notice of the amount of bonding authority available for allocation in the unified pool as soon after September 1 as possible.

Sec. 21. [SUNSET OF QUALIFIED BONDS.]

Subdivision 1. [TRANSFER.] If federal tax law is not amended by May 31, 1990, to permit the issuance of tax exempt mortgage bonds or small issue bonds past September 30, 1990, all remaining bonding authority available for allocation in housing, manufacturing, and public facilities pools is transferred to the unified pool on the first business day in June and must be reallocated as provided in this section.

Subd. 2. [APPLICATION.] An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of two percent of the requested allocation, and (5) a public purpose scoring worksheet for small issue applications as provided under section 5. The issuer must pay the application deposit by check. An entitlement issuer may not apply for an allocation for public facility bonds, residential rental project bonds, or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

The Minnesota housing finance agency may not apply for an allocation for mortgage bonds under this section until after the last Monday in June. Notwithstanding the restrictions imposed on the unified pool allocations after July 1 under subdivision 3, paragraph (c), clause (2), the agency may be awarded allocations for mortgage bonds from the unified pool after July 1. The agency may apply for and receive an allocation under this section without submitting an application deposit.

Subd. 3. [ALLOCATION PROCEDURE.] (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in June through and on the last Monday in August. Applications for allocations must be received by the department by the Monday

preceding the Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day.

(b) On or before July 1, allocations shall be awarded from the unified pool in the following order of priority:

- (1) applications for small issue bonds;
- (2) applications for residential rental project bonds;
- (3) applications for public facilities projects financed with public facility bonds;
- (4) applications for redevelopment bonds;
- (5) applications for mortgage bonds; and
- (6) applications for governmental bonds.

Allocations for residential rental projects may only be made during the first allocation in June and must meet the eligibility requirements of section 6. The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 5. Proposed manufacturing projects that receive 50 points or more are eligible for all of the proposed allocations. If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 5 with those projects receiving the greatest number of points receiving allocation first. If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.

(c)(1) On the first Monday in July, \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the manufacturing pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the manufacturing pool for that year, whichever is less, is reserved within the unified pool for small issue bonds. On the first Monday in July, \$2,500,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the public facilities pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the public facilities pool for that year,

whichever is less, is reserved within the unified pool for public facility bonds. If sufficient bonding authority is not available to reserve the required amounts for both small issue bonds and public facility bonds, seven-eighths of the remaining available bonding authority is reserved for small issue bonds and one-eighth of the remaining available bonding authority is reserved for public facility bonds.

(2) Allocations for mortgage bonds from the unified pool may not exceed:

(i) \$10,000,000 for any one city;

(ii) \$20,000,000 for any number of cities in any one county; or

(iii) 60 percent of the amount initially allocated to the unified pool.

An allocation for mortgage bonds may be used for mortgage credit certificates.

After July 1, allocations shall be awarded from the unified pool only for the following types of qualified bonds: small issue bonds, public facility bonds, and residential rental project bonds.

(d) If there is insufficient bonding authority to fund all projects within any qualified bond category, allocations shall be awarded by lot unless otherwise agreed to by the respective issuers. If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.

Subd. 4. [REMAINING ALLOCATION.] Any remaining bonding authority that has not been allocated by September 1 in the unified pool shall be allocated to the Minnesota housing finance agency.

Subd. 5. [RETURN OF ALLOCATION; DEPOSIT REFUND.] (a) If an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section within 90 days of the allocation or within the time period permitted by federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies the department or the 90-day period since allocation has expired prior to the last Monday in August, the amount of allocation is canceled and returned for reallocation through the unified pool.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this section within 90 days of the allocation shall receive within 30 days a refund equal to:

(1) one-half of the application deposit for the amount of bonding authority returned within 30 days of receiving the allocation;

(2) one-fourth of the application deposit for the amount of bonding authority returned between 31 and 60 days of receiving the allocation; and

(3) one-eighth of the application deposit for the amount of bonding authority returned between 61 and 90 days of receiving the allocation.

No refund of the application deposit shall be available for allocations returned on or after the last Monday in August.

Sec. 22. [REPEALER.]

Minnesota Statutes 1988, section 474A.091, subdivision 4a; and Minnesota Statutes Second 1989 Supplement, section 474A.061, subdivision 2, are repealed. Section 21 is repealed January 1, 1991.

Sec. 23. [EFFECTIVE DATE.]

Sections 1 to 4, 7 to 20, and section 22 are effective January 1, 1991. Sections 5, 6, and 21 are effective the day after final enactment.

Delete the title and insert:

“A bill for an act relating to public financing; allocating authority to issue tax exempt revenue bonds; amending Minnesota Statutes 1988, sections 474A.02, subdivisions 6, 8, and by adding a subdivision; 474A.03; 474A.061, subdivision 3, and by adding subdivisions; 474A.081, as amended; 474A.091, subdivisions 1, 4, and 5; 474A.131, subdivision 2; and 474A.14; Minnesota Statutes Second 1989 Supplement, sections 474A.061, subdivisions 1 and 4; and 474A.091, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 1988, section 474A.091, subdivision 4a; Minnesota Statutes Second 1989 Supplement, section 474A.061, subdivision 2.”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2460, A bill for an act relating to health; providing for planning for a surveillance system for occupational diseases; 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.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2470, A bill for an act relating to human services; creating a new chapter establishing a unified process for the handling of civil, criminal, and financial recovery matters in all human service programs; amending Minnesota Statutes 1988, sections 256.73, subdivision 6; and 393.07, subdivision 10; proposing coding for new law as Minnesota Statutes, chapter 256J; repealing Minnesota Statutes 1988, sections 256.98; 256.981; 256.982; and 256D.14.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [256.984] [ADMINISTRATIVE FRAUD DISQUALIFICATION HEARINGS.]

Subdivision 1. [HEARING AUTHORITY.] A local agency may also initiate an administrative fraud disqualification hearing for individuals accused of wrongfully obtaining assistance or intentional program violations in the AFDC or food stamp programs. The hearing is subject to the requirements of section 256.045.

Subd. 2. [COMBINED HEARING.] The referee may combine a fair hearing and administrative fraud disqualification hearing into a single hearing if the factual issues arise out of the same, or related, circumstances and the individual receives prior notice that the hearings will be combined. If the administrative fraud disqualification hearing and fair hearing are combined, the time frames for administrative fraud disqualification hearings apply.

Sec. 2. [256.985] [DISQUALIFICATION PROVISIONS.]

Subdivision 1. [DISQUALIFICATION FROM PROGRAM.] (a)

Any person found by clear and convincing evidence, by a federal or state court or in an administrative hearing, to have wrongfully obtained assistance in the AFDC or food stamp programs shall be disqualified from that assistance program and the needs of that individual shall not be taken into consideration in determining the grant or assistance level. The period of disqualification shall be as follows:

- (1) for a first offense, six months;
- (2) for a second offense, 12 months; and
- (3) for a third or subsequent offense, permanent disqualification.

The disqualification period shall begin within 45 days of the date on which the fraud determination is made, unless the individual is not a current participant in the program. If the individual is not a current participant in the program, the disqualification period shall begin when the individual has applied and been determined eligible for benefits.

(b) Any period for which sanctions are imposed is effective, without possibility of administrative stay, until the finding upon which the sanctions were imposed is reversed by a court of competent jurisdiction. The period for which sanctions are imposed is not subject to review. The sanctions provided under this subdivision are in addition to, and not in substitution for, any other sanctions that may be provided for by law for the offense involved.

Subd. 2. [INELIGIBILITY FOR GENERAL ASSISTANCE.] No person disqualified from any federally aided assistance program shall be eligible for general assistance during the period covered by the disqualification sanction.

Sec. 3. Minnesota Statutes 1988, section 256.98, subdivision 7, is amended to read:

Subd. 7. [DIVISION OF RECOVERED AMOUNTS.] If the state is responsible for the recovery, the amounts recovered shall be paid to the appropriate units of government as provided under section 256.863. If the recovery is directly attributable to a county, the county may retain ~~one-half~~ all of the nonfederal share of any recovery from a recipient or the recipient's estate. This subdivision does not apply to recoveries from medical providers or to recoveries involving the department of human services, surveillance and utilization review division, state hospital collections unit, and the benefit recoveries division.

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 human services; authorizing fraud disqualification hearings for the AFDC and food stamps programs; setting disqualification periods; increasing county recoveries; amending Minnesota Statutes 1988, section 256.98, subdivision 7; 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.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 2474, A bill for an act relating to insurance; long-term care; modifying the definition of medically prescribed long-term care; allowing additional licensed health care providers to prepare plans of care; regulating assessments; regulating cancellations; amending Minnesota Statutes 1988, sections 62A.46, subdivisions 2, 4, 5, and 8; 62A.48, subdivision 3, and by adding a subdivision; and 62A.56; Minnesota Statutes 1989 Supplement, section 62A.48, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 29, after "that" insert "could not be omitted without adversely affecting the patient's illness or condition and" and after "by" insert "either: (1)"

Page 2, line 30, delete the new language and reinstate the stricken language

Page 2, line 32, delete "or assessment" and strike the old language

Page 2, strike line 33 and insert "or (2) a registered nurse or licensed social worker based on an assessment of the insured's ability to perform the activities of daily living and to perform basic cognitive functions appropriately."

Page 3, line 1, after "by" insert "either: (1)" and reinstate "and" and delete "a"

Page 3, line 2, delete the new language and reinstate the stricken language

Page 3, line 4, delete "or assessment" and strike "and are" and insert "; or (2) by a registered nurse or licensed social worker that specifies prescribed long-term care services or treatment that are consistent with an assessment of the insured's ability to perform the activities of daily living and to perform basic cognitive functions appropriately. The plan of care must be prepared"

Page 3, line 6, after "and" insert "must contain services or treatment"

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. 2496, A bill for an act relating to environment and natural resources; authorizing the issuance of state bonds and expenditure of the proceeds to acquire and to better state parks, recreation areas, trails, forests, wildlife management areas, scientific and natural areas, wild, scenic, and recreational rivers, canoe and boating routes, and public water access; to improve fish, wildlife, and native plant habitat; to provide for private critical habitat match program; to provide for construction of wastewater treatment facilities, state independent grants for construction of municipal wastewater treatment facilities, state match to federal revolving loan, and combined sewer overflow grants; for acquisition and enhancement of metropolitan regional parks; for local recreation grants; for waste management; authorizing issuance of state bonds; 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.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2514, A bill for an act relating to agriculture; changing certain regional districts of the state agricultural society; amending Minnesota Statutes 1988, section 37.04, subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 13, insert:

"Sec. 2. Minnesota Statutes 1989 Supplement, section 38.04, is amended to read:

38.04 [ANNUAL MEETINGS; REPORTS.]

Every county agricultural society shall hold an annual meeting for the election of officers and the transaction of other business on or before the third Tuesday in November. Service on the county agricultural society board or as an officer of the board is not a public office. Elected officials of the state or its political subdivisions may serve on the board or be elected as officers.

At the annual meeting, the society's secretary shall make a report of its proceedings for the preceding year; this report shall contain a statement of all transactions at its fairs, the numbers of entries, the amount and source of all money received, and the amount paid out for premiums and other purposes, and show in detail its entire receipts and expenditures during the year. The report must contain a separate accounting of any income received from the operation of horse racing on which pari-mutuel betting is conducted, and of the disposition of that income.

The treasurer shall make a comprehensive report of the funds received, paid out, and on hand, and upon whose order paid. Each secretary shall cause a certified copy of the annual report to be filed with the county recorder of the county and the commissioner of agriculture on or before the first day of ~~November~~ December each year."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "changing the time for filing certain reports by county agricultural societies;"

Page 1, line 4, before the period insert "; Minnesota Statutes 1989 Supplement, section 38.04."

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. 2536, A bill for an act relating to natural resources; authorizing a matching grant for the development of demonstration forest facilities at the forest resource center, Lanesboro; 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.

McEachern from the Committee on Education to which was referred:

H. F. No. 2564, A bill for an act relating to education; establishing a task force to coordinate educational opportunity on the border between Minnesota and South Dakota.

Reported the same back with the following amendments:

Page 1, line 13, delete "like"

Page 1, line 14, delete everything after "to" and insert "make recommendations"

Page 1, delete line 15 and insert "regarding removing"

Page 1, line 16, delete "are" and after "to" insert "intrastate" and delete "opportunity" and insert "opportunities"

Amend the title as follows:

Page 1, line 3, delete "opportunity" and insert "opportunities"

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.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 2572, A bill for an act relating to insurance; life; regulating policies with accelerated benefits; modifying the application of certain provisions; prescribing a penalty; amending Minnesota Statutes 1989 Supplement, section 61A.072, subdivisions 3 and 4.

Reported the same back with the following amendments:

Page 1, line 13, delete "This" and insert "The" and after "prohibition" insert "in paragraph (a)"

Page 1, line 14, delete "for no" and insert "without" and after "cost" insert "to the insured"

Page 1, line 18, after the period insert "A supplemental contract offered under this paragraph must meet all other applicable requirements of this section."

Page 1, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1989 Supplement, section 61A.072, is amended by adding a subdivision to read:

Subd. 5. [EXCLUSION.] Subdivision 4 does not apply to contracts or supplemental contracts granting the right to receive accelerated benefits if:

(a) one of the options for payment provides for lump sum payment;

(b) no conditions or restrictions are imposed on the use of the funds by the insured; and

(c) the offeree or insured is given written notice at the time the contract or supplemental contract is offered or sold that (i) Minnesota law sets minimum requirements for life insurance contracts where the right to receive accelerated benefits is contingent upon the insured receiving long-term care services; and (ii) the contract or supplemental contract being offered or sold does not meet those minimum requirements."

Amend the title as follows:

Page 1, delete line 6 and insert "subdivision 3, and by adding a subdivision."

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. 2580, A bill for an act relating to county and district agricultural societies; providing supplemental funding for fiscal year 1991; 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.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 2589, A bill for an act relating to insurance; promoting availability of automobile insurance for home day care providers; amending Minnesota Statutes 1988, sections 65B.13; 65B.47, subdivision 1; and 65B.49, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 2, line 17, delete "home" and insert "family and group family"

Page 2, line 29, delete "HOME" and insert "FAMILY AND GROUP FAMILY"

Page 2, line 31, delete "home" and insert "family and group family"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to insurance; promoting availability of automobile insurance for family and group family day care providers; amending Minnesota Statutes 1988, sections 65B.47, subdivision 1; and 65B.49, by adding a subdivision."

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. 2592, A bill for an act relating to agriculture; establishing an agricultural liming material law; appropriating money; prescribing penalties; proposing coding for new law as Minnesota Statutes, chapter 18F.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2599, A bill for an act relating to retirement; Minneapolis municipal employees; consolidating funds within the fund, excluding CETA employees; removing mandatory retirement age; establishing a bounce-back annuity; increasing survivor benefits; amending Minnesota Statutes 1988, sections 422A.06, subdivisions 1, 3, 5, 6, and 8; 422A.09, subdivision 3; 422A.13, subdivision 2; 422A.17; and 422A.23, subdivisions 2, 6, 9, and 10; proposing coding for new law in Minnesota Statutes, chapter 422A.

Reported the same back with the following amendments:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 356.215, subdivision 4d, is amended to read:

Subd. 4d. [INTEREST AND SALARY ASSUMPTIONS.] For funds governed by chapters 3A, 352, 352B, 352C, 353, 353C, 354 other than the variable annuity fund governed by section 354.62, and 490, the actuarial valuation shall use a preretirement interest assumption of 8.5 percent, a postretirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.065 multiplied by the salary for the preceding year. For funds governed by chapter 354A, the actuarial valuation shall use preretirement and postretirement assumptions of 8.5 percent and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.065 multiplied by the salary for the preceding year, but the actuarial valuation shall reflect the payment of postretirement adjustments to retirees shall be based on the methods specified in the bylaws of the fund as approved by the legislature. For a fund governed by chapter 422A, the actuarial valuation shall use a preretirement interest assumption of six percent, a postretirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.04 multiplied by the salary for the preceding year. For all other funds, the actuarial valuation shall use a preretirement interest assumption of five percent, a postretirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.035 multiplied by the salary for the preceding year.

For funds governed by chapters 3A, 352C, and 490, the actuarial valuation shall use a preretirement interest assumption of 8.5 percent, a postretirement interest assumption of five percent, and an assumption that in each future year in which the salary amount payable is not determinable from section 3.099, 15A.081, subdivision 6, or 15A.083, subdivision 1, whichever is applicable, or from applicable compensation council recommendations under section 15A.082, the salary on which a retirement or other benefit is based is 1.065 multiplied by the known or computed salary for the preceding year, whichever is applicable.”

Page 11, line 18, delete “13” and insert “14”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after “10;” insert “Minnesota Statutes 1989 Supplement, section 356.215, subdivision 4d;”

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. 2605, A bill for an act relating to education; making rules governing the use of aversive and deprivation procedures by school district employees conform with department of human services rules; amending Minnesota Statutes 1988, section 127.44.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 127.43, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] For the purposes of providing instruction to handicapped children under section 120.17, this section and section 127.44, the following terms have the meanings given them.

Sec. 2. Minnesota Statutes 1988, section 127.44, is amended to read:

127.44 [AVERSIVE AND DEPRIVATION PROCEDURES.]

Subdivision 1. [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; and
- (5) contain a list of prohibited procedures that includes at least the procedures prohibited under section 127.45.

Subd. 2. [PROHIBITED PROCEDURES AND ACTIONS.] The following procedures and actions are prohibited:

- (1) using corporal punishment such as hitting, biting, pinching, or slapping;
- (2) requiring a person to assume and maintain a specified physical position or posture as an aversive procedure. Examples include requiring persons to stand with their hands over their heads for long periods of time or to remain in a fixed position;
- (3) use of faradic shock;
- (4) totally or partially restricting a person's senses, except at a level of intrusiveness that does not exceed placing a hand in front of a person's eyes as a visual screen or playing music through earphones worn by the person at a level of sound which does not cause the person discomfort;
- (5) presentation of intense sounds, lights, or other sensory stimuli as an aversive stimulus;
- (6) use of a noxious smell, taste, substance, or spray, including water mist, as an aversive stimulus;
- (7) denying or restricting a person's access to equipment and devices such as hearing aids and communication boards that facil-

itate the person's functioning. If temporary removal of the equipment or device is necessary to prevent injury to the person or others, the equipment or device shall be returned to the person as soon as possible;

(8) using a locked time out room without continuous one-to-one monitoring by an adult; and

(9) withholding scheduled meals longer than a short period of time.

Subd. 3. [VIOLATION.] A violation of this section is not a crime under section 645.241 but may be a crime if the conduct violates a provision of chapter 609.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 6, delete "section" and insert "sections 127.43, subdivision 1; and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2609, A bill for an act relating to capital improvements; providing for emergency capital expenses at Inver Hills Community College; authorizing sale of state bonds; appropriating money.

Reported the same back with the following amendments:

Page 1, line 8, delete "\$" and insert "\$1,954,000"

Page 1, line 10, after "or" insert ", if necessary," and delete "as necessary"

Page 1, line 12, after the period insert "The funds may be used to pay for obligations incurred or to reimburse expenditures already made before the effective date of this section."

Page 1, line 17, delete "\$" and insert "\$1,954,000"

Page 1, after line 20, insert:

"Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are 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. 2610, A bill for an act relating to commerce; clarifying exceptions to the licensing requirements for real estate brokers; amending Minnesota Statutes 1989 Supplement, section 82.18.

Reported the same back with the following amendments:

Page 2, line 24, strike "when" and insert "provided that the person is licensed as a securities agent pursuant to section 80A.04, the person acknowledges that any violation of chapter 82A or the rules adopted under chapter 82A will be a violation of chapter 80A, and the person is"

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. 2615, A bill for an act relating to workers' compensation; including mentally retarded persons and those with related conditions to the list of registrable conditions for the subsequent disability special fund; amending Minnesota Statutes 1988, section 176.131, subdivision 8.

Reported the same back with the following amendments:

Page 3, after line 8, insert:

"Sec. 2. Minnesota Statutes 1989 Supplement, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, PSYCHOLOGICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] (a) The employer shall furnish any medical, psychological, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. This treatment shall include treatments necessary to physical rehabilitation. Exposure to rabies is an injury and an employer shall furnish preventive treatment to employees exposed to rabies. The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches, or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. In case of the employer's inability or refusal seasonably to do so the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing the same, including costs of copies of any medical records or medical reports that are in existence, obtained from health care providers, and that directly relate to the items for which payment is sought under this chapter, limited to the charges allowed by subdivision 7, and attorney fees incurred by the employee. No action to recover the cost of copies may be brought until the commissioner adopts a schedule of reasonable charges under subdivision 7. Attorney's fees shall be determined on an hourly basis according to the criteria in section 176.081, subdivision 5. The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability.

(b) Both the commissioner and the compensation judges have authority to make determinations under this section in accordance with sections 176.106 and 176.305.

Sec. 3. Minnesota Statutes 1988, section 176.185, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF COVERAGE, TERMINATION, CANCELLATION.] Within ten days after the issuance of a policy of insurance covering the liability to pay compensation under this chapter written by an insurer licensed to insure such liability in this state, the insurer shall file notice of coverage with the commissioner under rules and on forms prescribed by the commissioner. No policy shall be canceled by the insurer within the policy period nor terminated upon its expiration date until a notice in writing is delivered or mailed to the insured and filed with the commissioner, fixing the date on which it is proposed to cancel it, or declaring that the insurer does not intend to renew the policy upon the expiration

date. If the insurer or its agent has delivered or mailed a written certificate of insurance, certifying that a policy in the name of the insured is in force, then the insurer shall deliver or mail written notice of said cancellation or termination to the recipient of the certificate of insurance. A cancellation or termination is not effective until 30 days after written notice has been filed with the commissioner in a manner prescribed by the commissioner unless prior to the expiration of the 30-day period the employer obtains other insurance coverage or an order exempting the employer from carrying insurance as provided in section 176.181. Upon receipt of the notice the commissioner shall notify the insured that the insured must obtain coverage from some other licensed carrier and that, if unable to do so, the insured shall request the commissioner of commerce to require the issuance of a policy as provided in section 79.251, subdivision 4. Upon a cancellation or termination of a policy by the insurer the employer is entitled to be assigned a policy in accordance with sections 79.251 and 79.252. Notice of cancellation or termination by the insured shall be served upon the insurer by written statement mailed or delivered to the insurer. Upon receipt of the notice the insurer shall notify the commissioner of the cancellation or termination and the commissioner shall ask the employer for the reasons for the cancellation or termination and notify the employer of the duty under this chapter to insure the employer's employees. If the insurer or its agent has delivered or mailed a written certificate of insurance, certifying that a policy in the name of the insured is in force, then the insurer shall deliver or mail written notice of cancellation or termination to the recipient of the certificate of insurance. If an insurer fails to mail or deliver notice of cancellation or termination of an insured's policy to the recipient of a certificate of insurance, then the insurer shall indemnify and hold harmless the recipient from any award of benefits or other damages under this chapter resulting from the failure to give notice.

Amend the title as follows:

Page 1, line 5, after the semicolon insert "requiring treatment for employees exposed to rabies; regulating notice of insurance coverage, termination, and cancellation;"

Page 1, line 6, delete "section" and insert "sections" and before the period insert "; and 176.185, subdivision 1; Minnesota Statutes 1989 Supplement, section 176.135, subdivision 1"

With the recommendation that when so amended the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2626, A bill for an act relating to retirement; making various changes concerning reserves, coverage, contribution, and administration for the state board of investment, the Minnesota state retirement system, the public employees retirement association, and the Duluth teachers retirement fund association; clarify certain provisions; changing administrative requirements; amending Minnesota Statutes 1988, sections 11A.18, subdivision 6; 352.01, subdivision 13; 352.029, subdivision 3; 352.03, subdivision 1; 352.115, subdivision 7; 352.96, subdivision 4; 353.03, subdivision 3; 353.15, subdivision 2; 353.27, subdivisions 7 and 10; 353.46, subdivision 4; 353.657, subdivision 1; and 353.83; Minnesota Statutes 1989 Supplement, sections 352.021, subdivision 5; 352.93, subdivision 3; 352.96, subdivision 3; 353.01, subdivisions 2b, 11a, and 16; 353.33, subdivision 6; 353.35; and 353.656, subdivisions 1 and 3; repealing Minnesota Statutes 1989 Supplement, section 353.87, subdivision 5.

Reported the same back with the following amendments:

Page 13, line 10, after "granted" insert "up to"

Page 21, line 25, after "payments" insert "are to be added to and considered a portion of the annuity otherwise payable to the recipient and"

Page 22, delete lines 7 to 18 and insert:

"Section 1. [DULUTH TEACHERS RETIREMENT FUND AND ST. PAUL TEACHERS RETIREMENT FUND: ALTERNATE METHOD OF PAYING ADDITIONAL LUMP SUM AMOUNT.]

Notwithstanding the articles or bylaws of the Duluth teachers retirement fund association or St. Paul teachers retirement fund association, approval is granted for Duluth teachers retirement fund association and St. Paul teachers retirement fund association to provide that a lump sum postretirement adjustment that is payable may, upon the request of the annuitant or survivor and approval of the board of trustees of the fund, be converted to a monthly annuity benefit of equivalent actuarial value. The amount of the additional annuity shall be determined by:

(1) the age of the annuitant or survivor on the date of the lump sum postretirement adjustment;

(2) use of an annuity table of mortality established by the board of trustees of the association as required by Minnesota Statutes, section 356.215; and

(3) use of the postretirement interest rate assumption specified in Minnesota Statutes, section 11A.18."

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. 2630, A bill for an act relating to natural resources; authorizing the commissioner to promulgate rules relating to oil, gas, and other hydrocarbon wells and their spacing, pooling, and unitization; providing enforcement authority; proposing coding for new law in Minnesota Statutes, chapter 93.

Reported the same back with the following amendments:

Page 1, line 17, delete "therefore"

Page 1, line 18, delete "the department of"

Page 1, line 19, after "rules" insert "under chapter 14"

With the recommendation that when so amended the bill pass.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2646, A bill for an act relating to human services; long-term care; establishing methods to determine recommended rates for day training and habilitation services; allowing a waiver for personal care services; clarifying definitions of certain facilities; establishing requirements for home care services; exempting certain persons from preadmission nursing home screening; clarifying allocations for alternative care grants; establishing limits on the investment per bed for newly constructed or established long-term care facilities; clarifying eligibility requirements for continued services; amending Minnesota Statutes 1988, sections 256B.04, subdivision 16; 256B.055, subdivision 12; 256B.091, subdivisions 4 and 6; 256B.48, subdivision 2; 256B.49, by adding a subdivision; 256B.50, subdivisions 1 and 1b; and 256B.501, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 252.46, subdivision 4; 256B.091, subdivision 8; and 256B.495, subdivision 1; Laws 1988,

chapter 689, article 2, section 256, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 256B.

Reported the same back with the following amendments:

Page 4, line 8, delete everything after the comma

Page 4, line 9, delete everything before “a”

Page 4, line 10, delete “which is” and insert “may be”

Page 4, line 11, delete “if” and insert “for persons who require” and delete “is required” and delete “a person” and insert “they”

Page 4, line 12, delete “exhibits” and insert “exhibit”

Page 9, line 34, after “home” insert “for fiscal year 1991”

Page 9, line 36, strike “by the commissioner”

Page 10, line 4, after the period insert “The rate allowed for a screening where two team members are present shall be the actual costs up to \$218. The rate allowed for a screening where only one team member is present shall be the actual costs up to \$131. The commissioner shall establish by rule, in accordance with chapter 14, an annual adjustment of the state maximum screening rate.”

Page 12, line 1, delete “June” and insert “April”

Page 12, line 2, delete “15” and insert “1”

Page 12, line 6, delete “calendar” and insert “the base”

Page 12, line 7, delete “1989” and after the period insert “The base year for each county shall be either fiscal year 1989 or calendar year 1989, whichever period contains a larger total dollar amount of payments plus claims submitted for each county. To be counted in the allocation process, claims must be submitted by June 1, 1990.”

Page 12, line 34, delete everything after “agencies” and insert “according to an allocation system established by the legislature after considering the results of the study required by paragraph (e).”

Page 12, delete lines 35 and 36

Page 13, delete lines 1 to 3

Page 13, line 4, delete everything before “No”

Page 13, line 26, after "county" insert "and senior citizen"

Page 21, line 6, after "of" insert "establishing payment rates under"

Page 21, line 21, after "252.292" insert ", in which case clause (3) shall not apply"

Page 22, line 27, delete "as in subdivision 12"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2649, A bill for an act relating to human services; clarifying medical assistance payment rate procedures for hospitals; allowing case management for certain recipients of medical assistance; amending verification of pregnancy requirements for medical assistance eligibility; clarifying eligibility requirements for medical assistance and general assistance medical care; clarifying asset and income allowances for institutionalized spouses; clarifying services to be covered by medical assistance; establishing requirements for a relative's responsibility; expanding the homestead exclusion for medical assistance eligibility; establishing procedures for a vendor's request for a contested case proceeding; establishing requirements for claims against the estate of a recipient; clarifying procedures for enforcement of medical support; amending Minnesota Statutes 1988, sections 13.46, subdivision 5; 256B.04, subdivision 15; 256B.055, subdivisions 3, 5, and 6; 256B.056, subdivisions 2, 7, and by adding a subdivision; 256B.0625, subdivisions 4, 5, 9, and by adding subdivisions; 256B.15; 256B.19, by adding a subdivision; 256B.69, subdivision 3; 256D.03, subdivisions 3 and 7; 518.171, subdivisions 1, 3, 4, and 7; Minnesota Statutes 1989 Supplement, sections 256.969, subdivisions 2c and 6a; 256.9695, subdivisions 1 and 3; 256B.055, subdivision 7; 256B.056, subdivisions 3 and 4; 256B.057, subdivisions 1, 2, and by adding subdivisions; 256B.0575; 256B.059, subdivisions 4 and 5; 256B.0595, subdivisions 1, 2, and 4; 256B.14; 256B.69, subdivision 16; 256D.03, subdivision 4; Laws 1989, chapter 282, article 3, section 98, subdivisions 4 and 5; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 1989 Supplement, section 256B.055, subdivision 8.

Reported the same back with the following amendments:

Page 26, line 10, after "restorations" insert "that are cost-effective" and delete "with disabilities"

Page 26, line 11, delete "disability" and insert "medical condition"

Page 28, delete line 36

Page 29, delete lines 1 to 5

Page 29, line 6, delete "4" and insert "3"

Page 29, line 12, delete "5" and insert "4"

Page 30, delete lines 28 to 35 and insert:

"Subd. 3. [MINOR, BLIND OR DISABLED CHILDREN.] If a decedent who was single, or who was the surviving spouse of a married couple, is survived by a child who is under age 21 or blind or permanently and totally disabled according to the supplemental security income program criteria, no claim shall be filed against the estate.

Subd. 4. [OTHER SURVIVORS.] If the decedent who was single or the surviving spouse of a married couple is survived by one of the following persons, a claim exists against the estate in an amount not to exceed the value of the nonhomestead property included in the estate:"

Page 30, line 36, delete "(c)" and insert "(a)"

Page 31, line 4, delete "(d)" and insert "(b)"

Page 41, delete sections 45 and 46

Page 41, delete lines 35 and 36 and insert "effective for all claims filed for deaths occurring on and after the date of enactment."

Page 42, delete lines 1 to 14 and insert:

"Subd. 2. Section 23 is effective the day after final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 33, delete everything after the semicolon

Page 1, line 34, 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.

McEachern from the Committee on Education to which was referred:

H. F. No. 2685, A bill for an act relating to education; clarifying legislative intent concerning corporal punishment; amending Minnesota Statutes 1989 Supplement, section 127.45.

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. 2719, A bill for an act relating to agriculture; providing emergency drought relief for farmers and small businesses; establishing a program of low-interest loans; providing water supplies in emergencies; providing emergency hay and hayfield reseedling; 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.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2721, A bill for an act relating to retirement; Minneapolis police and firefighters; health and medical benefits; continuance of surviving spouse benefits; amending Laws 1949, chapter 406, section 4, subdivisions 2 and 3, as amended; and section 6, subdivision 1, as amended; and Laws 1965, chapter 519, section 1, as amended.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 6, delete section 4

Page 6, after line 14, insert:

“Sec. 4. [ST. LOUIS PARK POLICE SURVIVOR BENEFITS.]

The provision of Minnesota Statutes, section 423.810, subdivision 1, requiring termination of a surviving spouse's pension upon remarriage does not apply to surviving spouses receiving pensions from the St. Louis Park Police Relief Association.”

Page 6, line 16, delete “5” and insert “3”

Page 6, after line 18, insert:

“Sec. 6. [EFFECTIVE DATE.]

Section 4 is effective on approval by the St. Louis Park city council and compliance with Minnesota Statutes, section 645.021.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon insert “St. Louis Park police survivor benefits;”

Page 1, lines 5 and 6, delete “section 4, subdivisions 2 and 3, as amended; and”

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:

House Resolution No. 17, A house resolution designating and proclaiming April 22, 1990, as Earth Day 1990.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

House Resolution No. 18, A house resolution relating to Earth Day; April 22, 1990.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 173, 869, 1067, 1101, 1439, 1561, 1854, 1855, 1861, 1884, 1902, 1916, 2000, 2016, 2023, 2041, 2075, 2077, 2111, 2144, 2151, 2152, 2204, 2220, 2242, 2243, 2249, 2253, 2276, 2277, 2304, 2325, 2327, 2334, 2374, 2383, 2385, 2401, 2434, 2474, 2514, 2572, 2589, 2592, 2599, 2605, 2609, 2610, 2615, 2626, 2630, 2685 and 2721 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1922 and 1947 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Price introduced:

H. F. No. 2761, A bill for an act relating to animals; making certain presumptions about manufactured home park rules that prohibit residents over 55 from keeping certain pets; amending Minnesota Statutes 1988, section 327C.05, subdivision 2.

The bill was read for the first time and referred to the Committee on Financial Institutions and Housing.

Onnen, Bègich, Simoneau and Sviggum introduced:

H. F. No. 2762, A bill for an act relating to workers' compensation; requiring a study to determine incentives for an insurer to return an

employee to work; requiring a study to determine policies to encourage the hiring of injured employees.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Gruenes and Carlson, D., introduced:

H. F. No. 2763, A bill for an act relating to game and fish; authorizing certain disabled permit holders to take deer of either sex; amending Minnesota Statutes 1988, section 97B.055, subdivision 3.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Krueger introduced:

H. F. No. 2764, A bill for an act relating to education; clarifying the use and distribution of appropriations for curriculum and technology integration; amending Laws 1989, chapter 329, article 11, section 15, subdivision 10.

The bill was read for the first time and referred to the Committee on Education.

Greenfield introduced:

H. F. No. 2765, A bill for an act relating to health; eliminating the office of social work and mental health boards; modifying the duties of the board of unlicensed mental health service providers; requiring all mental health service providers to file with the board; amending Minnesota Statutes 1988, sections 148B.01, subdivision 7; 148B.07; 148B.41, subdivision 1; 148B.42, subdivision 2, and by adding a subdivision; 148B.43; and 148B.46, subdivision 1; Minnesota Statutes 1989 Supplement, sections 148B.17; 148B.40, subdivision 3; and 148B.42, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 148B; repealing Minnesota Statutes 1988, sections 148B.01, subdivision 2; 148B.02; and 148B.171.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Rodosovich introduced:

H. F. No. 2766, A bill for an act relating to human services; requiring an agreement between a county of financial responsibility

and a host county; amending Minnesota Statutes 1988, section 256B.092, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Peterson; Carlson, D.; Johnson, V., and Brown introduced:

H. F. No. 2767, A bill for an act relating to finance; appropriating money for purple loosestrife control.

The bill was read for the first time and referred to the Committee on Appropriations.

Tompkins introduced:

H. F. No. 2768, A bill for an act relating to environment; setting fees based on performance for motor vehicle emissions inspections in the metropolitan area; amending Minnesota Statutes 1988, sections 116.64; and 116.65, subdivision 2.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Kalis introduced:

H. F. No. 2769, A bill for an act relating to the state building code; accessibility for the physically disabled; establishing an access review board; providing for review of applications for permission to provide accessibility by means of stairway chair lifts; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 471.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Osthoff and Quinn introduced:

H. F. No. 2770, A bill for an act relating to financial institutions; establishing a system for the evaluation and rating of community reinvestment by depository financial institutions owned by interstate bank holding companies; providing uniformity with federal financial institutions regulatory practices; regulating public disclosure of uniform rating; amending Minnesota Statutes 1988, sections 48.92, by adding a subdivision; 48.93, subdivision 3; and 48.97, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 47; repealing Minnesota Statutes 1988, section 48.99.

The bill was read for the first time and referred to the Committee on Financial Institutions and Housing.

Otis, Segal, Jefferson, Schreiber and Vanasek introduced:

H. F. No. 2771, A resolution memorializing the Soviet Union to continue human rights reforms.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Brown introduced:

H. F. No. 2772, A bill for an act relating to bonds; providing money for the construction of a noncommercial television station.

The bill was read for the first time and referred to the Committee on Appropriations.

Nelson, K., introduced:

H. F. No. 2773, A bill for an act relating to taxation; providing a retroactive effective date for the credit for prior years' alternative minimum tax; amending Laws 1989, First Special Session chapter 1, article 10, section 47.

The bill was read for the first time and referred to the Committee on Taxes.

Clark, McLaughlin and Greenfield introduced:

H. F. No. 2774, A bill for an act relating to public capital facilities; authorizing the issuance of state bonds; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

Clark, Rodosovich and Greenfield introduced:

H. F. No. 2775, A bill for an act relating to public capital facilities; authorizing the issuance of state bonds; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

Clark introduced:

H. F. No. 2776, A bill for an act relating to public capital facilities; authorizing the issuance of state bonds; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

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. 1680, 1794, 1691, 1717, 1820, 1973, 1777 and 2353.

PATRICK E. FLAHAVER, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1680, A bill for an act relating to cooperatives; providing absentee ballots are secret ballots; amending Minnesota Statutes 1989 Supplement, section 308A.635, subdivision 6.

The bill was read for the first time and referred to the Committee on Regulated Industries.

S. F. No. 1794, A bill for an act relating to veterans; redefining the term "veteran"; amending Minnesota Statutes 1988, section 197.447.

The bill was read for the first time.

O'Connor moved that S. F. No. 1794 and H. F. No. 2001, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1691, A bill for an act relating to children; establishing procedures for the placement and removal of children in foster homes; proposing coding for new law in Minnesota Statutes, chapter 257.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 1717, A bill for an act relating to education; establishing a task force to coordinate educational opportunity on the border between Minnesota and South Dakota.

The bill was read for the first time and referred to the Committee on Education.

S. F. No. 1820, A bill for an act relating to counties; permitting a county board to assign certain duties; proposing coding for new law in Minnesota Statutes, chapter 373.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

S. F. No. 1973, A resolution memorializing the President and Congress to reauthorize the low-income home energy assistance program and to increase its appropriation for fiscal year 1991 and subsequent years.

The bill was read for the first time.

Dawkins moved that S. F. No. 1973 and H. F. No. 2097, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1777, A bill for an act relating to Ramsey county; setting the terms of charter commission members; amending Minnesota Statutes 1988, section 383A.553, subdivision 1.

The bill was read for the first time.

Kostohryz moved that S. F. No. 1777 and H. F. No. 2043, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2353, A bill for an act relating to vocational rehabilitation; providing for supported employment programs; amending Minnesota Statutes 1988, section 129A.01, subdivisions 11, 12, and by adding a subdivision.

The bill was read for the first time.

Cooper moved that S. F. No. 2353 and H. F. No. 2487, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 2002, A bill for an act relating to veterans; changing a provision prohibiting cemeteries near veterans homes; amending Minnesota Statutes 1988, section 137.20.

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:

Abrams	Greenfield	Lasley	Onnen	Schreiber
Anderson, G.	Gruenes	Lieder	Orenstein	Seaberg
Anderson, R.	Gutknecht	Limmer	Osthoff	Simoneau
Battaglia	Hartle	Long	Ostrom	Skoglund
Bauerly	Hasskamp	Lynch	Otis	Solberg
Beard	Haukoos	Macklin	Ozment	Sparby
Begich	Hausman	Marsh	Pappas	Stanius
Bennett	Heap	McDonald	Pauly	Steenasma
Bertram	Henry	McEachern	Pellow	Sviggum
Blatz	Hugoson	McGuire	Pelowski	Swenson
Boo	Jacobs	McLaughlin	Peterson	Tjornhom
Brown	Janezich	McPherson	Poppenhagen	Tompkins
Burger	Jaros	Milbert	Price	Trimble
Carlson, L.	Jefferson	Miller	Pugh	Tunheim
Carruthers	Jennings	Morrison	Quinn	Uphus
Clark	Johnson, A.	Muenger	Redalen	Valento
Cooper	Johnson, R.	Murphy	Reding	Vellenga
Dauner	Johnson, V.	Nelson, C.	Rest	Wagenius
Dawkins	Kalis	Nelson, K.	Richter	Waltman
Dille	Kelly	O'Connor	Rodosovich	Weaver
Dorn	Kelso	Ogren	Rukavina	Welle
Forsythe	Kinkel	Olsen, S.	Runbeck	Wenzel
Frederick	Knickerbocker	Olsen, E.	Sarna	Williams
Frerichs	Kostohryz	Olsen, K.	Schafer	Winter
Girard	Krueger	Omann	Scheid	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 2116 was reported to the House.

Johnson, R., moved that H. F. No. 2116 be continued on the Consent Calendar. The motion prevailed.

H. F. No. 2134, A bill for an act relating to elections; changing the

vote margin for an automatic recount at the state primary or general election; amending Minnesota Statutes 1988, section 204C.35, 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:

Abrams	Gruenes	Lieder	Osthoff	Segal
Anderson, G.	Gutknecht	Limmer	Ostrom	Simoneau
Anderson, R.	Hartle	Long	Otis	Skoglund
Battaglia	Hasskamp	Lynch	Ozment	Solberg
Bauerly	Haukoos	Macklin	Pappas	Sparby
Beard	Hausman	Marsh	Pauly	Stanius
Begich	Heap	McDonald	Pellow	Steensma
Bennett	Henry	McEachern	Pelowski	Sviggum
Bertram	Hugoson	McGuire	Peterson	Swenson
Bishop	Jacobs	McLaughlin	Poppenhagen	Tjornhom
Blatz	Janezich	McPherson	Price	Tompkins
Boo	Jaros	Milbert	Pugh	Trimble
Brown	Jefferson	Miller	Quinn	Tunheim
Burger	Jennings	Morrison	Redalen	Uphus
Carlson, L.	Johnson, A.	Munger	Reding	Valento'
Carruthers	Johnson, R.	Murphy	Rest	Vellenga
Clark	Johnson, V.	Nelson, C.	Rice	Wagenius
Dauner	Kahn	Nelson, K.	Richter	Waltman
Dawkins	Kalis	O'Connor	Rodosovich	Weaver
Dille	Kelly	Ogren	Rukavina	Welle
Dorn	Kelso	Olsen, S.	Runbeck	Wenzel
Forsythe	Kinkel	Olson, E.	Sarna	Williams
Frederick	Knickerbocker	Olson, K.	Schafer	Winter
Frerichs	Kostohryz	Omann	Scheid	Spk. Vanasek
Girard	Krueger	Onnen	Schreiber	
Greenfield	Lasley	Orenstein	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 2202, A bill for an act relating to education; allowing the board of teaching to grant variances to its rules in certain cases; amending Minnesota Statutes 1988, section 125.185, 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:

Abrams	Begich	Brown	Dawkins	Girard
Anderson, G.	Bennett	Burger	Dille	Greenfield
Anderson, R.	Bertram	Carlson, L.	Dorn	Gruenes
Battaglia	Bishop	Carruthers	Forsythe	Gutknecht
Bauerly	Blatz	Clark	Frederick	Hartle
Beard	Boo	Cooper	Frerichs	Hasskamp

Haukoos	Krueger	O'Connor	Quinn	Steensma
Hausman	Lasley	Ogren	Redalen	Sviggum
Heap	Lieder	Olsen, S.	Reding	Swenson
Henry	Limmer	Olson, E.	Rest	Tjornhom
Hugoson	Long	Olson, K.	Rice	Tompkins
Jacobs	Lynch	Omann	Richter	Trimble
Janezich	Macklin	Onnen	Rodosovich	Tunheim
Jaros	Marsh	Orenstein	Rukavina	Uphus
Jefferson	McDonald	Osthoff	Runbeck	Valento
Jennings	McEachern	Ostrom	Sarna	Vellenga
Johnson, A.	McGuire	Otis	Schafer	Wagenius
Johnson, R.	McLaughlin	Ozment	Scheid	Waltman
Johnson, V.	McPherson	Pappas	Schreiber	Weaver
Kahn	Milbert	Pauly	Seaberg	Welle
Kalis	Miller	Pellow	Segal	Wenzel
Kelly	Morrison	Pelowski	Simoneau	Williams
Kelso	Munger	Peterson	Skoglund	Winter
Kinkel	Murphy	Poppenhagen	Solberg	Spk. Vanasek
Knickerbocker	Nelson, C.	Price	Sparby	
Kostohryz	Nelson, K.	Pugh	Stanisus	

The bill was passed and its title agreed to.

H. F. No. 2296, A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land in Becker 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:

Abrams	Greenfield	Lieder	Osthoff	Segal
Anderson, G.	Gruenes	Limmer	Ostrom	Simoneau
Anderson, R.	Gutknecht	Long	Otis	Skoglund
Battaglia	Hartle	Lynch	Ozment	Solberg
Bauerly	Hasskamp	Macklin	Pappas	Sparby
Beard	Haukoos	Marsh	Pauly	Stanisus
Begich	Hausman	McDonald	Pellow	Steensma
Bennett	Heap	McEachern	Pelowski	Sviggum
Bertram	Henry	McGuire	Peterson	Swenson
Bishop	Hugoson	McLaughlin	Poppenhagen	Tjornhom
Blatz	Jacobs	McPherson	Price	Tompkins
Boo	Janezich	Milbert	Pugh	Trimble
Brown	Jaros	Miller	Quinn	Tunheim
Burger	Jefferson	Morrison	Redalen	Uphus
Carlson, L.	Jennings	Munger	Reding	Valento
Carruthers	Johnson, A.	Murphy	Rest	Vellenga
Clark	Johnson, V.	Nelson, C.	Rice	Wagenius
Cooper	Kahn	Nelson, K.	Richter	Waltman
Dauner	Kalis	O'Connor	Rodosovich	Weaver
Dawkins	Kelly	Ogren	Rukavina	Welle
Dille	Kelso	Olsen, S.	Runbeck	Wenzel
Dorn	Kinkel	Olson, E.	Sarna	Williams
Forsythe	Knickerbocker	Olson, K.	Schafer	Winter
Frederick	Kostohryz	Omann	Scheid	Spk. Vanasek
Frerichs	Krueger	Onnen	Schreiber	
Girard	Lasley	Orenstein	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 2321 was reported to the House.

Haukoos moved to amend H. F. No. 2321, the first engrossment, as follows:

Page 2, line 27, reinstate "sales" and insert "or"

Page 3, line 7, after "of" insert "sales or"

Page 3, line 9, delete "excise"

Page 5, line 7, reinstate "sales" and insert "or"

The motion prevailed and the amendment was adopted.

H. F. No. 2321, A bill for an act relating to consumer protection; requiring an itemized statement for certain automobile purchase price refunds; amending Minnesota Statutes 1988, sections 325F.662, subdivision 8; and 325F.665, subdivisions 3 and 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Lasley	Orenstein	Seaberg
Anderson, G.	Gruenes	Lieder	Osthoff	Segal
Anderson, R.	Gutknecht	Limmer	Ostrom	Simoneau
Battaglia	Hartle	Long	Otis	Skoglund
Bauerly	Hasskamp	Lynch	Ozment	Solberg
Beard	Haukoos	Macklin	Pappas	Sparby
Begich	Hausman	Marsh	Pauly	Stanius
Bennett	Heap	McDonald	Pellow	Steensma
Bertram	Henry	McEachern	Pelowski	Sviggum
Bishop	Hugoson	McGuire	Peterson	Swenson
Blatz	Jacobs	McLaughlin	Poppenhagen	Tjornhom
Boo	Janezich	McPherson	Price	Tompkins
Brown	Jaros	Milbert	Pugh	Trimble
Burger	Jefferson	Miller	Quinn	Tunheim
Carlson, L.	Jennings	Morrison	Redalen	Uphus
Carruthers	Johnson, A.	Munger	Reding	Valento
Clark	Johnson, R.	Murphy	Rest	Vellenga
Cooper	Johnson, V.	Nelson, C.	Rice	Wagenius
Dauner	Kahn	Nelson, K.	Richter	Waltman
Dawkins	Kalis	O'Connor	Rodosovich	Weaver
Dille	Kelly	Ogren	Rukavina	Welle
Dorn	Kelso	Olsen, S.	Runbeck	Wenzel
Porsythe	Kinkel	Olson, E.	Sarna	Williams
Frederick	Knickerbocker	Olson, K.	Schafer	Winter
Frerichs	Kostohryz	Omam	Scheid	Spk. Vanasek
Girard	Krueger	Onnen	Schreiber	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2336, A bill for an act relating to historical interpretive centers; defining the status of Farmamerica in Waseca 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:

Abrams	Greenfield	Lieder	Osthoff	Segal
Anderson, G.	Gruenes	Limmer	Ostrom	Simoneau
Anderson, R.	Gutknecht	Long	Otis	Skoglund
Battaglia	Hartle	Lynch	Ozment	Soiberg
Bauerly	Hasskamp	Macklin	Pappas	Sparby
Beard	Haukoos	Marsh	Pauly	Stanius
Begich	Hausman	McDonald	Pellow	Stensma
Bennett	Heap	McEachern	Pelowski	Sviggum
Bertram	Henry	McGuire	Peterson	Swenson
Bishop	Hugoson	McLaughlin	Poppenhagen	Tjornhom
Blatz	Jacobs	McPherson	Price	Tompkins
Boo	Janezich	Milbert	Pugh	Trimble
Brown	Jaros	Miller	Quinn	Tunheim
Burger	Jefferson	Morrison	Redalen	Uphus
Carlson, L.	Jennings	Munger	Reding	Valento
Carruthers	Johnson, A.	Murphy	Rest	Vellenga
Clark	Johnson, R.	Nelson, C.	Rice	Wagenius
Cooper	Johnson, V.	Nelson, K.	Richter	Waltman
Dauner	Kahn	O'Connor	Rodosovich	Weaver
Dawkins	Kalis	Ogren	Rukavina	Welle
Dille	Kelso	Olsen, S.	Rumbeck	Wenzel
Dorn	Kinkel	Olsen, E.	Sarna	Williams
Forsythe	Knickerbocker	Olson, K.	Schafer	Winter
Frederick	Kostohryz	Omann	Scheid	Spk. Vanasek
Frerichs	Krueger	Onnen	Schreiber	
Girard	Lasley	Orenstein	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 2407, A bill for an act relating to health; requiring an asbestos abatement rule change.

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:

Abrams	Bennett	Carlson, L.	Dorn	Gutknecht
Anderson, G.	Bertram	Carruthers	Forsythe	Hartle
Anderson, R.	Bishop	Clark	Frederick	Hasskamp
Battaglia	Blatz	Cooper	Frerichs	Haukoos
Bauerly	Boo	Dauner	Girard	Hausman
Beard	Brown	Dawkins	Greenfield	Heap
Begich	Burger	Dille	Gruenes	Henry

Hugoson	Long	Olson, E.	Reding	Sviggum
Jacobs	Lynch	Olson, K.	Rest	Swenson
Janezich	Macklin	Omann	Rice	Tjornhom
Jaros	Marsh	Onnen	Richter	Tompkins
Jefferson	McDonald	Orenstein	Rodosovich	Trimble
Jennings	McEachern	Osthoff	Rukavina	Tunheim
Johnson, A.	McGuire	Ostrom	Runbeck	Uphus
Johnson, R.	McLaughlin	Otis	Sarna	Valento
Johnson, V.	McPherson	Ozment	Schafer	Vellenga
Kahn	Milbert	Pappas	Scheid	Wagenius
Kalis	Miller	Pauly	Schreiber	Waltman
Kelso	Morrison	Pellow	Seaberg	Weaver
Kinkel	Munger	Pelowski	Segal	Welle
Knickerbocker	Murphy	Peterson	Simoneau	Wenzel
Kostohryz	Nelson, C.	Poppenhagen	Skoglund	Williams
Krueger	Nelson, K.	Price	Solberg	Winter
Lasley	O'Connor	Pugh	Sparby	Spk. Vanasek
Lieder	Ogren	Quinn	Stanius	
Limmer	Olsen, S.	Redalen	Steensma	

The bill was passed and its title agreed to.

H. F. No. 2505, A bill for an act relating to retirement; permitting participants in the college supplemental retirement plan to designate beneficiaries; amending Minnesota Statutes 1989 Supplement, section 136.82, subdivisions 1 and 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:

Abrams	Greenfield	Lieder	Osthoff	Segal
Anderson, G.	Gruenes	Limmer	Ostrom	Simoneau
Anderson, R.	Gutknecht	Long	Otis	Skoglund
Battaglia	Hartle	Lynch	Ozment	Solberg
Bauerly	Hasskamp	Macklin	Pappas	Sparby
Beard	Haukoos	Marsh	Pauly	Steensma
Begich	Hausman	McDonald	Pellow	Sviggum
Bennett	Heap	McEachern	Pelowski	Swenson
Bertram	Henry	McGuire	Peterson	Tjornhom
Bishop	Hugoson	McLaughlin	Poppenhagen	Tompkins
Blatz	Jacobs	McPherson	Price	Trimble
Boo	Janezich	Milbert	Pugh	Tunheim
Brown	Jaros	Miller	Quinn	Uphus
Burger	Jefferson	Morrison	Redalen	Valento
Carlson, L.	Jennings	Munger	Reding	Vellenga
Carruthers	Johnson, A.	Murphy	Rest	Wagenius
Clark	Johnson, R.	Nelson, C.	Rice	Waltman
Cooper	Johnson, V.	Nelson, K.	Richter	Weaver
Dauner	Kahn	O'Connor	Rodosovich	Welle
Dawkins	Kalis	Ogren	Rukavina	Wenzel
Dille	Kelso	Olsen, S.	Runbeck	Williams
Dorn	Kinkel	Olson, E.	Sarna	Winter
Forsythe	Knickerbocker	Olson, K.	Schafer	Spk. Vanasek
Frederick	Kostohryz	Omann	Scheid	
Frerichs	Krueger	Onnen	Schreiber	
Girard	Lasley	Orenstein	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 2645, A bill for an act relating to insurance; regulating domestic insurers; providing for domestications and conversions to foreign insurers; proposing coding for new law in Minnesota Statutes, chapter 60A.

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:

Abrams	Girard	Lasley	Orenstein	Seaberg
Anderson, G.	Greenfield	Lieder	Osthoff	Segal
Anderson, R.	Gruenes	Limmer	Ostrom	Simoneau
Battaglia	Gutknecht	Long	Otis	Skoglund
Bauerly	Hartle	Lynch	Ozment	Solberg
Beard	Hasskamp	Macklin	Pappas	Sparby
Begich	Haukoos	Marsh	Pauly	Stanis
Bennett	Hausman	McDonald	Pellow	Steensma
Bertram	Heap	McEachern	Pelowski	Sviggum
Bishop	Henry	McGuire	Peterson	Swenson
Blatz	Hugoson	McLaughlin	Poppenhagen	Tjornhom
Boo	Jacobs	McPherson	Price	Tompkins
Brown	Janezich	Milbert	Pugh	Trimble
Burger	Jaros	Miller	Quinn	Tunheim
Carlson, L.	Jefferson	Morrison	Redalen	Uphus
Carruthers	Jennings	Munger	Reding	Valento
Clark	Johnson, A.	Murphy	Rest	Vellenga
Cooper	Johnson, R.	Nelson, C.	Rice	Wagenius
Dauner	Johnson, V.	Nelson, K.	Richter	Waltman
Dawkins	Kahn	O'Connor	Rodosovich	Weaver
Dempsey	Kalis	Ogren	Rukavina	Welle
Dille	Kelso	Olsen, S.	Runbeck	Wenzel
Dorn	Kinkel	Olson, E.	Sarna	Williams
Forsythe	Knickerbocker	Olson, K.	Schafer	Winter
Frederick	Kostohryz	Omam	Scheid	
Frerichs	Krueger	Onnen	Schreiber	

The bill was passed and its title agreed to.

H. F. No. 2650, A bill for an act relating to cemeteries; allowing transfer of certain cemetery property to a religious corporation; amending Minnesota Statutes 1988, section 306.02, 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:

Abrams	Girard	Lasley	Orenstein	Seaberg
Anderson, G.	Greenfield	Lieder	Osthoff	Simoneau
Anderson, R.	Gruenes	Limmer	Ostrom	Skoglund
Battaglia	Gutknecht	Long	Otis	Solberg
Bauerly	Hartle	Lynch	Ozment	Sparby
Beard	Hasskamp	Macklin	Pappas	Stanius
Begich	Haukoos	Marsh	Pauly	Steensma
Bennett	Hausman	McDonald	Pellow	Sviggum
Bertram	Heap	McEachern	Pelowski	Swenson
Bishop	Henry	McGuire	Peterson	Tjornhom
Blatz	Hugoson	McLaughlin	Poppenhagen	Tompkins
Boo	Jacobs	McPherson	Price	Trimble
Brown	Janezich	Milbert	Pugh	Tunheim
Burger	Jaros	Miller	Quinn	Uphus
Carlson, L.	Jefferson	Morrison	Redalen	Valento
Carruthers	Jennings	Munger	Reding	Vellenga
Clark	Johnson, A.	Murphy	Rest	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rice	Waltman
Dauner	Johnson, V.	Nelson, K.	Richter	Weaver
Dawkins	Kahn	O'Connor	Rodosovich	Welle
Dempsey	Kalis	Ogren	Rukavina	Wenzel
Dille	Kelso	Olsen, S.	Runbeck	Williams
Dorn	Kinkel	Olson, E.	Sarna	Winter
Forsythe	Knickerbocker	Olson, K.	Schafer	Spk. Vanasek
Frederick	Kostohryz	Omamm	Scheid	
Frerichs	Krueger	Onnen	Schreiber	

The bill was passed and its title agreed to.

H. F. No. 2657 was reported to the House.

Rukavina moved that H. F. No. 2657 be returned to its author. The motion prevailed.

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. 1839 and 1952 were recommended for progress.

On the motion of Long the report of the Committee of the Whole was adopted.

MOTIONS AND RESOLUTIONS

O'Connor moved that the name of Trimble be added as an author on H. F. No. 1730. The motion prevailed.

Bishop moved that his name be stricken as an author on H. F. No. 2042. The motion prevailed.

Bauerly moved that the name of McEachern be stricken and the name of Pappas be added as an author on H. F. No. 2192. The motion prevailed.

Scheid moved that the name of Abrams be added as an author on H. F. No. 2243. The motion prevailed.

McLaughlin moved that the name of Sparby be added as an author on H. F. No. 2329. The motion prevailed.

Blatz moved that the names of Long, Henry, McLaughlin and Pellow be added as authors on H. F. No. 2706. The motion prevailed.

Ozment moved that the name of Tjornhom be added as an author on H. F. No. 2745. The motion prevailed.

McGuire moved that H. F. No. 2351, now on General Orders, be re-referred to the Committee on Judiciary. The motion prevailed.

Nelson, K., moved that H. F. No. 2383, now on Technical General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Jennings moved that H. F. No. 2592, now on Technical General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Kelly moved that H. F. No. 2276, now on Technical General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Jefferson moved that H. F. No. 2111, now on Technical General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Winter moved that H. F. No. 2023, now on Technical General

Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Williams moved that H. F. No. 1907 be recalled from the Committee on Appropriations and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Bertram moved that H. F. No. 1930, now on General Orders, be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

Ozment moved that H. F. No. 2514 be returned to its author. The motion prevailed.

House Resolution No. 17 was reported to the House.

HOUSE RESOLUTION NO. 17

A house resolution designating and proclaiming April 22, 1990, as Earth Day 1990.

Whereas, almost 20 years ago, more than 20 million Americans joined together on Earth Day in a demonstration of concern for the environment, and their collective action resulted in the passage of sweeping new laws to protect our air, water, and land; and

Whereas, in the 19 years since the first Earth Day, despite environmental improvements, the environmental health of the planet is increasingly endangered, threatened by global climate change, ozone depletion, growing world population, tropical deforestation, ocean pollution, toxic wastes, desertification, and nuclear waste requiring action by all sectors of society; and

Whereas, Earth Day 1990 is a national and international call to action for all citizens to join in a global effort to save the planet; and

Whereas, Earth Day 1990 activities and events will educate all citizens on the importance of acting in an environmentally sensitive fashion by recycling, conserving energy and water, using efficient transportation, and adopting more ecologically sound lifestyles; and

Whereas, Earth Day 1990 will also educate all citizens on the importance of buying and using those products least harmful to the environment, the importance of doing business with companies that are environmentally sensitive and responsible, the importance of voting for those candidates who demonstrate an abiding concern for

the environment, and the importance of supporting the passage of legislation that will help protect the environment; *Now, Therefore,*

Be It Resolved by the House of Representatives of the State of Minnesota that it designate and proclaim April 22, 1990, as Earth Day 1990, and that that day shall be set aside for public activities promoting preservation of the global environment and launching the "Decade of the Environment."

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Speaker, and that it be presented to the appropriate Minnesota organizations planning public activities for Earth Day 1990.

Munger moved that House Resolution No. 17 be now adopted. The motion prevailed and House Resolution No. 17 was adopted.

House Resolution No. 18 was reported to the House.

HOUSE RESOLUTION NO. 18

A house resolution relating to Earth Day; April 22, 1990.

Whereas, April 22, 1990, marks the 20th anniversary of Earth Day, a citizen awakening of how humans can affect the environment; and

Whereas, activities and awareness spawned by the original Earth Day led to key federal environmental legislation being enacted and new state law, such as the Environmental Rights Act, the Environmental Policy Act, the Waste Management Act, the state Superfund Act, the Reinvest in Minnesota Resources Act, and the constitutionally created Environmental Trust Fund; and

Whereas, the Environment and Natural Resources committees of the Minnesota House and Senate have played an important part in enacting the above state legislation, as well as countless other environmental laws during the past 20 years, thus leading to a national reputation as an environmentally progressive state; and

Whereas, public concern for the environment has grown, standing as an important and enduring legacy of the last 20 years, and the public stands ready to act in support of new environmental initiatives; and

Whereas, the call for environmental action has become a global

effort, with needs to act on ozone depletion, global warming, forest destruction, oil spills, growing world population, and international air and water pollution; *Now, Therefore,*

Be It Resolved by the House of Representatives of the State of Minnesota that the citizens of the state are encouraged to participate in and support all events and activities honoring Earth Day 1990, and throughout the year.

Be It Further Resolved that the Chief Clerk of the House of Representatives shall be directed to prepare enrolled copies of this resolution, to be authenticated by his signature and that of the Speaker, and that they be presented to representatives of organizations sponsoring events and activities recognizing Earth Day.

Munger moved that House Resolution No. 18 be now adopted. The motion prevailed and House Resolution No. 18 was adopted.

Carruthers, Schreiber, Scheid and Limmer introduced:

House Resolution No. 19, A house resolution commending the Sunny Hollow Elementary School, New Hope, Minnesota, for their efforts in environmental activism.

SUSPENSION OF RULES

Carruthers moved that the rules be so far suspended that House Resolution No. 19 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 19

A house resolution commending the Sunny Hollow Elementary School, New Hope, Minnesota, for their efforts in environmental activism.

Whereas, a "pollution solution" has excited the school principal, teachers, and students of Sunny Hollow Elementary School; and

Whereas, Clinton Hill, who passed away recently, left his 6th grade classmates to carry out his dream that kids could save the Earth and all the creatures upon it from pollution; and

Whereas, Will and Tessa Hill, Clinton's parents, have taken the initiative to follow through with his dreams, and have taken steps to keep alive Clinton's Kids for Saving Earth Club; and

Whereas, about \$5,000 in unsolicited donations have come in for the cause, and Target Stores is putting in nearly \$1,000,000 towards the dream; and

Whereas, the Kids for Saving Earth Club and Target Stores have plans to:

Put brochures telling about Clinton's crusade inside advertising supplements;

Broadcast 30-second commercials during Earth Week telling about the kids' involvement;

Give away 5 million posters with tips on things that kids can do to help the environment;

Sell special T-shirts and donate the profits to Kids for Saving Earth Club;

Give the State of Minnesota a Kids for Saving Earth flag to fly over the Capitol on Earth Day, April 22, 1990; and

Prepare kits for every elementary school in the country explaining how they can start their own clubs; and

Whereas, by passing Clinton's dream to other elementary schools across the country, the dream of using "kid power" to clean up the environment comes closer to a reality; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that it commend the Sunny Hollow Elementary School for their efforts and increased environmental awareness.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Speaker, and that it be presented to Sunny Hollow Elementary School, New Hope, Minnesota.

Carruthers moved that House Resolution No. 19 be now adopted. The motion prevailed and House Resolution No. 19 was adopted.

Vanasek, Long, Ogren, Simoneau and McEachern introduced:

House Resolution No. 20, A house resolution setting the maximum limit on budget adjustments for the biennium.

The resolution was referred to the Committee on Ways and Means.

Olson, K., moved that the following statement be printed in the Permanent Journal of the House:

“It was my intention to vote in the negative on Monday, March 12, 1990, when the final vote was taken on the passage of H. F. No. 1569. In error I pressed the yea button rather than the nay button.” The motion prevailed.

ADJOURNMENT

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Thursday, March 15, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION — 1990

SEVENTY-FIRST DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 15, 1990

The House of Representatives convened at 2:30 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Dennis Dease, Rector, Basilica of Saint Mary's, Minneapolis, Minnesota.

The roll was called and the following members were present:

Abrams	Greenfield	Lasley	Orenstein	Segal
Anderson, G.	Gruenes	Lieder	Osthoff	Simoneau
Anderson, R.	Gutknecht	Limmer	Ostrom	Skoglund
Battaglia	Hartle	Long	Otis	Solberg
Bauerly	Hasskamp	Lynch	Ozment	Sparby
Beard	Haukoos	Macklin	Pappas	Stanius
Begich	Hausman	Marsh	Pauly	Steensma
Bennett	Heap	McDonald	Pellow	Sviggum
Bertram	Henry	McEachern	Pelowski	Swenson
Bishop	Himle	McGuire	Peterson	Tjornhom
Blatz	Hugoson	McLaughlin	Poppenhagen	Tompkins
Boo	Jacobs	McPherson	Price	Trimble
Brown	Janezich	Milbert	Pugh	Tunheim
Burger	Jaros	Miller	Quinn	Uphus
Carlson, D.	Jefferson	Morrison	Redalen	Valento
Carlson, L.	Jennings	Munger	Reding	Vellenga
Carruthers	Johnson, A.	Murphy	Rest	Wagenius
Clark	Johnson, R.	Nelson, C.	Rice	Waltman
Cooper	Johnson, V.	Nelson, K.	Richter	Weaver
Dauner	Kahn	Neuenschwander	Rodosovich	Welle
Dawkins	Kalis	O'Connor	Rukavina	Wenzel
Dempsey	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Frederick	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omann	Schreiber	
Girard	Krueger	Onnen	Seaberg	

A quorum was present.

Dille was excused until 4:10 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Morrison moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1861, 2023, 2151, 2220, 2374, 2385, 2321, 2685, 173, 869, 1067, 1101, 2626, 1561, 1854, 1855, 1884, 1902, 1916, 2000, 2016, 2041, 2075, 2077, 2630, 2144, 2152, 2204, 2242, 2243, 2249, 2253, 2721, 2277, 2304, 2325, 2327, 2334, 2401, 2434, 2474, 2615, 2572, 2589, 2599, 2605, 2609, 2610 and 1439 and S. F. Nos. 1680, 1794, 2353, 1777, 1973, 1691, 1717 and 1820 have been placed in the members' files.

S. F. No. 1777 and H. F. No. 2043, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Kostohryz moved that the rules be so far suspended that S. F. No. 1777 be substituted for H. F. No. 2043 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1794 and H. F. No. 2001, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

O'Connor moved that the rules be so far suspended that S. F. No. 1794 be substituted for H. F. No. 2001 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1973 and H. F. No. 2097, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Dawkins moved that S. F. No. 1973 be substituted for H. F. No. 2097 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2353 and H. F. No. 2487, which had been referred to the

Chief Clerk for comparison, were examined and found to be identical.

Cooper moved that S. F. No. 2353 be substituted for H. F. No. 2487 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 1997, A bill for an act relating to health; establishing a legislative task force to study the regulation of health insurance premium rates and health care costs.

Reported the same back with the following amendments:

Page 1, line 15, delete everything after the period

Page 1, line 16, delete "century,"

Page 1, line 18, after the period, insert "The legislature is also concerned that state residents should receive value for the insurance premiums paid in the form of coverage for necessary and appropriate health services."

Page 1, line 20, delete "will be" and insert "is available and"

Page 1, line 22, delete "There is"

Page 1, line 23, delete "established a" and insert "The"

Page 1, line 24, delete "The task force shall consist" and insert "and cost containment practices consists"

Page 2, lines 1 and 2, delete "senate majority leader" and insert "subcommittee on committees of the senate rules and administration committee"

Page 2, line 13, delete "and"

Page 2, line 14, after "rates" insert ", and insurance industry practices related to cost containment"

Page 2, line 18, after the period, insert "The task force shall study industry cost containment practices, including utilization review issues, to evaluate their impact on the insurance and health coverage subscribers receive."

Page 2, line 24, delete "and" and insert a comma

Page 2, line 25, after the comma insert "and utilization review activities."

Page 2, line 30, after the period insert "The task force shall study the issue of state regulation of utilization review activities to ensure appropriate consumer access and coverage for necessary health care."

Page 2, line 33, after "organizations" insert ", while ensuring continued access to appropriate health insurance coverage"

Page 2, after line 33, insert:

"(f) The legislative task force shall study the denial of health care benefits to Minnesota consumers. The task force shall review denial rates and appeals processes available to consumers. The task force shall examine systems, processes, and standards of criteria used for medical necessity determinations by insurers. The task force shall seek input from consumers, health care providers, the health care access commission, and representatives of insurance and health maintenance organizations."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2051, A bill for an act relating to human services; providing for drug abuse prevention, research, and treatment programs; appropriating money; proposing new law in Minnesota Statutes 1988, chapter 254A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 254A.03, is amended by adding a subdivision to read:

Subd. 4. [RULE AMENDMENT.] The commissioner shall by emergency rulemaking amend Minnesota Rules, parts 9530.6600 to 9530.7030, in order to contain costs and increase collections for the consolidated chemical dependency treatment fund. The amendment must establish criteria that will:

(1) increase the use of outpatient treatment for individuals who can abstain from mood-altering chemicals long enough to benefit from outpatient treatment;

(2) increase the use of outpatient treatment in combination with primary residential treatment;

(3) increase the use of long-term treatment programs for individuals who are not likely to benefit from primary residential treatment; and

(4) limit the repeated use of residential placements for individuals who have been shown not to benefit from residential placements, including long-term residential treatment.

Sec. 2. [254A.17] [PREVENTION AND TREATMENT INITIATIVES.]

Subdivision 1. [TRAINING.] The commissioner shall offer training in chemical dependency diagnostic and intervention services through appropriate human services programs managed by the department. Child care workers, social workers, and others shall be trained to recognize the symptoms of chemical abuse and dependency and respond with appropriate referrals or interventions.

Subd. 2. [ADDICTION RESEARCH.] The commissioner shall award grants to support research in the causes and mitigation of chemical addiction, coordinate these efforts with other related research, and disseminate the results.

Subd. 3. [MATERNAL AND CHILD SERVICE PROGRAMS.] The commissioner shall fund maternal and child health and social service programs designed to improve the health and functioning of children born to mothers using alcohol and controlled substances. Comprehensive programs shall include immediate and ongoing intervention, treatment, and coordination of medical, educational, and social services through a child's preschool years. Programs shall also include research and evaluation to identify methods most effective in improving outcomes among this high-risk population.

Subd. 4. [CHILD PROTECTION PROGRAMS.] The commissioner shall fund innovative child protection programs for children and families at risk due to substance abuse. Funding of a program under this subdivision must result in (1) earlier intervention; (2) the provision of in-home supervision; and (3) case management of all services required. Programs must also include research and evaluation to identify methods most effective in child protection services for this high-risk population.

Subd. 5. [STATEWIDE DETOXIFICATION TRANSPORTATION

PROGRAM.] The commissioner shall provide grants to counties, Indian reservations, other nonprofit agencies, or local detoxification programs for provision of transportation of intoxicated individuals to detoxification programs.

Sec. 3. Minnesota Statutes 1989 Supplement, section 254B.03, subdivision 4, is amended to read:

Subd. 4. [DIVISION OF COSTS.] Except for services provided by a county under section 254B.09, subdivision 1, or services provided under section 256B.69 or 256D.03, subdivision 4, paragraph (b), the county shall, out of local money, pay the state for 15 percent of the cost of chemical dependency services, including those services provided to persons eligible for medical assistance under chapter 256B and general assistance medical care under chapter 256D. Counties may use the indigent hospitalization levy for treatment and hospital payments made under this section. Fifteen percent of any state collections from private or third-party pay, less 15 percent of the cost of payment and collections, must be distributed to the county that paid for a portion of the treatment under this section. If all funds allocated according to section 254B.02 are exhausted by a county and the county has met or exceeded the base level of expenditures under section 254B.02, subdivision 3, the county shall pay the state for 15 percent of the costs paid by the state under this section. The commissioner may refuse to pay state funds for services to persons not eligible under section 254B.04, subdivision 1, if the county financially responsible for the persons has exhausted its allocation.

Sec. 4. Minnesota Statutes 1988, section 254B.06, is amended by adding a subdivision to read:

Subd. 1a. [VENDOR COLLECTIONS.] The commissioner may amend Minnesota Rules, parts 9530.7000 to 9530.7025, to require a vendor of chemical dependency transitional and extended care rehabilitation services to collect the cost of care received under a program from an eligible person who has been determined to be partially responsible for treatment costs, and to remit the collections to the commissioner. The commissioner shall pay to a vendor for the collections an amount equal to five percent of the collections remitted to the commissioner by the vendor. The amendment may be adopted under the emergency rulemaking provisions of sections 14.29 to 14.36.

Sec. 5. Minnesota Statutes 1988, section 254B.08, is amended to read:

254B.08 [FEDERAL WAIVERS.]

The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation for the provision of services to persons who need chemical depen-

gency services. The commissioner may seek amendments to the waivers or apply for additional waivers to contain costs. The commissioner shall ensure that payment for the cost of providing chemical dependency services under the federal waiver plan does not exceed the cost of chemical dependency services that would have been provided without the waived services.

Notwithstanding sections 254B.04 and 256B.02, subdivision 8, clause (18), and rules adopted under section 254B.03, subdivision 5, persons eligible under sections 256B.055, 256B.056, and 256B.06 for medical assistance benefits shall not be eligible for services reimbursed through the consolidated chemical dependency fund, except for transitional rehabilitation, extended care programs, and culturally specific programs as defined by Minnesota Rules, part 9530.6605, subpart 13, until the federal Social Security Act, section 2108 (1915B), program waivers are secured. Until the necessary federal program waivers are secured, persons eligible for medical assistance benefits under sections 256B.055, 256B.056, and 256B.06 shall be eligible for chemical dependency treatment services under sections 256B.02, subdivision 8, and 256B.0625.

Sec. 6. [STUDIES AND PLANS RELATING TO CHEMICAL DEPENDENCY TREATMENT.]

Subdivision 1. [TREATMENT PROGRAM ACCOUNTABILITY.] The commissioner of human services shall develop standards to provide increased accountability for chemical dependency treatment programs. The commissioner shall work in conjunction with treatment providers and clinicians. The commissioner shall report the results of this work to the legislature by January 1, 1992.

Subd. 2. [AFTERCARE SERVICES STUDY.] The commissioner of human services shall study funding and licensing options for providing aftercare services to high-risk or special need populations including, but not limited to, women, minorities, and adult and juvenile offenders. The commissioner shall present the results of this study and recommendations to the legislature by January 1, 1991.

Subd. 3. [INDIAN YOUTH TREATMENT PLANNING.] The commissioner of human services shall develop a plan for the establishment of one or more treatment programs specializing in chemically dependent Indian youth. The commissioner shall involve diverse members of the Indian community in conducting this assessment and shall present recommendations to the legislature by January 1, 1991.

Subd. 4. [AFRICAN AMERICAN YOUTH TREATMENT PLANNING.] The commissioner of human services shall develop a plan for a program in the Summit-University area of St. Paul to address the culturally based drug prevention, treatment, and aftercare needs of

high-risk youth. The commissioner shall involve existing neighborhood and governmental agencies in developing the plan and shall present recommendations to the legislature by January 1, 1991.

Sec. 7. [APPROPRIATIONS.]

\$3,160,000 is appropriated from the general fund to the commissioner of human services for fiscal year 1991 to carry out the provisions of sections 2 and 6. Of this amount, \$100,000 is for the provisions of section 2, subdivision 1; \$300,000 is for the provisions of section 2, subdivision 2; \$1,000,000 is for the provisions of section 2, subdivision 3; \$1,000,000 is for the provisions of section 2, subdivision 4; \$450,000 is for the provisions of section 2, subdivision 5; \$100,000 is for the provisions of section 6, subdivision 1; \$100,000 is for the provisions of section 6, subdivision 2; \$60,000 is for the provisions of section 6, subdivision 3; and \$50,000 is for the provisions of section 6, subdivision 4. The approved complement of the department is increased by 4.5 positions to carry out the provisions of sections 2 and 6.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to human services; providing for drug and alcohol abuse prevention, research, and treatment programs; requiring rules; requiring reports; appropriating money; amending Minnesota Statutes 1988, sections 254A.03, by adding a subdivision; 254B.06, by adding a subdivision; and 254B.08; Minnesota Statutes 1989 Supplement, section 254B.03, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 254A."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2096, A bill for an act relating to human services; allowing medical assistance coverage of swing bed services to continue after June 30, 1990; repealing Laws 1989, chapter 282, article 3, section 54.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2118, A bill for an act relating to health; establishing requirements for rehabilitating or liquidating a health maintenance organization; clarifying the liability of a health maintenance organization or management company; specifying requirements for a health maintenance organization application for a certificate; establishing protections against conflicts of interest; establishing requirements for a guaranteeing organization; including certain investments as admitted assets; requiring an expedited resolution of disputes about coverage of immediately and urgently needed service; establishing requirements for prior authorization; allowing replacement coverage by other health maintenance organizations; allowing appointment of a special examiner; amending Minnesota Statutes 1988, sections 60B.04, subdivision 1; 60B.15; 60B.17, subdivision 2, and by adding subdivisions; 60B.20; 60B.25; 62D.02, subdivision 15; 62D.03, subdivision 4; 62D.04, subdivision 1; 62D.041, subdivision 2; 62D.044; 62D.08, subdivisions 1 and 2; 62D.11, subdivision 1a, and by adding a subdivision; 62D.121, by adding a subdivision; 62D.14, by adding a subdivision; 62D.17, subdivisions 1 and 4; 62D.18, subdivision 1; and 62D.211; Minnesota Statutes 1989 Supplement, sections 62D.121, subdivision 3; and 72A.491, by adding a subdivision; and Laws 1988, chapter 434, section 24; proposing coding for new law in Minnesota Statutes, chapters 60B and 62D; repealing Minnesota Statutes 1988, sections 62D.11, subdivision 4; 62D.12, subdivisions 14 and 16; 62D.18, subdivisions 2 to 5; and 62D.20, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 60B.04, subdivision 1, is amended to read:

Subdivision 1. [ACTIONS BY COMMISSIONER.] Except as provided in subdivision 2 and section 60B.24, subdivision 1, no delinquency proceeding shall be commenced under sections 60B.01 to 60B.61 by anyone other than the commissioner, including an acting commissioner, of this state and no court shall have jurisdiction to entertain, hear, or determine any proceeding under sections 60B.01 to 60B.61 commenced by any other person. However, the commissioner of health shall have the authority to commence a delinquency

proceeding under sections 60B.01 to 60B.61 as to a health maintenance organization.

Sec. 2. Minnesota Statutes 1988, section 60B.15, is amended to read:

60B.15 [GROUNDS FOR REHABILITATION.]

The commissioner may apply by verified petition to the district court for Ramsey county or for the county in which the principal office of the insurer is located for an order directing the commissioner to rehabilitate a domestic insurer or an alien insurer domiciled in this state on any one or more of the following grounds:

(1) Any ground on which the commissioner may apply for an order of liquidation under section 60B.20, whenever the commissioner believes that the insurer may be successfully rehabilitated without substantial increase in the risk of loss to creditors of the insurer, its policyholders or to the public;

(2) That the commissioner has reasonable cause to believe that there has been theft from the insurer, wrongful sequestration or diversion of the insurer's assets, forgery or fraud affecting the insurer or other illegal conduct in, by or with respect to the insurer, which endanger assets in an amount threatening insolvency of the insurer;

(3) That substantial and unexplained discrepancies exist between the insurer's records and the most recent annual report or other official company reports;

(4) That the insurer, after written demand by the commissioner, has failed to remove any person who in fact has executive authority in the insurer, whether an officer, manager, general agent, employee, or other person, if the person has been found by the commissioner after notice and hearing to be dishonest or untrustworthy in a way affecting the insurer's business such as is the basis for action under section 60A.051;

(5) That control of the insurer, whether by stock ownership or otherwise, and whether direct or indirect, is in one or more persons found by the commissioner after notice and hearing to be dishonest or untrustworthy such as is the basis for action under section 60A.051;

(6) That the insurer, after written demand by the commissioner, has failed within a reasonable period of time to terminate the employment and status and all influences on management of any person who in fact has executive authority in the insurer, whether an officer, manager, general agent, employee or other person if the

person has refused to submit to lawful examination under oath by the commissioner concerning the affairs of the insurer, whether in this state or elsewhere;

(7) That after lawful written demand by the commissioner the insurer has failed to submit promptly any of its own property, books, accounts, documents, or other records, or those of any subsidiary or related company within the control of the insurer, or those of any person having executive authority in the insurer so far as they pertain to the insurer, to reasonable inspection or examination by the commissioner or an authorized representative. If the insurer is unable to submit the property, books, accounts, documents, or other records of a person having executive authority in the insurer, it shall be excused from doing so if it promptly and effectively terminates the relationship of the person to the insurer;

(8) That without first obtaining the written consent of the commissioner, or if required by law, the written consent of the attorney general, the insurer has transferred, or attempted to transfer, substantially its entire property or business, or has entered into any transaction the effect of which is to merge, consolidate, or reinsure substantially its entire property or business of any other person;

(9) That the insurer or its property has been or is the subject of an application for the appointment of a receiver, trustee, custodian, conservator or sequestrator or similar fiduciary of the insurer or its property otherwise than as authorized under sections 60B.01 to 60B.61, and that such appointment has been made or is imminent, and that such appointment might divest the courts of this state of jurisdiction or prejudice orderly delinquency proceedings under sections 60B.01 to 60B.61;

(10) That within the previous year the insurer has willfully violated its charter or articles of incorporation or its bylaws or any applicable insurance law or regulation of any state, or of the federal government, or any valid order of the commissioner under section 60B.11 in any manner or as to any matter which threatens substantial injury to the insurer, its creditors, its policyholders or the public, or having become aware within the previous year of an unintentional or willful violation has failed to take all reasonable steps to remedy the situation resulting from the violation and to prevent the same violations in the future;

(11) That the directors of the insurer are deadlocked in the management of the insurer's affairs and that the members or shareholders are unable to break the deadlock and that irreparable injury to the insurer, its creditors, its policyholders, or the public is threatened by reason thereof;

(12) That the insurer has failed to pay for 60 days after due date any obligation to this state or any political subdivision thereof or

any judgment entered in this state, except that such nonpayment shall not be a ground until 60 days after any good faith effort by the insurer to contest the obligation or judgment has been terminated, whether it is before the commissioner or in the courts;

(13) That the insurer has failed to file its annual report or other report within the time allowed by law, and after written demand by the commissioner has failed to give an adequate explanation immediately;

(14) That two-thirds of the board of directors, or the holders of a majority of the shares entitled to vote, or a majority of members or policyholders of an insurer subject to control by its members or policyholders, consent to rehabilitation under sections 60B.01 to 60B.61;

(15) That the insurer is engaging in a systematic practice of reaching settlements with and obtaining releases from policyholders or third party claimants and then unreasonably delaying payment of or failing to pay the agreed upon settlements;

(16) That the insurer is in such condition that the further transaction of business would be hazardous, financially or otherwise, to its policyholders, its creditors, or the public;

(17) That within the previous 12 months the insurer has systematically attempted to compromise with its creditors on the ground that it is financially unable to pay its claims in full;

(18) In addition to the grounds in clauses (1) to (17), any one of the following constitutes grounds for rehabilitation of a health maintenance organization:

(a) the health maintenance organization is unable or is expected to be unable to meet its debts as they become due;

(b) grounds exist under section 62D.042, subdivision 7;

(c) the health maintenance organization's liabilities exceed the current value of its assets, exclusive of intangibles and, where the guaranteeing organization's financial condition no longer meets the requirements of sections 62D.041 and 62D.042, exclusive of any deposits, letters of credit, or guarantees provided by any guaranteeing organization under chapter 62D;

(d) within the last year the health maintenance organization has failed, and the commissioner of health expects such failure to continue in the future, to make comprehensive medical care adequately available and accessible to its enrollees and the health

maintenance organization has not successfully implemented a plan of corrective action pursuant to section 62D.121, subdivision 7; and

(e) within the last year the directors or officers of the health maintenance organization willfully violated the requirements of section 317A.251, or having become aware within the previous year of an unintentional or willful violation of section 317A.251, have failed to take all reasonable steps to remedy the situation resulting from the violation and to prevent the same violation in the future.

Sec. 3. Minnesota Statutes 1988, 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 power of the rehabilitator of a health maintenance organization includes the power to transfer coverage obligations to a solvent and voluntary health maintenance organization, insurer, or non-profit health service plan, and to assign provider contracts of the insolvent health maintenance organization to an assuming health maintenance organization, insurer, or nonprofit health service plan permitted to enter into such agreements. The rehabilitator shall not be required to meet the requirements of section 62D.121. Transferees of coverage obligations or provider contracts shall have no liability to creditors or obligees of the health maintenance organization except those liabilities expressly assumed.

Sec. 4. Minnesota Statutes 1988, section 60B.17, is amended by adding a subdivision to read:

Subd. 8. [PLAN OF REHABILITATION FOR A HEALTH MAINTENANCE ORGANIZATION.] (a) The rehabilitator of a health maintenance organization, after consultation with the board of directors of the health maintenance organization, has the sole authority to propose a plan of rehabilitation.

(b) The court shall approve a plan of rehabilitation of a health maintenance organization if it meets the following criteria:

(1) the plan provides for payments to lien claimants equal to the value of each lien claim on the date of approval of the plan and may provide for payment of lien claims beyond the effective date of the plan and beyond the original repayment period for the obligation

underlying the claim where the plan provides sufficient protection for the lien claim during the period for such claim under the rehabilitation plan;

(2) the plan provides for payment in full of each prior class of claims before payment of the next class;

(3) the plan provides for payment in full of all claims for taxes of the United States Government, except for claims for interest accruing during the rehabilitation or claims for penalties. The plan may provide for payment of the claims over any period of time up to ten years after the effective date of the plan; and

(4) the plan is fair and equitable as to each class of claims for which the plan does not provide full payment. In determining whether the plan is fair and equitable to these claimants, the court shall consider the feasibility of the plan, the health maintenance organization's ability to generate a significant surplus, the health maintenance organization's need to expend money to change or expand its business, and the injury to enrollees through loss of coverage, if such a plan is not approved.

(c) The plan may provide for transfer of the health maintenance contracts and liquidation of the health maintenance organization.

(d) The court's approval of a plan of rehabilitation discharges the health maintenance organization from all claims except to the extent provided in the plan.

Sec. 5. [60B.171] [USE, SALE, OR TRANSFER OF ASSETS DURING REHABILITATION.]

Subdivision 1. [REHABILITATOR AUTHORITY TO USE, SELL, TRANSFER ASSETS.] In addition to the powers of the rehabilitator provided in this chapter, during rehabilitation of a health maintenance organization, the rehabilitator may use, sell, or transfer assets as provided in this section.

Subd. 2. [ORDINARY COURSE OF BUSINESS.] (a) The rehabilitator may use, sell, or transfer assets in which a person has a lien, which are not cash or cash equivalents, in the ordinary course of business without approval of the court, except that the rehabilitator must provide sufficient protection for that lien unless the lienholder consents.

(b) The rehabilitator may use, sell, or transfer cash or cash equivalents in which any person has a lien in the ordinary course of business only if:

(1) each person who has a lien in the assets consents; or

(2) after notice and a hearing, the court finds that the rehabilitator has or will provide the person who has a lien with sufficient protection for that lien.

Subd. 3. [OUT OF THE ORDINARY COURSE OF BUSINESS.]
(a) The rehabilitator may use, sell, or transfer assets in which any person has a lien out of the ordinary course of business with court approval where:

(1) the person that has a lien consents; or

(2) the rehabilitator provides sufficient protection for that lien. Sufficient protection includes, but is not limited to, equivalent substitute collateral or payments in the amount approximately equal to decrease in value or amount of collateral.

(b) Any sale or transfer shall be free and clear of all lien interests, if:

(1) all persons with liens in the assets to be sold or transferred consent to the sale or transfer;

(2) the consideration for the sale or transfer exceeds the total amount of all liens in the assets to be transferred;

(3) the rehabilitator provides sufficient protection for all lien claims in the assets; or

(4) other law permits a sale or transfer free and clear of any lien.

Sec. 6. [60B.181] [NOTICE REGARDING REHABILITATION OR LIQUIDATION PROCEEDING.]

In an insolvency proceeding against a health maintenance organization, at the time the rehabilitator or liquidator gives notice to creditors and enrollees according to section 60B.26, the rehabilitator or liquidator shall also give notice that any interested party may request in writing notice of subsequent actions or hearings in the proceeding. After the initial notice, the rehabilitator or liquidator may give notice only to those with a direct stake in any action or hearing and to those who have requested notice in writing. However, the rehabilitator or liquidator must give all claimants who timely file proofs of claims notice of any plan of rehabilitation or liquidation.

Sec. 7. [60B.191] [CLAIMS REGARDING REHABILITATION AND LIQUIDATION OF HEALTH MAINTENANCE ORGANIZATIONS.]

Subdivision 1. [PRIORITY OF CLAIMS.] The rehabilitator or liquidator of a health maintenance organization shall, in lieu of the classification otherwise provided in this chapter, classify all approved claims into the following classes:

(1) claims for ordinary and necessary expenses of operating and administering the health maintenance organization during rehabilitation or liquidation proceeding. Administrative expenses of a rehabilitation proceeding shall constitute administrative expenses of the liquidation proceeding;

(2) claims of the United States government for unpaid taxes;

(3) claims by persons employed by the health maintenance organization for services rendered within the four months before the initiation of any insolvency proceeding, up to \$1,000. Employee claimants shall not be entitled to any lien claim or other claim under chapter 514;

(4) claims by all providers for health care goods and services to the extent covered under a health maintenance contract between enrollees and the health maintenance organization, and claims by enrollees for coverage under a health maintenance contract with the health maintenance organization;

(5) claims which are not secured by any perfected lien or security interest in assets of the health maintenance organization and which are not otherwise classified; or

(6) claims subordinated under this chapter, chapter 62D, or by agreement with the health maintenance organization or the commissioner of health.

Subd. 2. [CLAIMS FOR MALPRACTICE.] As to a health maintenance organization, a claim shall be classified as an unsecured claim if it is made by an enrollee, a parent or guardian of an enrollee, or a person seeking contribution based on injuries to an enrollee, for damages of any type related to death or bodily illness or injury based on improper provisions or failure to provide health care goods or services by a health maintenance organization and its employees, or a provider and its employees to an enrollee of the health maintenance organization. However, a claimant who has secured a judgment or settlement shall receive any insurance proceeds received by the health maintenance organization based on the claims or the medical care provided to the enrollee, other than reinsurance payable because the aggregate value of services to an enrollee exceeds a certain amount, less any expenses, including reasonable attorneys' fees the health maintenance organization incurred in defending the claim or prosecuting its claim against the insurer. This section does not expand the liability of health maintenance organizations on bodily injury to enrollees.

Sec. 8. [60B.193] [LIABILITY OF ENROLLEES.]

Upon any Minnesota state district court's order of rehabilitation or liquidation of a health maintenance organization under this chapter, all providers of health care goods or services to enrollees of the health maintenance organization, regardless of whether they have a written contract with the health maintenance organization, are prohibited from attempting to collect or collecting payment for authorized referrals from any enrollee of the health maintenance organization for goods or services to the extent the health maintenance organization is obligated to cover the goods and services under a health maintenance contract with the enrollee. A provider's only recourse is to file a claim against the health maintenance organization in the insolvency proceeding and to receive payment in the proceeding.

Sec. 9. Minnesota Statutes 1988, section 60B.20, is amended to read:

60B.20 [GROUNDS FOR LIQUIDATION.]

The commissioner may apply by verified petition to the district court for Ramsey county or for the county in which the principal office of the insurer is located for an order to liquidate a domestic insurer or an alien insurer domiciled in this state on any one or more of the following grounds:

(1) Any ground on which the commissioner may apply for an order of rehabilitation under section 60B.15, whenever the commissioner believes that attempts to rehabilitate the insurer would substantially increase the risk of loss to its creditors, its policyholders, or the public, or would be futile, or that rehabilitation would serve no useful purpose;

(2) That the insurer is or is about to become insolvent;

(3) That the insurer has not transacted the business for which it was organized or incorporated during the previous 12 months or has transacted only a token such business during that period, although authorized to do so throughout that period, or that more than 12 months after incorporation it has failed to become authorized to do the business for which it was organized or incorporated;

(4) That the insurer has commenced, or within the previous year has attempted to commence, voluntary dissolution or liquidation otherwise than as provided in section 60B.04, subdivision 3 in the case of a solvent insurer;

(5) That the insurer has concealed records or assets from the

commissioner or improperly removed them from the jurisdiction, or the commissioner believes that the insurer is about to do so;

(6) That the insurer does not satisfy the requirements that would be applicable if it were seeking initial authorization in this state to do the business for which it was organized or incorporated, except for:

(a) (i) Requirements that are intended to apply only at the time the initial authorization to do business is obtained, and not thereafter; and

(b) (ii) Requirements that are expressly made inapplicable by the laws establishing the requirements;

(7) That the holders of two-thirds of the shares entitled to vote, or two-thirds of the members or policyholders entitled to vote in an insurer controlled by its members or policyholders, have consented to a petition;

(8) In addition to the grounds in clauses (1) to (7), any one of the following constitutes grounds for liquidation of a health maintenance organization:

(i) the health maintenance organization is unable or is expected to be unable to meet its debts as they become due;

(ii) grounds exist under section 62D.042, subdivision 7;

(iii) the health maintenance organization's liabilities exceed the current value of its assets, exclusive of intangibles and, where the guaranteeing organization's financial condition no longer meets the requirements of sections 62D.041 and 62D.042, exclusive of any deposits, letters of credit, or guarantees provided by any guaranteeing organization under chapter 62D;

(iv) within the last year the health maintenance organization has failed, and the commissioner of health expects failure to continue in the future, to make comprehensive medical care adequately available and accessible to its enrollees and the health maintenance organization has not successfully implemented a plan of corrective action pursuant to section 62D.121, subdivision 7; and

(v) within the last year the directors or officers of the health maintenance organization willfully violated the requirements of section 317A.251, or having become aware within the previous year of an unintentional or willful violation of section 317A.251, have failed to take all reasonable steps to remedy the situation resulting from the violation and to prevent the same violation in the future.

Sec. 10. Minnesota Statutes 1988, section 60B.25, is amended to read:

60B.25 [POWERS OF LIQUIDATOR.]

The liquidator shall report to the court monthly, or at other intervals specified by the court, on the progress of the liquidation in whatever detail the court orders. The liquidator shall coordinate having an interest in the liquidation and shall submit a report detailing how coordination will be achieved to the court for its approval within 30 days following appointment, or within the time which the court, in its discretion, may establish. Subject to the court's control, the liquidator may:

(1) Appoint a special deputy to act under sections 60B.01 to 60B.61 and determine the deputy's compensation. The special deputy shall have all powers of the liquidator granted by this section. The special deputy shall serve at the pleasure of the liquidator.

(2) Appoint or engage employees and agents, actuaries, accountants, appraisers, consultants, and other personnel deemed necessary to assist in the liquidation without regard to chapter 14.

(3) Fix the compensation of persons under clause (2), subject to the control of the court.

(4) Defray all expenses of taking possession of, conserving, conducting, liquidating, disposing of, or otherwise dealing with the business and property of the insurer. If the property of the insurer does not contain sufficient cash or liquid assets to defray the costs incurred, the liquidator may advance the costs so incurred out of the appropriation made to the department of commerce. Any amounts so paid shall be deemed expense of administration and shall be repaid for the credit of the department of commerce out of the first available money of the insurer.

(5) Hold hearings, subpoena witnesses and compel their attendance, administer oaths, examine any person under oath and compel any person to subscribe to testimony after it has been correctly reduced to writing, and in connection therewith require the production of any books, papers, records, or other documents which the liquidator deems relevant to the inquiry.

(6) Collect all debts and moneys due and claims belonging to the insurer, wherever located, and for this purpose institute timely action in other jurisdictions, in order to forestall garnishment and attachment proceedings against such debts; do such other acts as are necessary or expedient to collect, conserve, or protect its assets or property, including sell, compound, compromise, or assign for purposes of collection, upon such terms and conditions as the liquidator

deems best, any bad or doubtful debts; and pursue any creditor's remedies available to enforce claims.

(7) Conduct public and private sales of the property of the insurer in a manner prescribed by the court.

(8) Use assets of the estate to transfer coverage obligations to a solvent assuming insurer, if the transfer can be arranged without prejudice to applicable priorities under section 60B.44.

(9) Acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon, or otherwise dispose of or deal with any property of the insurer at its market value or upon such terms and conditions as are fair and reasonable, except that no transaction involving property the market value of which exceeds \$10,000 shall be concluded without express permission of the court. The liquidator may also execute, acknowledge, and deliver any deeds, assignments, releases, and other instruments necessary or proper to effectuate any sale of property or other transaction in connection with the liquidation. In cases where real property sold by the liquidator is located other than in the county where the liquidation is pending, the liquidator shall cause to be filed with the county recorder for the county in which the property is located a certified copy of the order of appointment.

(10) Borrow money on the security of the insurer's assets or without security and execute and deliver all documents necessary to that transaction for the purpose of facilitating the liquidation.

(11) Enter into such contracts as are necessary to carry out the order to liquidate, and affirm or disavow any contracts to which the insurer is a party.

(12) Continue to prosecute and institute in the name of the insurer or in the liquidator's own name any suits and other legal proceedings, in this state or elsewhere, and abandon the prosecution of claims the liquidator deems unprofitable to pursue further. If the insurer is dissolved under section 60B.23, the liquidator may apply to any court in this state or elsewhere for leave to be substituted for the insurer as plaintiff.

(13) Prosecute any action which may exist in behalf of the creditors, members, policyholders, or shareholders of the insurer against any officer of the insurer, or any other person.

(14) Remove any records and property of the insurer to the offices of the commissioner or to such other place as is convenient for the purposes of efficient and orderly execution of the liquidation.

(15) Deposit in one or more banks in this state such sums as are

required for meeting current administration expenses and dividend distributions.

(16) Deposit with the state board of investment for investment pursuant to section 11A.24, all sums not currently needed, unless the court orders otherwise.

(17) File any necessary documents for record in the office of any county recorder or record office in this state or elsewhere where property of the insurer is located.

(18) Assert all defenses available to the insurer as against third persons, including statutes of limitations, statutes of frauds, and the defense of usury. A waiver of any defense by the insurer after a petition for liquidation has been filed shall not bind the liquidator.

(19) Exercise and enforce all the rights, remedies, and powers of any creditor, shareholder, policyholder, or member, including any power to avoid any transfer or lien that may be given by law and that is not included within sections 60B.30 and 60B.32.

(20) Intervene in any proceeding wherever instituted that might lead to the appointment of a receiver or trustee, and act as the receiver or trustee whenever the appointment is offered.

(21) Enter into agreements with any receiver or commissioner of any other state relating to the rehabilitation, liquidation, conservation, or dissolution of an insurer doing business in both states.

(22) Exercise all powers now held or hereafter conferred upon receivers by the laws of this state not inconsistent with sections 60B.01 to 60B.61.

(23) The enumeration in this section of the powers and authority of the liquidator is not a limitation, nor does it exclude the right to do such other acts not herein specifically enumerated or otherwise provided for as are necessary or expedient for the accomplishment of or in aid of the purpose of liquidation.

(24) The power of the liquidator of a health maintenance organization includes the power to transfer coverage obligations to a solvent and voluntary health maintenance organization, insurer, or nonprofit health service plan, and to assign provider contracts of the insolvent health maintenance organization to an assuming health maintenance organization, insurer, or nonprofit health service plan permitted to enter into such agreements. The liquidator is not required to meet the requirements of section 62D.121. Transferees of coverage obligations or provider contracts shall have no liability to creditors or obligees of the health maintenance organization except those liabilities expressly assumed.

Sec. 11. Minnesota Statutes 1988, section 62D.02, subdivision 15, is amended to read:

Subd. 15. "Net worth" means admitted assets, as defined in section 62D.044, minus liabilities. Liabilities do not include those obligations that are subordinated in the same manner as preferred ownership claims under section 60B.44, subdivision 10. For purposes of this subdivision, preferred ownership claims under section 60B.44, subdivision 10, include promissory notes subordinated to all other liabilities of the health maintenance organization.

Sec. 12. Minnesota Statutes 1988, 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.30, 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 sections 62D.04, subdivision 1, clause (f), 62D.05, subdivision 3, and 62D.13; and

(r) a copy of the conflict of interest policy which applies to all members of the board of directors and the principal officers of the health maintenance organization, as described in section 62D.04, subdivision 1, paragraph (g). All currently licensed health maintenance organizations shall also file a conflict of interest policy with the commissioner within 60 days after the effective date of this provision or at a later date if approved by the commissioner;

(s) a copy of the statement that describes the health maintenance organization's prior authorization administrative procedures;

(t) a copy of the agreement between the guaranteeing organization and the health maintenance organization, as described in section 62D.043, subdivision 6; and

(u) other information as the commissioner of health may reasonably require to be provided.

Sec. 13. Minnesota Statutes 1988, 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 shall require the amounts of net worth and working capital

required in section 62D.042, 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) 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

(3) agreements with providers for the provision of health care services;

(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) demonstrated that it has made provisions for and adopted a conflict of interest policy applicable to all members of the board of directors and the principal officers of the health maintenance organization. The conflict of interest policy shall include the procedures described in section 317A.255, subdivisions 1 and 2. However, the commissioner is not precluded from finding that a particular transaction is an unreasonable expense as described in section 62D.19 even if the directors follow the required procedures; and

(h) otherwise met the requirements of sections 62D.01 to 62D.30.

Sec. 14. Minnesota Statutes 1988, section 62D.041, subdivision 2, is amended to read:

Subd. 2. [REQUIRED DEPOSIT.] Each health maintenance organization shall deposit with any organization or trustee acceptable to the commissioner through which a custodial or controlled account is utilized, bankable funds in the cash amount required in this section. The commissioner may allow a health maintenance organization's deposit requirement to be ~~met~~ funded by a guaranteeing organization, as defined in section 62D.042, subdivision 1, based on the criteria set out in section 62D.042, subdivision 5 62D.043.

Sec. 15. [62D.043] [GUARANTEEING ORGANIZATIONS.]

Subdivision 1. [DEFINITION.] (a) For purposes of this section, a "guaranteeing organization" means an organization that has agreed to assume the responsibility for the obligation of the health maintenance organization's net worth requirement.

Subd. 2. [RESPONSIBILITIES OF GUARANTEEING ORGANIZATION.] Upon an order of rehabilitation or liquidation, a guaranteeing organization shall transfer funds to the commissioner in the amount necessary to satisfy the net worth requirement.

Subd. 3. [REQUIREMENTS FOR GUARANTEEING ORGANIZATION.] (a) An organization's net worth requirement may be guaranteed provided that the guaranteeing organization:

(1) transfers into a restricted asset account cash or securities permitted by section 61A.28, subdivisions 2, 5, and 6, in an amount necessary to satisfy the net worth requirement. Restricted asset accounts shall be considered admitted assets for the purpose of determining whether a guaranteeing organization is maintaining sufficient net worth. Permitted securities shall not be transferred to the restricted asset account in excess of the limits applied to the health maintenance organization, unless approved by the commissioner in advance;

(2) designates the restricted asset account specifically for the purpose of funding the health maintenance organization's net worth requirement;

(3) maintains positive working capital subsequent to establishing the restricted asset account, if applicable;

(4) maintains net worth, retained earnings, or surplus in an amount in excess of the amount of the restricted asset account, if applicable, and allows the guaranteeing organization:

(i) to remain a solvent business organization, which shall be

evaluated on the basis of the guaranteeing organization's continued ability to meet its maturing obligations without selling substantially all its operating assets and paying debts when due; and

(ii) to be in compliance with any state or federal statutory net worth, surplus, or reserve requirements applicable to that organization or lesser requirements agreed to by the commissioner; and

(5) fulfills requirements of clauses (1) to (4) by April 1 of each year.

(b) The commissioner may require the guaranteeing organization to complete the requirements of paragraph (a) more frequently if the amount necessary to satisfy the net worth requirement increases during the year.

Subd. 4. [EXCEPTIONS TO REQUIREMENTS.] When a guaranteeing organization is a governmental entity, subdivision 3 is not applicable. The commissioner may consider factors which provide evidence that the governmental entity is a financially reliable guaranteeing organization. Similarly, when a guaranteeing organization is a Minnesota-licensed health maintenance organization, health service plan corporation, or insurer, subdivision 3, paragraphs (1) and (2), are not applicable.

Subd. 5. [AMOUNTS NEEDED TO MEET NET WORTH REQUIREMENTS.] The amount necessary for a guaranteeing organization to satisfy the health maintenance organization's net worth requirement shall be the lesser of:

(1) an amount needed to bring the health maintenance organization's net worth to the amount required by section 62D.042; or

(2) an amount agreed to by the guaranteeing organization.

Subd. 6. [CONSOLIDATED CALCULATIONS FOR GUARANTEED HEALTH MAINTENANCE ORGANIZATIONS.] If a guaranteeing organization guarantees one or more health maintenance organizations, the guaranteeing organization may calculate the amount necessary to satisfy the health maintenance organizations' net worth requirements on a consolidated basis. Liabilities of the health maintenance organization to the guaranteeing organization must be subordinated in the same manner as preferred ownership claims under section 60B.44, subdivision 10.

Subd. 7. [AGREEMENT BETWEEN GUARANTEERING ORGANIZATION AND HEALTH MAINTENANCE ORGANIZATION.] A written agreement between the guaranteeing organization and the health maintenance organization must include the commissioner as a party and include the following provisions:

(1) any or all of the funds needed to satisfy the health maintenance organization's net worth requirement shall be transferred, unconditionally and upon demand, according to subdivision 2;

(2) the arrangement shall not terminate for any reason without the commissioner being notified of the termination at least nine months in advance. The arrangement may terminate earlier if net worth requirements will be satisfied under other arrangements, as approved by the commissioner;

(3) the guaranteeing organization shall pay or reimburse the commissioner for all costs and expenses, including reasonable attorney fees and costs, incurred by the commissioner in connection with the protection, defense, or enforcement of the guarantee;

(4) the guaranteeing organization shall waive all defenses and claims it may have or the health maintenance organization may have pertaining to the guarantee including, but not limited to, waiver, release, res judicata, statute of frauds, lack of authority, usury, illegality;

(5) the guaranteeing organization waives present demand for payment, notice of dishonor or nonpayment and protest, and the commissioner shall not be required to first resort for payment to other sources or other means before enforcing the guarantee;

(6) the guarantee may not be waived, modified, amended, terminated, released, or otherwise changed except as provided by the guarantee agreement, and as provided by applicable statutes;

(7) the guaranteeing organization waives its rights under the Federal Bankruptcy Code, United States Code, title 11, section 303, to initiate involuntary proceedings against the health maintenance organization and agrees to submit to the jurisdiction of the commissioner and Minnesota state courts in any rehabilitation or liquidation of the health maintenance organization;

(8) the guarantee shall be governed by and construed and enforced according to the laws of the state of Minnesota; and

(9) the guarantee must be approved by the commissioner.

Subd. 8. [SUBMISSION OF GUARANTEEING ORGANIZATION'S FINANCIAL STATEMENTS.] Health maintenance organizations shall submit to the commissioner the guaranteeing organization's audited financial statements annually by April 1 or at a different date if agreed to by the commissioner. The health maintenance organization shall also provide other financial information regarding a guaranteeing organization as may be requested by the commissioner.

Subd. 9. [PERFORMANCE AS GUARANTEEING ORGANIZATION VOLUNTARY.] No provider may be compelled to serve as a guaranteeing organization.

Subd. 10. [GUARANTOR STATUS IN REHABILITATION OR LIQUIDATION.] Any or all of the funds in excess of the amounts needed to satisfy the health maintenance organization's obligations as of the date of an order of liquidation or rehabilitation shall be returned to the guaranteeing organization in the same manner as preferred ownership claims under section 60B.44, subdivision 10.

Sec. 16. Minnesota Statutes 1988, section 62D.044, is amended to read:

62D.044 [ADMITTED ASSETS.]

"Admitted assets" includes only the investments allowed by section 62D.045 and the following:

(1) petty cash and other cash funds in the organization's principal or official branch office that are under the organization's control;

(2) 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;

(3) 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;

(4) bills and accounts receivable that are collateralized by securities in which the organization is authorized to invest;

(5) premiums due from groups or individuals that are not more than 90 days past due;

(6) amounts due under reinsurance arrangements from insurance companies authorized to do business in this state;

(7) tax refunds due from the United States or this state;

(8) interest accrued on mortgage loans not exceeding in aggregate one year's total due and accrued interest on an individual loan;

(9) 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;

(10) 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;

(11) the fixed required interest due and accrued on bonds and other evidences of indebtedness that are not in default;

(12) dividends receivable on shares of stock, provided that the market price for valuation purposes does not include the value of the dividend;

(13) 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;

(14) interest accrued on secured loans that do not exceed the amount of one year's interest on any loan;

(15) interest accrued on tax anticipation warrants;

(16) 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;

(17) 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;

(18) 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;

(19) amounts on deposit under section 62D.041; ~~and~~

(20) accounts receivable from participating health care providers that are not more than 60 days past due; and

(21) investments allowed by section 62D.045, except for investments in securities and properties described under section 61A.284.

Sec. 17. Minnesota Statutes 1988, section 62D.08, subdivision 1, is amended to read:

Subdivision 1. A health maintenance organization shall, unless otherwise provided for by rules adopted by the commissioner of health, file notice with the commissioner of health prior to any modification of the operations or documents described in the information submitted under clauses (a), (b), (e), (f), (g), (i), (j), (l), (m), (n), (o), (p), (q) ~~and~~ (r), (s), and (t) of section 62D.03, subdivision 4. If the commissioner of health does not disapprove of the filing within 30 60 days, it shall be deemed approved and may be implemented by the health maintenance organization.

Sec. 18. Minnesota Statutes 1988, section 62D.08, subdivision 2, is amended to read:

Subd. 2. Every health maintenance organization shall annually, on or before April 1, file a verified report with the commissioner of health ~~and to the commissioner of commerce covering the preceding calendar year. However, utilization data required under subdivision 3, clause (c), shall be filed on or before July 1.~~

Sec. 19. Minnesota Statutes 1988, section 62D.08, subdivision 6, is amended to read:

Subd. 6. A health maintenance organization shall submit to the commissioner unaudited financial statements of the organization ~~on a quarterly basis for the first three quarters of the year on forms prescribed by the commissioner. The statements are due 30 days after the end of each the quarter and shall be maintained as nonpublic data, as defined by section 13.02, subdivision 9. Unaudited financial statements for the fourth quarter shall be submitted at the request of the commissioner.~~

Sec. 20. Minnesota Statutes 1988, section 62D.11, subdivision 1a, is amended to read:

Subd. 1a. Where a complaint involves a dispute about a health maintenance organization's coverage of ~~an immediately and urgently needed a~~ 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.~~

Sec. 21. Minnesota Statutes 1988, section 62D.11, is amended by adding a subdivision to read:

Subd. 1b. [EXPEDITED RESOLUTION OF COMPLAINTS ABOUT URGENTLY NEEDED SERVICE.] In addition to any

remedy contained in subdivision 1a, when a complaint involves a dispute about a health maintenance organization's coverage of an immediately and urgently needed service, the commissioner may also order the health maintenance organization to use an expedited system to process the complaint.

Sec. 22. Minnesota Statutes 1988, section 62D.11, subdivision 4, is amended 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. 23. Minnesota Statutes 1988, section 62D.121, is amended by adding a subdivision to read:

Subd. 2a. [REPLACEMENT COVERAGE.] The terminating health maintenance organization may also offer as replacement coverage health maintenance organization coverage issued by another health maintenance organization.

Sec. 24. Minnesota Statutes 1989 Supplement, section 62D.121, subdivision 3, is amended to read:

Subd. 3. If health maintenance organization replacement coverage is not provided offered by the health maintenance organization, as explained under subdivision subdivisions 2 and 2a, the replacement coverage shall provide, for enrollees covered by title XVIII of the Social Security Act, coverage at least equivalent to a basic Medicare supplement plan as defined in section 62A.316, 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 at least 80 percent of usual and customary medical expenses and supplies not covered by Medicare part B eligible expenses less

the Medicare part B payment amount. This does not include outpatient prescription drugs. 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.

Subd. 3a. If the replacement coverage is health maintenance organization coverage, as explained in subdivisions 2 and 2a, 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. Fees or premiums charged under this section must be actuarially justified.

Sec. 25. Minnesota Statutes 1988, 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 \$25,000 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.30 shall be considered a separate violation. In determining the level of an administrative penalty, the commissioner shall consider the following factors:

- (1) the number of enrollees affected by the violation;
- (2) the effect of the violation on enrollees' health and access to health services;
- (3) if only one enrollee is affected, the effect of the violation on that enrollee's health;
- (4) whether the violation is an isolated incident or part of a pattern of violations; and

(5) the economic benefits derived by the health maintenance organization or a participating provider by virtue of the 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 15 days within which to 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. 26. Minnesota Statutes 1988, section 62D.17, subdivision 4, is amended to read:

Subd. 4. (a) The commissioner of health may issue an order directing a health maintenance organization or a representative of a health maintenance organization to cease and desist from engaging in any act or practice in violation of the provisions of sections 62D.01 to 62D.30.

(1) The cease and desist order may direct a health maintenance organization to pay for or provide a service when that service is required by statute or rule to be provided.

(2) The commissioner may issue a cease and desist order directing a health maintenance organization to pay for a service that is required by statute or rule to be provided, only if there is a demonstrable and irreparable harm to the public or an enrollee.

(3) If the cease and desist order involves a dispute over the medical necessity of a procedure based on its experimental nature, the commissioner may issue a cease and desist order only if the following conditions are met:

(i) the commissioner has consulted with appropriate and identified experts;

(ii) the commissioner has reviewed relevant scientific and medical literature; and

(iii) the commissioner has considered all other relevant factors including whether final approval of the technology or procedure has been granted by the appropriate government agency; the availability of scientific evidence concerning the effect of the technology or procedure on health outcomes; the availability of scientific evidence that the technology or procedure is as beneficial as established alternatives; and the availability of evidence of benefit or improvement without the technology or procedure.

(b) Within 20 days after service of the order to cease and desist, the

respondent may request a hearing on the question of whether acts or practices in violation of sections 62D.01 to 62D.30 have occurred. Such hearings shall be subject to judicial review as provided by chapter 14.

If the acts or practices involve violation of the reporting requirements of section 62D.08, or if the commissioner of commerce has ordered the rehabilitation, liquidation, or conservation of the health maintenance organization in accordance with section 62D.18, the health maintenance organization may request an expedited hearing on the matter. The hearing shall be held within 15 days of the request. Within ten days thereafter, an administrative law judge shall issue a recommendation on the matter. The commissioner shall make a final determination on the matter within ten days of receipt of the administrative law judge's recommendation.

When a request for a stay accompanies the hearing request, the matter shall be referred to the office of administrative hearings within three working days of receipt of the request. Within ten days thereafter, an administrative law judge shall issue a recommendation to grant or deny the stay. The commissioner shall grant or deny the stay within five days of receipt of the administrative law judge's recommendation.

To the extent the acts or practices alleged do not involve (1) violations of section 62D.08; (2) violations which may result in the financial insolvency of the health maintenance organization; (3) violations which threaten the life and health of enrollees; (4) violations which affect whole classes of enrollees; or (5) violations of benefits or service requirements mandated by law; if a timely request for a hearing is made, the cease and desist order shall be stayed for a period of 90 days from the date the hearing is requested or until a final determination is made on the order, whichever is earlier. During this stay, the respondent may show cause why the order should not become effective upon the expiration of the stay. Arguments on this issue shall be made through briefs filed with the administrative law judge no later than ten days prior to the expiration of the stay.

Sec. 27. Minnesota Statutes 1988, section 62D.18, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF HEALTH; ORDER.] The commissioner of health may ~~independently~~ order the rehabilitation or liquidation of health maintenance organizations. The rehabilitation or liquidation of a health maintenance organization shall be conducted under the supervision of the commissioner under the procedures in chapter 60B, except to the extent that the nature of health maintenance organizations renders the procedures clearly inappropriate and as provided in ~~subdivisions 2 to 7~~ this subdivision. A health maintenance organization shall be considered an

insurance company for the purposes of rehabilitation or liquidation as provided in subdivisions 2 to 7.

Sec. 28. Minnesota Statutes 1988, section 62D.211, is amended to read:

62D.211 [RENEWAL FEE.]

Each health maintenance organization subject to sections 62D.01 to 62D.30 shall submit to the commissioner of health each year before ~~April 1~~ June 15 a certificate of authority renewal fee in the amount of \$10,000 each plus 20 cents per person enrolled in the health maintenance organization on December 31 of the preceding year. The commissioner may adjust the renewal fee in rule under the provisions of chapter 14.

Sec. 29. Minnesota Statutes 1989 Supplement, section 72A.491, is amended by adding a subdivision to read:

Subd. 4a. [COMMISSIONER.] "Commissioner" means the commissioner of commerce or a designee or the commissioner of health or a designee, whichever is applicable.

Sec. 30. Laws 1988, chapter 434, section 24, is amended to read:

Sec. 24. [REPEALER.]

Laws 1984, chapter 464, sections 29 and 40, are repealed. Section 14 is repealed June 30, ~~1990~~ 1992.

Sec. 31. [REPEALER.]

Minnesota Statutes 1988, sections 62D.12, subdivision 16; and 62D.18, subdivisions 2, 3, and 5, are repealed.

Delete the title and insert:

"A bill for an act relating to health; establishing requirements for rehabilitating or liquidating a health maintenance organization; specifying requirements for a health maintenance organization application for a certificate; establishing protections against conflicts of interest; establishing requirements for a guaranteeing organization; including certain investments as admitted assets; requiring an expedited resolution of disputes about coverage of immediately and urgently needed service; allowing replacement coverage by other health maintenance organizations; allowing appointment of a special examiner; amending Minnesota Statutes 1988, sections 60B.04, subdivision 1; 60B.15; 60B.17, subdivision 2, and by adding a subdivision; 60B.20; 60B.25; 62D.02, subdivision

15; 62D.03, subdivision 4; 62D.04, subdivision 1; 62D.041, subdivision 2; 62D.044; 62D.08, subdivisions 1, 2, and 6; 62D.11, subdivisions 1a, 4, and by adding a subdivision; 62D.121, by adding a subdivision; 62D.17, subdivisions 1 and 4; 62D.18, subdivision 1; 62D.211; Minnesota Statutes 1989 Supplement, sections 62D.121, subdivision 3; 72A.491, by adding a subdivision; Laws 1988, chapter 434, section 24; proposing coding for new law in Minnesota Statutes, chapters 60B; and 62D; repealing Minnesota Statutes 1988, sections 62D.12, subdivision 16; 62D.18, subdivisions 2, 3, and 5."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Insurance.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 2238, A bill for an act relating to drivers' licenses; defining gross vehicle weight and commercial motor vehicle; requiring driver of smaller school bus to have a commercial driver's license with a school bus endorsement; providing for operation of vehicles by holder of class C driver's license; providing for effective date of requirement for commercial driver's license; setting fees; appropriating money; amending Minnesota Statutes 1988, sections 169.01, subdivision 46; 171.01, subdivision 16; and 171.321, subdivision 1; Minnesota Statutes 1989 Supplement, sections 169.01, subdivision 75; 171.01, subdivision 22; 171.02, subdivision 2; and 171.06, subdivision 2; Laws 1989, chapter 307, sections 43 and 44.

Reported the same back with the recommendation that 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. 2313, A bill for an act relating to liquor; authorizing the metropolitan airports commission to issue off-sale liquor licenses for the sale of Minnesota wine; amending Minnesota Statutes 1988, section 340A.405, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 11, after "may" insert "with the approval of the commissioner".

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. 2520, A bill for an act relating to utilities; regulating flexible gas utility rates; repealing sunset provisions relating to flexible gas utility rates; amending Minnesota Statutes 1988, section 216B.163; and Laws 1987, chapter 371, section 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 216B.163, is amended to read:

216B.163 [FLEXIBLE TARIFFS.]

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) “Effective competition” means that a customer of a gas utility who either receives interruptible service or whose daily requirement exceeds 50,000 cubic feet maintains or plans on acquiring the capability to switch to the same, equivalent, or substitutable energy supplies or service, except indigenous biomass energy supplies composed of wood products, grain, biowaste, and cellulose materials, at comparable prices from a supplier not regulated by the commission.

(c) “Flexible tariff” means a rate schedule under which a gas utility may set or change the price for its service to an individual customer or group of customers without prior approval of the commission within a range of prices determined by the commission to be just and reasonable.

Subd. 2. [FLEXIBLE TARIFFS PERMITTED.] Notwithstanding any other provision of this chapter section 216B.03, 216B.05, 216B.06, 216B.07, or 216B.16, the commission is authorized to may approve a flexible tariff for any class of customers of a gas utility when provision of service, including the sale or transportation of gas, to any customers within the class is subject to effective competition. Upon application of a gas utility, the commission shall find that effective competition exists for a class of customers taking

interruptible service at a level exceeding 199,000 cubic feet per day. A gas utility may only apply a flexible tariff only to a customer that is subject to effective competition and a gas utility may not apply a flexible tariff or otherwise reduce its rates to compete with indigenous biomass energy supplies, or with customers of district heating facilities as of June 1, 1987. Customers of a gas utility whose only alternative source of energy is gas from a supplier not regulated by the commission and who must use the gas utility's system to transport the gas are not subject to effective competition unless the customers have or can reasonably acquire the capability to bypass the gas utility's system to obtain gas from a supplier not regulated by the commission. A customer subject to effective competition may elect to take service either under the flexible tariff or under the appropriate nonflexible tariff for that class of service set in accordance with section 216B.03, provided that a customer that uses an alternative energy supply or service other than indigenous biomass energy supplies from a supplier not regulated by the commission for reasons of price shall be deemed to have elected to take service under the flexible tariff.

Subd. 3. [ESTABLISHING OR CHANGING A FLEXIBLE TARIFF.] The commission may establish a flexible tariff through a miscellaneous rate filing only if the filing does not seek to recover any revenues which the utility expects to lose by implementing flexible tariffs from any customers who do not take service under the flexible tariff, nor to change any other rates another rate. If a gas utility requests authority to establish a flexible tariff and as part of that request seeks to recover any revenues which the utility expects to lose by implementing flexible tariffs from any customers who do not take service under the flexible tariff or to change any other rates the commission may only establish that flexible tariff within a general rate case for that gas utility. The commission may only change the rates in a flexible tariff within a gas utility's general rate case.

Subd. 4. [RATES AND TERMS OF SERVICE.] Whenever the commission authorizes a flexible tariff, it shall set the terms, and conditions of service for that tariff, which shall include including:

(1) that the minimum rate for the tariff, which must recover at least the incremental cost of providing the service;

(2) that there is no upward the maximum for the rate for the tariff; and

(3) a requirement that a customer who elects to take service under the flexible tariff remain on that tariff for a reasonable period of time, which shall not be less than one year; and

(4) that any customer changing from a flexible tariff to the

appropriate nonflexible tariff for that class pay all costs incurred by the utility due to that change.

The commission may set the terms and conditions of service for a flexible tariff in a gas utility proceeding, a miscellaneous filing, or a complaint proceeding under section 216B.17.

Subd. 5. [RECOVERY OF REVENUES.] In a general rate case which that establishes a flexible tariff for a gas utility, and in each general rate case of a gas utility for which a flexible tariff has been authorized, the commission shall determine a projected level of revenues and expenses from services under that tariff based on a single target rate for all sales under that tariff, which projection shall be used and use the projection to determine the utility's overall rates. That target rate method used to establish a level of projected revenues shall may not limit the gas utility's ability or right to set rates for any a customer taking service under the flexible tariff.

Subd. 6. [INTERIM FLEXIBLE TARIFF] Notwithstanding section 216B.16, subdivision 3, if a gas utility files with the commission to establish or change a flexible tariff the commission shall permit the proposed flexible tariff to take effect on an interim basis no later than 30 days after filing. If any customers receive an increase in rates during the period that an interim flexible tariff is in effect, the increase is subject to refund as provided in section 216B.16, subdivision 3. The gas utility shall provide ten days written notice, or other notice as may be established by contract not to exceed 30 days, to a customer before implementing an interim rate increase change for that customer under this section.

Subd. 7. [FINAL DETERMINATION.] The commission shall make a final determination in a proceeding begun under this section for approval of a flexible tariff, other than a filing made within a general rate case, within 180 days of the filing by the gas utility.

Subd. 8. [STUDY AND REPORT.] The department shall review the operation and effects of any rates implemented under this section. The review must include, at a minimum, an evaluation of the impact of flexible gas rates on alternative energy sources, including indigenous biomass energy, and the impact on the utility and its customers of setting a maximum rate for the tariff. The department shall submit its report to the legislature by January 1, 1995. The department shall assess gas utilities that utilize a flexible tariff under section 1 for the actual cost of conducting the study, not to exceed \$10,000. Each utility utilizing a flexible tariff must be assessed an equal share of the cost.

Sec. 2. Laws 1987, chapter 371, section 4, is amended to read:

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment, and are repealed effective July 1, 1990.

Sec. 3. [EFFECTIVE DATES.]

Section 1 is effective July 1, 1990. Section 2 is effective the day following final enactment.

Delete the title and insert:

“A bill for an act relating to utilities; regulating flexible gas utility rates; repealing sunset provisions relating to flexible gas utility rates; amending Minnesota Statutes 1988, section 216B.163; and Laws 1987, chapter 371, section 4.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2521, A bill for an act relating to health care; increasing the membership of the health care access commission; amending Minnesota Statutes 1989 Supplement, section 62J.02, subdivision 1.

Reported the same back with the recommendation that 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. 2528, A bill for an act relating to telephone services; requiring local location identification data bases for 911 systems; classifying data provided for data bases; amending Minnesota Statutes 1988, sections 403.02, by adding a subdivision; and 403.07, by adding subdivisions; Minnesota Statutes 1989 Supplement, section 403.11, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [237.161] [EXTENDED AREA SERVICE.]

Subdivision 1. [CRITERIA.] The commission may grant a petition for installation of extended area service only when each of the following criteria has been met:

(1) the petitioning exchange is contiguous to the exchange or local calling area to which extended area service is requested in the petition;

(2) a lower cost alternative to basic flat rate service is available in the petitioning exchange; in the alternative, polling by the commission shows that 60 percent of the customers responding to the poll in the petitioning exchange favor the installation of extended area service;

(3) polling by the commission shows that a majority of the customers responding to the poll in the petitioning exchange favor its installation, unless all parties and the commission agree that no polling is necessary;

(4) at least 50 percent of the customers in the petitioning exchange make one or more calls per month to the exchange or local calling area to which extended area service is requested, as determined by a traffic study; and

(5) the commission determines that a community of interest exists between the petitioning and the petitioned exchanges and that the installation of extended area service is in the public interest as governed by the commission's rules.

The rate to the polled exchange must be available to its customers before the commission determines what proportion of them favor the installation of extended area service.

In making the determination required in clause (4), the commission shall include a reasonable estimate of FX telephone traffic and other types of toll traffic. For the purposes of this subdivision, "FX" means tariffed telephone toll service provided by placing a telephone line from another telephone exchange area in the telephone customer's exchange area.

Subd. 2. [COSTS.] The costs for extended area service shall include the specific additional costs incurred as a result of the installation of the extended area service and the net book cost of existing facilities transferred from another service to now provide extended area service.

Subd. 3. [RATES.] (a) When the proposed extended service area is located in the metropolitan counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, 75 percent of the cost of providing extended area service as identified in subdivision 2, must

be apportioned to the petitioning exchange and the remaining 25 percent apportioned to the exchange or exchanges to which extended area service is requested. When the proposed extended service area is not located in the metropolitan counties, the cost must be equally divided between the petitioning exchange and the exchange or exchanges to which extended area service is requested. The cost must be apportioned among the customers in an exchange so that the relationship between the rates for classes of basic local service remains the same.

(b) The commission shall set rates that are income neutral for each affected telephone company at the point in time at which the commission determines the extended area service rates. The commission shall consider the interests of all parties when determining a fair and equitable extended area service rate for a local telephone exchange that is newly included in the extended area service.

Sec. 2. Minnesota Statutes 1988, section 403.02, is amended by adding a subdivision to read:

Subd. 8. [LOCAL LOCATION IDENTIFICATION.] "Local location identification" means the process of locating the origin of calls to a 911 system by means of a periodically updated data base located and maintained at the public safety answering point.

Sec. 3. Minnesota Statutes 1988, section 403.07, is amended by adding a subdivision to read:

Subd. 3. [DATA BASE.] In 911 systems that have been approved by the department of administration for a local location identification base, each public utility providing telephone service shall provide current customer names, service addresses, and telephone numbers to each public safety answering point within the 911 system and shall update the information according to a schedule prescribed by the county 911 plan. Information provided under this subdivision must be provided in accordance with the transactional record disclosure requirements of the federal Electronic Communications Privacy Act of 1986, United States Code, title 18, section 2703, subsection (c), paragraph (1), clause (B)(iv).

Sec. 4. Minnesota Statutes 1988, section 403.07, is amended by adding a subdivision to read:

Subd. 4. [USE OF FURNISHED INFORMATION.] Names, addresses, and telephone numbers provided to a 911 system under subdivision 3 are private data and may be used only for identifying the location or identity, or both, of a person calling a 911 public safety answering point. The information furnished under subdivision 3 may not be used or disclosed by 911 system agencies, their agents, or their employees for any other purpose except under a court order.

Sec. 5. Minnesota Statutes 1989 Supplement, section 403.11, subdivision 1, is amended to read:

Subdivision 1. [EMERGENCY TELEPHONE SERVICE FEE.] (a) Each customer of a local exchange company is assessed a fee to cover the costs of ongoing maintenance and related improvements for trunking and central office switching equipment for minimum 911 emergency telephone service, plus administrative and staffing costs of the department of administration related to managing the 911 emergency telephone service program. Recurring charges by a public utility providing telephone service for updating the information required by section 403.07, subdivision 3, must be paid by the commissioner for information if the utility is included in an approved 911 plan and the charges have been certified and approved under subdivision 3.

(b) The fee may not be less than eight cents nor more than 30 cents a month for each customer access line, including trunk equivalents as designated by the public utilities commission for access charge purposes. The fee must be the same for all customers.

(c) The fee must be collected by each utility providing local exchange telephone service. Fees are payable to and must be submitted to the commissioner of administration monthly before the 25th of each month following the month of collection, except that fees may be submitted quarterly if less than \$250 a month is due, or annually if less than \$25 a month is due. Receipts must be deposited in the state treasury and credited to a 911 emergency telephone service account in the special revenue fund. The money in the account may only be used for 911 telephone services as provided in paragraph (a).

(d) The commissioner of administration, with the approval of the commissioner of finance, shall establish the amount of the fee within the limits specified and inform the utilities of the amount to be collected. Utilities must be given a minimum of 45 days notice of fee changes.

Sec. 6. [METROPOLITAN EXTENDED AREA TELEPHONE SERVICE.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "metropolitan" or "metropolitan area" means all of the area made up by the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Subd. 2. [REQUIRED EXPANSION OF METROPOLITAN EXTENDED AREA SERVICE.] Notwithstanding section 1, by July 1, 1991, the public utilities commission shall expand the metropolitan extended area service to include each local service telephone exchange served by a central office or wire center located within the

metropolitan area if a majority of the consumers in an exchange that respond to polling by the commission are in favor of including that exchange in the extended area service as determined under subdivisions 3 and 4.

Subd. 3. [COMMISSION DUTIES; PROJECT.] The commission, in cooperation with each affected telephone company, shall determine the rates that would be charged to the customers in each metropolitan exchange that is not currently included in the metropolitan extended area service if that exchange were to be included. The commission shall then conduct a poll of all the customers in each exchange. The ballot or questionnaire sent to each customer must clearly identify the rate that would be charged to customers in the applicable exchange if the exchange becomes part of the metropolitan extended area service and must be returnable to the commission, at no cost to the customers, within 60 days of the date the ballot or questionnaire was mailed. If a majority of the customers in an exchange who respond to the commission's poll indicate that they favor inclusion, the commission shall include that exchange in the metropolitan extended area service.

Subd. 4. [COSTS; RATES.] The commission shall determine the costs and rates for each exchange subject to subdivision 3, as provided in section 1, subdivisions 2 and 3, and applicable commission rules.

Subd. 5. [FUTURE EXPANSION.] Customers in metropolitan exchanges that are not included in the extended area service under subdivision 3, and customers in nonmetropolitan exchanges that want to be included in the metropolitan extended area service after the completion of the project under subdivision 3, may petition the commission for inclusion under section 1 and applicable commission rules, provided that no state boundary may be crossed in expanding the metropolitan extended area service.

Subd. 6. [DUTIES; TELEPHONE COMPANIES.] Each telephone company that is potentially affected by the activities of the commission in undertaking the project required by subdivision 3 shall cooperate with the commission in determining costs and rates and any other activity or determination necessary to implement that subdivision.

Sec. 7. [LOCAL TELEPHONE SERVICE AREA BOUNDARY CHANGE.]

The public utilities commission shall change the boundary between the Red Wing and Hastings local telephone exchanges to include Section 33, Township 116, Range 16, of Dakota county in the Hastings local telephone exchange. The commission shall follow its existing rules in making the change.

Sec. 8. [EFFECTIVE DATE; APPLICATION.]

Sections 1, 6, and 7 are effective the day following final enactment and section 1 applies to all petitions pending before the public utilities commission unless the petitioners are customers of a metropolitan exchange and they withdraw their petition and notify the commission in writing that they want to be governed by section 6."

Delete the title and insert:

"A bill for an act relating to telephone services; regulating the installation of extended area services in exchanges; prescribing standards; requiring local location identification data bases for 911 systems; classifying data provided for data bases; requiring expansion of metropolitan extended area service to all metropolitan exchanges that desire to be included; requiring a local telephone exchange boundary change in Dakota county; amending Minnesota Statutes 1988, sections 403.02, by adding a subdivision; and 403.07, by adding subdivisions; Minnesota Statutes 1989 Supplement, section 403.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 237."

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Ways and Means to which was referred:

House Resolution No. 20, A house resolution setting the maximum limit on budget adjustments for the biennium.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2313, 2520, 2521 and 2528 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1777, 1794, 1973 and 2353 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Rest introduced:

H. F. No. 2777, A bill for an act relating to public finance; providing conditions and requirements for the issuance of debt; amending Minnesota Statutes 1988, sections 462C.07, by adding a subdivision; 469.155, by adding a subdivision; 475.66, subdivision 3; and 475.67, subdivision 8; Minnesota Statutes 1989 Supplement, sections 400.101; 473.811, subdivision 2; and 475.60, subdivision 2; 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.

Nelson, K., introduced:

H. F. No. 2778, A bill for an act relating to human services; requiring adoption of rules relating to payment rates for intermediate care facilities for persons with mental retardation or related conditions; repealing Minnesota Rules, part 9553.0020, subparts 22 and 43.

The bill was read for the first time and referred to the Committee on Health and Human Services.

McLaughlin; Olsen, S., and Rest introduced:

H. F. No. 2779, A bill for an act relating to taxation; modifying the metropolitan revenue distribution program; creating a crime and social services disparities fund; amending Minnesota Statutes 1988, sections 299C.18; 473F.07, by adding subdivisions; and 473F.08, subdivision 7a; Minnesota Statutes 1989 Supplement, section 473F.07, subdivision 4; Minnesota Statutes Second 1989 Supplement, section 473F.08, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 473F.

The bill was read for the first time and referred to the Committee on Taxes.

Stanius, Schreiber, Bishop, Miller and Frerichs introduced:

H. F. No. 2780, A bill for an act relating to state government; the state budget; establishing a legislative budget commission and a legislative budget office; providing for the review of state expenditures; modifying the duties of the legislative commission on planning and fiscal policy; appropriating money; amending Minnesota Statutes 1988, sections 3.98, subdivisions 1 and 3; and 16A.11, by adding a subdivision; Minnesota Statutes Second 1989 Supplement, section 3.885, subdivision 5.

The bill was read for the first time and referred to the Committee on Ways and Means.

Brown; Dauner; Redalen; Nelson, C., and Olson, E., introduced:

H. F. No. 2781, A bill for an act relating to taxation; authorizing levies for grasshopper control expenses; amending Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5.

The bill was read for the first time and referred to the Committee on Taxes.

Stanius introduced:

H. F. No. 2782, A bill for an act relating to retirement; Minnesota state retirement system; authorizing the purchase of credit for prior service.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Olsen, S., and Abrams introduced:

H. F. No. 2783, A bill for an act relating to taxation; sales and use; requiring the commissioner of revenue to separately account for sales and use tax revenues from solid waste collection and disposal services; amending Minnesota Statutes Second 1989 Supplement, section 297A.44, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

CONSENT CALENDAR

H. F. No. 2305, A bill for an act relating to agriculture; providing

for light butter; amending Minnesota Statutes 1988, section 32.471, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 32.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Krueger	Onnen	Seaberg
Anderson, G.	Greenfield	Lasley	Orenstein	Segal
Anderson, R.	Gruenes	Lieder	Osthoff	Simoneau
Battaglia	Gutknecht	Limmer	Ostrom	Skoglund
Bauerly	Hartle	Long	Otis	Solberg
Beard	Hasskamp	Lynch	Ozment	Sparby
Begich	Haukoos	Macklin	Pappas	Stanius
Bennett	Hausman	Marsh	Pauly	Steensma
Bertram	Heap	McDonald	Pellow	Sviggum
Bishop	Henry	McEachern	Pelowski	Swenson
Blatz	Himle	McGuire	Peterson	Tjornhom
Boo	Hugoson	McPherson	Poppenhagen	Tompkins
Brown	Jacobs	Milbert	Pugh	Trimble
Burger	Janezich	Miller	Quinn	Tunheim
Carlson, D.	Jaros	Morrison	Redalen	Uphus
Carlson, L.	Jefferson	Munger	Reding	Valento
Carruthers	Jennings	Murphy	Rest	Vellenga
Clark	Johnson, A.	Nelson, C.	Rice	Wagenius
Cooper	Johnson, R.	Nelson, K.	Richter	Waltman
Dauner	Johnson, V.	Neuenschwander	Rodosovich	Weaver
Dawkins	Kahn	O'Connor	Rukavina	Welle
Dempsey	Kalis	Ogren	Runbeck	Wenzel
Dorn	Kelso	Olsen, S.	Sarna	Williams
Forsythe	Kinkel	Olson, E.	Schafer	Winter
Frederick	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Frerichs	Kostohryz	Omann	Schreiber	

The bill was passed and its title agreed to.

S. F. No. 1947, A bill for an act relating to highways; naming and designating as Moberg Trail that portion of Constitutional Route No. 46 located within Chisago county; amending Minnesota Statutes 1988, 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:

Abrams	Bauerly	Bertram	Burger	Clark
Anderson, G.	Beard	Blatz	Carlson, D.	Cooper
Anderson, R.	Begich	Boo	Carlson, L.	Dauner
Battaglia	Bennett	Brown	Carruthers	Dawkins

Dempsey	Johnson, A.	Milbert	Pelowski	Sparby
Dorn	Johnson, R.	Miller	Peterson	Stanius
Forsythe	Johnson, V.	Morrison	Popenhagen	Steensma
Frederick	Kahn	Munger	Pugh	Sviggum
Frerichs	Kalis	Murphy	Quinn	Swenson
Girard	Kelso	Nelson, C.	Redalen	Tjornhom
Greenfield	Kinkel	Nelson, K.	Reding	Tompkins
Gruenes	Knickerbocker	Neuenschwander	Rest	Trimble
Gutknecht	Kostohryz	Ogren	Rice	Tunheim
Hartle	Krueger	Olsen, S.	Richter	Uphus
Hasskamp	Lasley	Olson, E.	Rodosovich	Valento
Haukoos	Lieder	Olson, K.	Rukavina	Vellenga
Hausman	Limmer	Omann	Runbeck	Wagenius
Heap	Long	Onnen	Sarna	Waltman
Henry	Lynch	Orenstein	Schafer	Weaver
Himle	Macklin	Osthoff	Scheid	Welle
Hugoson	Marsh	Ostrom	Schreiber	Wenzel
Jacobs	McDonald	Otis	Seaberg	Williams
Janezich	McEachern	Ozment	Segal	Winter
Jaros	McGuire	Pappas	Simoneau	Spk. Vanasek
Jefferson	McLaughlin	Pauly	Skoglund	
Jennings	McPherson	Pellow	Solberg	

The bill was passed and its title agreed to.

H. F. No. 2116, A bill for an act relating to nonprofit corporations; regulating amendments to the articles; requiring approval by the directors and members with voting rights; amending Minnesota Statutes 1989 Supplement, section 317A.133, 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:

Abrams	Frederick	Kalis	Murphy	Pugh
Anderson, G.	Frerichs	Kelly	Nelson, C.	Quinn
Anderson, R.	Girard	Kelso	Nelson, K.	Redalen
Battaglia	Greenfield	Kinkel	Neuenschwander	Reding
Bauerly	Gruenes	Knickerbocker	O'Connor	Rest
Beard	Gutknecht	Kostohryz	Ogren	Rice
Begich	Hartle	Krueger	Olsen, S.	Richter
Bennett	Hasskamp	Lasley	Olson, E.	Rodosovich
Bertram	Haukoos	Lieder	Olson, K.	Rukavina
Blatz	Hausman	Limmer	Omann	Runbeck
Boo	Heap	Long	Onnen	Sarna
Brown	Henry	Lynch	Orenstein	Schafer
Burger	Himle	Macklin	Osthoff	Scheid
Carlson, D.	Hugoson	Marsh	Ostrom	Schreiber
Carlson, L.	Jacobs	McDonald	Otis	Seaberg
Carruthers	Janezich	McEachern	Ozment	Segal
Clark	Jaros	McGuire	Pappas	Simoneau
Cooper	Jefferson	McLaughlin	Pauly	Skoglund
Dauner	Jennings	McPherson	Pellow	Solberg
Dawkins	Johnson, A.	Milbert	Pelowski	Sparby
Dempsey	Johnson, R.	Miller	Peterson	Stanius
Dorn	Johnson, V.	Morrison	Popenhagen	Steensma
Forsythe	Kahn	Munger	Price	Sviggum

Swenson	Tunheim	Wagenius	Wenzel
Tjornhom	Uphus	Waltman	Williams
Tompkins	Valento	Weaver	Winter
Trimble	Vellenga	Welle	Spk. Vanasek

The bill was passed and its title agreed to.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. No. 2609.

H. F. No. 2609, A bill for an act relating to capital improvements; providing for emergency capital expenses at Inver Hills Community College; authorizing sale of state bonds; appropriating money.

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:

Abrams	Gruenes	Lieder	Osthoff	Simoneau
Anderson, G.	Gutknecht	Limmer	Ostrom	Skoglund
Anderson, R.	Hartle	Long	Otis	Solberg
Battaglia	Hasskamp	Lynch	Ozment	Sparby
Bauerly	Haukoos	Macklin	Pappas	Stanius
Beard	Hausman	Marsh	Pauly	Steensma
Begich	Heap	McDonald	Pellow	Sviggum
Bennett	Henry	McEachern	Pelowski	Swenson
Bertram	Himle	McGuire	Peterson	Tjornhom
Blatz	Hugoson	McLaughlin	Poppenhagen	Tompkins
Boo	Jacobs	McPherson	Price	Trimble
Brown	Janezich	Milbert	Pugh	Tunheim
Burger	Jaros	Miller	Quinn	Uphus
Carlson, D.	Jefferson	Morrison	Redalen	Valento
Carlson, L.	Jennings	Munger	Reding	Vellenga
Carruthers	Johnson, A.	Murphy	Rest	Wagenius
Clark	Johnson, R.	Nelson, C.	Rice	Waltman
Cooper	Johnson, V.	Nelson, K.	Richter	Weaver
Dauner	Kahn	Neuenschwander	Rodosovich	Welle
Dawkins	Kalis	O'Connor	Rukavina	Wenzel
Dempsey	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Frederick	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omman	Schreiber	
Girard	Krueger	Onnen	Seaberg	
Greenfield	Lasley	Orenstein	Segal	

The bill was passed and its title agreed to.

Long 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.

Heap was excused at 4:40 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. Quinn 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

Speaker pro tempore Quinn remained in the Chair, whereupon the following recommendations of the Committee were reported to the House:

H. F. Nos. 1841, 1883, 1964, 1968 and 1983 were recommended to pass.

H. F. No. 1839 was recommended for progress retaining its place on General Orders.

H. F. No. 1952, the first engrossment, which it recommended to pass with the following amendment offered by Nelson, K., and Kelly:

Page 2, after line 21, insert:

“Sec. 3. Minnesota Statutes 1988, section 609.713, subdivision 1, is amended to read:

Subdivision 1. Whoever threatens, directly or through an intermediary, to commit any crime of violence with purpose to terrorize another or to cause evacuation of a building, place of assembly or facility of public transportation or otherwise to cause serious public inconvenience, or in a reckless disregard of the risk of causing such

terror or inconvenience may be sentenced to imprisonment for not more than five years.”

Renumber the remaining sections.

Page 5, line 1, delete “and 4” and insert “to 5”

Amend the title as follows:

Page 1, line 5, after the semicolon, insert “expanding the crime of terroristic threats to include threats made through an intermediary;”

Page 1, line 7, delete “section” and insert “sections”

Page 1, line 8, after the semicolon, insert “and 609.713, subdivision 1;”

H. F. No. 1921, the first engrossment, which it recommended to pass with the following amendment offered by Wagenius:

Page 1, lines 15 and 16, delete “electrolyte” and insert “electrode”

Pages 1 to 2, delete subdivision 2 and insert:

“Subd. 2. [MANUFACTURER RESPONSIBILITY.] (a) A manufacturer of batteries subject to subdivision 1 shall:

(1) ensure that a system for the proper collection, transportation and processing of waste batteries subject to subdivision 1 exists for purchasers in Minnesota; and

(2) clearly inform each purchaser of the prohibition on disposal of waste batteries subject to subdivision 1 and of the system or systems for proper collection, transportation and processing of waste batteries available to the purchaser.

(b) To ensure that a system for the proper collection, transportation and processing of waste batteries exists, a manufacturer shall:

(1) identify collectors, transporters and processors for the waste batteries and contract or otherwise expressly agree with a person or persons for the proper collection, transportation and processing of the waste batteries; or

(2) contract or otherwise agree with another person for acceptance and proper transportation and processing of the waste batteries; or

(3) accept waste batteries returned to its manufacturing facility.

(c) A manufacturer shall ensure that the cost of proper collection, transportation and processing of the waste batteries is included in the sales transaction or agreement between the manufacturer and any purchaser.

(d) A manufacturer that has complied with this subdivision is not liable under subdivision 1 for improper disposal by a person other than the manufacturer of waste batteries subject to subdivision 1."

Page 2, line 12, delete "person" and insert "manufacturer" and after "sell" insert ", distribute,"

Page 2, line 13, after "sale" insert "or distribution,"

Page 2, line 14, delete "0.10" and insert "0.30"

Page 2, line 15, delete "1993" and insert "1992"

Page 2, after line 23, insert:

"(c) Notwithstanding paragraph (a), no manufacturer may sell, distribute or offer for sale in this state after January 1, 1992, a button cell alkaline manganese battery that contains more than 25 milligrams of mercury."

Page 2, line 25, delete "person" and insert "manufacturer" and after "sell" insert "or distribute," and after "sale" insert "or distribution," and after "any" insert "rechargeable"

Page 2, line 26, delete "that contains a rechargeable battery"

Page 2, line 35, before "Consumer" insert "Rechargeable"

Page 2, line 36, after "product" insert "that contains a rechargeable battery"

Page 3, lines 3 and 27, before "consumer" insert "rechargeable"

Page 3, after line 31, insert:

"A retailer is not prohibited from selling alkaline manganese batteries that do not meet the mercury content requirements of section 2, subdivision 2, if these batteries came from the retailer's existing stock as of the effective date of section 2, subdivision 2.

A retailer is not prohibited from selling a rechargeable consumer product that does not meet the requirements of section 2, subdivision 3, if the product came from the retailer's existing stock as of the effective date of section 2, subdivision 3."

On the motion of Long the report of the Committee of the Whole was adopted.

MOTIONS AND RESOLUTIONS

Orenstein moved that the name of Limmer be added as an author on H. F. No. 2334. The motion prevailed.

Olson, K., moved that her name be stricken as an author on H. F. No. 2375. The motion prevailed.

Carruthers moved that the name of Winter be added as an author on H. F. No. 2500. The motion prevailed.

Scheid moved that the names of Solberg and Osthoff be added as authors on H. F. No. 2666. The motion prevailed.

Trimble moved that the name of Skoglund be added as an author on H. F. No. 2709. The motion prevailed.

Gruenes moved that the name of Omann be added as an author on H. F. No. 2763. The motion prevailed.

Jaros moved that H. F. No. 2459, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Brown moved that S. F. No. 1717 be recalled from the Committee on Education and be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

House Resolution No. 20 was reported to the House.

HOUSE RESOLUTION NO. 20

A house resolution setting the maximum limit on budget adjustments for the biennium.

Be It Resolved by the House of Representatives of the State of Minnesota that the sum of (\$144,681,000) is the maximum limit on budget adjustments for the purpose of revenues, expenditures, and transfers from the general fund for the biennium ending June 30, 1991. This limit is adopted under House Rule 5.10.

Be It Further Resolved that there should be:

- (1) a (\$113,428,300) budget adjustment for the purpose of expenditures and transfers from the general fund;
- (2) a \$65,464,900 budget adjustment for the purpose of high priority programs such as drug prevention and treatment, child care, alternative care grants, gambling enforcement, health care, the growth in prison populations, and other state expenditure programs;
- (3) a \$25,648,600 budget adjustment for expenditures related to the sale of general obligation bonds for high priority capital improvement projects in the areas of education, environment and natural resources, public safety, transportation, and other miscellaneous state building needs;
- (4) a \$22,462,000 budget adjustment for additional revenues and transfers to the general fund; and
- (5) a \$450,000,000 budget reserve account.

Be It Further Resolved that the Legislature finds that it should continue to improve legislative oversight of off-budget expenditures through fund consolidation into the general fund and that the limit on expenditures and transfers from the general fund established under House Rule 5.10 may be automatically adjusted to reflect fund consolidation adopted by the Legislature. The budget resolution established under House Rule 5.10 does not include revenues and expenditures from additional fund consolidation.

Long moved that House Resolution No. 20 be now adopted.

A roll call was requested and properly seconded.

Schreiber moved to amend House Resolution No. 20, as follows:

Delete everything after the title and insert:

“Be It Resolved by the House of Representatives of the State of Minnesota that the sum of (\$133,681,000) is the maximum limit on budget adjustments for the purpose of revenues, expenditures, and transfers from the general fund for the biennium ending June 30, 1991. This limit is adopted under House Rule 5.10.

Be It Further Resolved that there should be:

- (1) a (\$232,332,500) budget adjustment for the purpose of expenditures and transfers from the general fund of which not more than \$26,000,000 will come from property tax aids and credits;

(2) a \$71,464,900 budget adjustment for the purpose of high priority programs such as drug prevention and treatment, parental involvement initiatives, child care, alternative care grants, skilled nursing home and intermediate care facility (ICF-MR) direct care staff salary increases, gambling enforcement, comprehensive health care coverage for the working poor, the growth in prison populations, and other state expenditure programs;

(3) a \$25,648,600 budget adjustment for expenditures related to the sale of general obligation bonds for high priority capital improvement projects in the areas of education, environment and natural resources, public safety, transportation, and other miscellaneous state building needs, with the understanding that there will be no capital improvement bill in the 1991 legislative session;

(4) a (\$1,538,000) budget adjustment for revenues and transfers to the general fund; and

(5) a \$550,000,000 budget reserve account.

Be It Further Resolved that the Legislature finds that spending continues to exceed collected revenues and that the governor is requested to present in his 1991 budget recommendations for a five percent base decrease for the 1992-1993 biennium.

Be It Further Resolved that the Legislature finds that it should continue to improve legislative oversight of off-budget expenditures through fund consolidation into the general fund and that the limit on expenditures and transfers from the general fund established under House Rule 5.10 may be automatically adjusted to reflect fund consolidation adopted by the Legislature. The budget resolution under House Rule 5.10 does not include revenues and expenditures from additional fund consolidation."

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

The question was taken on the Schreiber amendment and the roll was called. There were 52 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Limmer	Ozment	Sviggum
Bennett	Girard	Lynch	Pauly	Swenson
Bishop	Gruenes	Macklin	Pellow	Tjornhom
Blatz	Gutknecht	Marsh	Poppenhagen	Tompkins
Boo	Hartle	McDonald	Redalen	Uphus
Burger	Haukoos	McPherson	Richter	Valento
Carlson, D.	Henry	Miller	Runbeck	Waltman
Dempsey	Himle	Morrison	Schafer	Weaver
Dille	Hugoson	Olsen, S.	Schreiber	
Forsythe	Johnson, V.	Omamm	Seaberg	
Frederick	Knickerbocker	Onnen	Stanius	

Those who voted in the negative were:

Anderson, G.	Hausman	Lieder	Ostrom	Skoglund
Battaglia	Jacobs	Long	Otis	Solberg
Bauerly	Janezich	McEachern	Pappas	Sparby
Beard	Jaros	McGuire	Pelowski	Steensma
Begich	Jefferson	McLaughlin	Peterson	Trimble
Bertram	Jennings	Milbert	Price	Tunheim
Brown	Johnson, A.	Munger	Pugh	Vellenga
Carlson, L.	Johnson, R.	Murphy	Quinn	Wagenius
Carruthers	Kahn	Nelson, C.	Reding	Welle
Clark	Kalis	Nelson, K.	Rest	Wenzel
Cooper	Kelly	Neuenschwander	Rice	Williams
Dauner	Kelso	O'Connor	Rodosovich	Winter
Dawkins	Kinkel	Ogren	Rukavina	Spk. Vanasek
Dorn	Kostohryz	Olson, E.	Sarna	
Greenfield	Krueger	Olson, K.	Segal	
Hasskamp	Lasley	Orenstein	Simoneau	

The motion did not prevail and the amendment was not adopted.

The question recurred on the Long motion that House Resolution No. 20 be now adopted and the roll was called. There were 73 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Hasskamp	Long	Ostrom	Simoneau
Battaglia	Hausman	McEachern	Otis	Solberg
Bauerly	Jacobs	McGuire	Pappas	Sparby
Beard	Janezich	McLaughlin	Pelowski	Steensma
Begich	Jefferson	Milbert	Peterson	Trimble
Bertram	Johnson, A.	Munger	Price	Tunheim
Brown	Johnson, R.	Murphy	Pugh	Vellenga
Carlson, L.	Kahn	Nelson, C.	Quinn	Wagenius
Carruthers	Kalis	Nelson, K.	Reding	Welle
Clark	Kelly	O'Connor	Rest	Wenzel
Cooper	Kinkel	Ogren	Rice	Williams
Dauner	Kostohryz	Olson, E.	Rodosovich	Winter
Dawkins	Krueger	Olson, K.	Sarna	Spk. Vanasek
Dorn	Lasley	Orenstein	Scheid	
Greenfield	Lieder	Osthoff	Segal	

Those who voted in the negative were:

Abrams	Girard	Limmer	Ozment	Sviggum
Bennett	Gruenes	Lynch	Pauly	Swenson
Bishop	Gutknecht	Macklin	Pellow	Tjornhom
Blatz	Hartle	Marsh	Poppenhagen	Tompkins
Boo	Haukoos	McDonald	Redalen	Uphus
Burger	Henry	McPherson	Richter	Valento
Carlson, D.	Himle	Miller	Runbeck	Waltman
Dempsey	Hugoson	Morrison	Schafer	Weaver
Dille	Jennings	Neuenschwander	Schreiber	
Forsythe	Johnson, V.	Olsen, S.	Seaberg	
Frederick	Kelso	Omann	Skoglund	
Frerichs	Knickerbocker	Onnen	Stanius	

The motion prevailed and House Resolution No. 20 was adopted.

Schreiber introduced:

House Resolution No. 21, A house resolution conveying to Governor Rudolph G. Perpich the desire that he call a special election to fill the vacancy in the District 30B House seat.

SUSPENSION OF RULES

Schreiber moved that the rules be so far suspended that House Resolution No. 21 be now considered and be placed upon its adoption.

NOTICE OF INTENTION TO DEBATE A RESOLUTION

Pursuant to House Rule 4.5, Long gave notice of her intention to debate House Resolution No. 21. The resolution was laid over one day.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 2:30 p.m., Monday, March 19, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Monday, March 19, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SEVENTY-SECOND DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 19, 1990

The House of Representatives convened at 2:30 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Sister Ramona Fallon, Educational Director of the Minnesota Catholic Conference, St. Paul, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abrams	Frerichs	Kostohryz	Omam	Scheid
Anderson, G.	Girard	Krueger	Onnen	Schreiber
Anderson, R.	Greenfield	Lasley	Orenstein	Segal
Battaglia	Gruenes	Lieder	Osthoff	Simoneau
Bauerly	Gutknecht	Limmer	Ostrom	Skoglund
Beard	Hartle	Long	Otis	Solberg
Begich	Hasskamp	Lynch	Ozment	Sparby
Bennett	Haukoos	Macklin	Pappas	Stanius
Bertram	Hausman	Marsh	Pauly	Steensma
Bishop	Heap	McDonald	Pellow	Sviggum
Blatz	Henry	McEachern	Pelowski	Swenson
Boo	Himle	McGuire	Peterson	Tjornhom
Brown	Hugoson	McLaughlin	Poppenhagen	Tompkins
Burger	Jacobs	McPherson	Price	Trimble
Carlson, D.	Janezich	Milbert	Pugh	Tunheim
Carlson, L.	Jaros	Morrison	Quinn	Uphus
Carruthers	Jefferson	Munger	Redalen	Valento
Clark	Johnson, A.	Murphy	Reding	Vellenga
Cooper	Johnson, R.	Nelson, C.	Rest	Wagenius
Dauner	Johnson, V.	Nelson, K.	Rice	Waltman
Dawkins	Kahn	Neuenschwander	Richter	Weaver
Dempsey	Kalis	O'Connor	Rodosovich	Welle
Dille	Kelly	Ogren	Rukavina	Wenzel
Dorn	Kelso	Olsen, S.	Runbeck	Williams
Forsythe	Kinkel	Olson, E.	Sarna	Winter
Frederick	Knickerbocker	Olson, K.	Schafer	Spk. Vanasek

A quorum was present.

Jennings and Miller were excused.

Seaberg was excused until 3:35 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Morrison 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. 2521, 2313, 2520, 2528, 1952 and 1921 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 84, A bill for an act relating to local government; describing relations between counties and towns for planning and zoning; amending Minnesota Statutes 1988, section 394.33, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 394.33, is amended by adding a subdivision to read:

Subd. 1a. If a conflict occurs as to whether an official control enacted by a town is inconsistent with or less restrictive than the county's controls, the county board shall direct a member of its board, and the town board shall direct a member of its board to revise jointly the town or county control to bring them into conformity. Upon approval by the county and town boards and filing a certified copy with the county recorder, the revised control shall take effect. If the two officials cannot reach agreement within 120 days after their appointment, the state planning agency shall mediate the matter. If the matter is not resolved through mediation, appeal of the matter may be made to the district court."

Amend the title as follows:

Page 1, line 5, delete "subdivision 1" and insert "by adding a subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 1198, A bill for an act relating to public employment; defining equitable compensation relationships; requiring an implementation report; providing for review of plans; providing for appeals from a decision of the commissioner; amending Minnesota Statutes 1988, sections 471.992, by adding subdivisions; 471.9981, 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 1988, section 275.125, is amended by adding a subdivision to read:

Subd. 6j. [PAY EQUITY IMPLEMENTATION LEVY.] Each year a school district may levy an amount not to exceed two percent of the total annual salary of all school district employees necessary to increase compensation of female-dominated job classes in order to comply with sections 471.991 to 471.9981.

Sec. 2. Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1989 payable in 1990 and subsequent years, “special levies” means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) for taxes levied in 1990, payable in 1991 and subsequent years, pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. The aggregate amounts levied under this clause for the costs of purchase or delivery of social services and income maintenance programs, other than those identified in section 273.1398, subdivision 1, paragraph (i), are subject to a maximum increase over the amount levied for the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties. For purposes of this clause, “income maintenance programs” include income maintenance programs in section 273.1398,

subdivision 1, paragraph (i), to the extent the county provides benefits under those programs over the statutory mandated standards. Effective with taxes levied in 1990, the portion of this special levy for human service programs identified in section 273.1398, subdivision 1, paragraph (i), is eliminated;

(b) pay the costs of principal and interest on bonded indebtedness except on bonded indebtedness issued under section 471.981, subdivisions 4 to 4c, or to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(c) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency; and to pay the cost for certificates of indebtedness issued pursuant to sections 298.28 and 298.282;

(d) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(e) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(f) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(g) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(h) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension

funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(i) to compensate the state for the cost of a reassessment ordered by the commissioner of revenue pursuant to section 270.16;

(j) pay the debt service on tax increment financing revenue bonds to the extent that revenue to pay the bonds or to maintain reserves for the bonds is insufficient as a result of the provisions of Laws 1988, chapter 719, article 5;

(k) pay the cost of hospital care under section 261.21;

(l) pay the unreimbursed costs incurred in the previous year to satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, provided that an appeal for the unreimbursed costs under this clause was approved by the commissioner of revenue under section 275.51, subdivision 3;

(m) pay the expenses reasonably and necessarily incurred in preparing for or repairing the effects of natural disaster including the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from natural causes such as earthquake, fire, flood, wind storm, wave action, oil spill, water contamination, air contamination, or drought in accordance with standards formulated by the emergency services division of the state department of public safety, provided that an appeal for the expenses incurred under this clause were approved by the commissioner of revenue under section 275.51, subdivision 3;

(n) pay a portion of the losses in tax receipts to a city due to tax abatements or court actions in the year preceding the current levy year, provided that an appeal for the tax losses was approved by the commissioner of revenue under section 275.51, subdivision 3. This special levy is limited to the amount of the losses times the ratio of the nonspecial levies to total levies for taxes payable in the year the abatements were granted. County governments are not authorized to claim this special levy;

(o) pay the operating cost of regional library services authorized under section 134.34, subject to a maximum increase over the previous year of the greater of (1) 103 percent multiplied by one plus the percentage increase determined for the governmental subdivi-

sion under section 275.51, subdivision 3h, clause (b), or (2) six percent. If a governmental subdivision elected to include some or all of its levy for libraries within its adjusted levy limit base in the prior year, but elects to claim the levy as a special levy in the current levy year, the allowable increase is determined by applying the greater percentage determined under clause (1) or (2) to the total amount levied for libraries in the prior levy year. After levy year 1989, the increase must not be determined using a base amount other than the amount that could have been levied as a special levy in the prior year. In no event shall the special levy be less than the minimum levy required under sections 134.33 and 134.34, subdivisions 1 and 2;

(p) pay the amount of the county building fund levy permitted under section 373.40, subdivision 6;

(q) pay the county's share of the costs levied in 1989, 1990, and 1991 for the Minnesota cooperative soil survey under Minnesota Statutes 1988, section 40.07, subdivision 15;

(r) for taxes levied in 1989, payable in 1990 only, pay the cost incurred for the minimum share required by counties levying for the first time under section 134.34 as required under section 134.341. For taxes levied in 1990, and thereafter, counties levying under this provision must levy under clause (o), and their allowable increase must be determined with reference to the amount levied in 1989 under this paragraph;

(s) for taxes levied in 1989, payable in 1990 only, provide an amount equal to 50 percent of the estimated amount of the reduction in aids to a county under sections 273.1398, subdivision 2, paragraph (d), and 477A.012, subdivision 3, for aids payable in 1990;

(t) for taxes levied in 1990 only by a county in the eighth judicial district, provide an amount equal to the amount of the levy, if any, that is required under Laws 1989, chapter 335, article 3, section 54, subdivision 8;

(u) for taxes levied in 1989, payable in 1990 only, pay the costs not reimbursed by the state or federal government:

(i) for the costs of purchase or delivery of social services. The aggregate amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties.

(ii) for payments made to or on behalf of recipients of aid under any public assistance program authorized by law. The aggregate

amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent and must be used only for the public assistance programs; and

(v) pay an amount of up to 25 percent of the money sought for distribution and approved under section 115A.557, subdivision 3, paragraph (b), clause (3).

If the amount levied in 1989 is less than the actual expenditures needed for these programs for 1990, the difference between the actual expenditures and the amount levied may be levied in 1990 as a special levy. If the amount levied in 1989 is greater than the actual expenditures needed for these programs for 1990, the difference between the amount levied and the actual expenditures shall be deducted from the 1990 levy limit, payable in 1991.

(w) pay the costs incurred by political subdivisions on or after January 1, 1990, in an annual amount not to exceed two percent of the total annual salary of all employees of the political subdivision, in increasing compensation of female-dominated job classes, as defined in section 471.991, in order to comply with sections 471.991 to 471.999.

Sec. 3. Minnesota Statutes 1988, section 471.991, subdivision 5, is amended to read:

Subd. 5. [EQUITABLE COMPENSATION RELATIONSHIP.] "Equitable compensation relationship" means that ~~a primary consideration in negotiating, establishing, recommending, and approving total~~ the compensation for female-dominated classes is not consistently below the compensation for male-dominated classes of comparable work value ~~in relationship to other employee positions, as determined under section 471.994,~~ within the political subdivision.

Sec. 4. Minnesota Statutes 1988, section 471.992, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] Subject to sections 179A.01 to 179A.25 and sections 177.41 to 177.44 but notwithstanding any other law to the contrary, every political subdivision of this state shall establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees in order to eliminate sex-based wage disparities in public employment in this state. Primary considerations in negotiating, establishing, recommending, and approving compensation are comparable work value in relationship to other employee positions within the political subdivision and external comparisons with similar job classifications.

Sec. 5. Minnesota Statutes 1988, section 471.994, is amended to read:

471.994 [JOB EVALUATION SYSTEM.]

Every political subdivision shall use a job evaluation system in order to determine the comparable work value of the work performed by each class of its employees. The system must be maintained and updated to account for new employee classes and any changes in factors affecting the comparable work value of existing classes. A political subdivision that substantially modifies its job evaluation system or adopts a new system shall notify the commissioner. The political subdivision may use the system of some other public employer in the state. Each political subdivision shall meet and confer with the exclusive representatives of their employees on the development or selection of a job evaluation system.

Sec. 6. Minnesota Statutes 1988, section 471.998, is amended by adding a subdivision to read:

Subd. 3. [PUBLIC DATA.] The report required by subdivision 1 is public data governed by chapter 13.

Sec. 7. Minnesota Statutes 1988, section 471.9981, is amended by adding a subdivision to read:

Subd. 5a. [IMPLEMENTATION REPORT.] By January 31, 1992, each political subdivision shall submit to the commissioner an implementation report that includes the following information as of December 31, 1991:

- (1) a list of all job classes in the political subdivision;
- (2) the number of employees in each class;
- (3) the number of female employees in each class;
- (4) an identification of each class as male-dominated, female-dominated, or balanced as defined in section 471.991;
- (5) the comparable work value of each class as determined by the job evaluation used by the subdivision in accordance with section 471.994;
- (6) the minimum and maximum salary for each class, if salary ranges have been established, and the amount of time in employment required to qualify for the maximum;
- (7) any additional cash compensation, such as bonuses or lump-sum payments, paid to the members of a class; and

(8) any other information requested by the commissioner.

If a subdivision fails to submit a report, the commissioner shall find the subdivision not in compliance with subdivision 6 and shall impose the penalty prescribed by that subdivision.

Sec. 8. Minnesota Statutes 1988, section 471.9981, is amended by adding a subdivision to read:

Subd. 5b. [PUBLIC DATA.] The implementation report required by subdivision 5a is public data governed by chapter 13.

Sec. 9. Minnesota Statutes 1988, section 471.9981, subdivision 6, is amended to read:

Subd. 6. [PENALTY FOR FAILURE TO IMPLEMENT PLAN.] If (a) The commissioner of employee relations finds, after notice and consultation with a shall review the implementation report submitted by a governmental subdivision, that it has failed to implement its plan for implementing to determine whether the subdivision has established equitable compensation relationships as required by section 471.992, subdivision 1, by December 31, 1991, or the later date approved by the commissioner. The commissioner shall notify a subdivision found to have achieved compliance with section 471.992, subdivision 1.

(b) If the commissioner finds that the subdivision is not in compliance based on the information contained in the implementation report required by section 7, the commissioner shall notify the subdivision of the basis for the finding. The notice shall include a detailed description of the basis for the finding, specific recommended actions to achieve compliance, and an estimated cost of compliance. If the subdivision disagrees with the finding, it shall notify the commissioner, who shall provide a specified time period in which to submit additional evidence in support of its claim that it is in compliance. The commissioner shall consider at least the following additional information in reconsidering whether the subdivision is in compliance:

- (1) recruitment difficulties;
- (2) retention difficulties;
- (3) recent arbitration awards that are inconsistent with equitable compensation relationships; and
- (4) information that can demonstrate a good-faith effort to achieve compliance and continued progress toward compliance, including any constraints the subdivision faces.

The subdivision shall also present a plan for achieving compliance and a date for additional review by the commissioner.

(c) If the subdivision does not make the changes to achieve compliance within a reasonable time set by the commissioner, the commissioner shall notify the subdivision and the commissioner of revenue that the subdivision is subject to a five percent reduction in the aid that would otherwise be payable to that governmental subdivision under section 124A.23, 273.1398, or sections 477A.011 to 477A.014, or to a fine of \$100 a day, whichever is greatest. The commissioner of revenue shall enforce the penalty beginning in calendar year 1992 shall be reduced by five percent; provided that the reduction in aid shall apply to or in the first calendar year beginning after the date for implementation of the plan of a governmental subdivision for which the commissioner of employee relations has approved an implementation date later than December 31, 1991. However, the commissioner of revenue shall not enforce a penalty until after the end of the first regular legislative session after a report listing the subdivision as not in compliance has been submitted to the legislature under section 471.999. The penalty remains in effect until the subdivision achieves compliance. The commissioner of employee relations may waive suspend 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, or that noncompliance results from factors unrelated to the sex of the members dominating the affected classes and that the subdivision is taking substantial steps to achieve compliance to the extent possible.

Sec. 10. Minnesota Statutes 1988, section 471.9981, is amended by adding a subdivision to read:

Subd. 7. [APPEAL.] A governmental subdivision may appeal the imposition of a penalty under subdivision 6 by filing a notice of appeal with the commissioner of employee relations within 30 days of the commissioner's notification to the subdivision of the penalty. An appeal must be heard as a contested case under sections 14.57 to 14.62. No penalty may be imposed while an appeal is pending.

Sec. 11. Minnesota Statutes 1988, section 471.999, is amended to read:

471.999 [REPORT TO LEGISLATURE.]

The commissioner of employee relations shall report to the legislature by January 1, 1986 on the information gathered from political subdivisions of each year on the status of compliance with section 471.992, subdivision 1, by governmental subdivisions.

The report must include a list of the political subdivisions in compliance with section 471.992, subdivision 1, and the estimated

cost of compliance. The report must also include a list of political subdivisions found by the commissioner to be not in compliance, the basis for that finding, recommended changes to achieve compliance, estimated cost of compliance, and recommended penalties, if any. The commissioner's report shall must include a list of political subdivisions which that did not comply with the reporting requirements of this section. The commissioner may request, and a subdivision shall provide, any additional information needed for the preparation of a report under this subdivision.

Sec. 12. Minnesota Statutes 1989 Supplement, section 485.018, subdivision 7, is amended to read:

Subd. 7. [APPEAL FROM RESOLUTION OF THE BOARD.] The court administrator of district court, if dissatisfied with the action of the county board in setting the amount of the court administrator's salary or the amount of the budget for the office of court administrator of district court, may appeal to the district court on the grounds that the determination of the county board in setting such the salary or budget was arbitrary, capricious, oppressive, or without sufficiently taking into account the extent of the responsibilities and duties of said the court administrator's office, and the court administrator's experience, qualifications, and performance. The appeal shall must be taken within 15 days after the date of the resolution setting such the salary or budget by serving a notice of appeal on the county auditor and filing same a copy with the court administrator of the district court. The court, either in term or vacation and upon ten days days' notice to the chair of the board, shall hear such the appeal. On the hearing of the appeal, the court shall review the decision or resolution of the board in a hearing de novo and may hear new or additional evidence, or the court may order the officer appealing and the board to submit briefs or other memoranda and may dispose of the appeal on such those writings. If the court shall find finds that the board acted in an arbitrary, capricious, oppressive, or unreasonable manner, or without sufficiently taking into account the responsibilities and duties of the office of the court administrator, and the court administrator's experience, qualifications, and performance, it shall make such an order to take the place of the order appealed from as is justified by the record and shall remand the matter to the county board for further action consistent with the court's findings. It is prima facie evidence that the board did not act in an arbitrary, capricious, oppressive, or unreasonable manner or without taking into account the responsibilities and duties of the office of the court administrator, and the court administrator's experience, qualifications, and performance, if the board's action was in accordance with a job evaluation system under section 471.994. After determination of the appeal the county board shall proceed in conformity therewith with the court's order. This subdivision is not in effect from July 1, 1989, to July 1, 1991, with respect to the amount of the budget of the office of court administrator of district court.

Sec. 13. [REPEALER.]

Minnesota Statutes 1988, sections 471.992, subdivision 3; 471.996; and 471.9981, subdivisions 2, 3, 4, and 5, are repealed.”

Delete the title and insert:

“A bill for an act relating to public employment; providing for a special levy; defining equitable compensation relationships; requiring an implementation report; providing for review of plans; providing for appeals from decisions of the commissioner of employee relations; requiring the commissioner to report to the legislature; amending Minnesota Statutes 1988, sections 275.125, by adding a subdivision; 471.991, subdivision 5; 471.992, subdivision 1; 471.994; 471.998, by adding a subdivision; 471.9981, subdivision 6, and by adding subdivisions; and 471.999; Minnesota Statutes 1989 Supplement, section 485.018, subdivision 7; Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; repealing Minnesota Statutes 1988, sections 471.992, subdivision 3; 471.996; and 471.9981, subdivisions 2 to 5.”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1234, A bill for an act relating to consumer protection; regulating certain rental-purchase agreements; prescribing the rights and duties of all parties; requiring disclosures; regulating advertising; providing remedies; amending Minnesota Statutes 1988, section 325G.15, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 1673, A bill for an act relating to occupations and professions regulating the use of medical devices by the board of pharmacy; amending Minnesota Statutes 1988, sections 151.01, subdivisions 3, 11, and by adding a subdivision; 151.06, subdivision 1; 151.13, subdivision 1; 151.19, subdivision 3; and 151.34.

Reported the same back with the following amendments:

Pages 1 to 4, delete sections 3 and 4

Page 4, delete section 6

Page 6, line 27, strike "medical devices,"

Page 6, line 28, strike ", or veterinary drugs or devices"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to occupations and professions; regulating the practice of pharmacy; amending Minnesota Statutes 1988, sections 151.01, subdivisions 3 and 11; 151.13, subdivision 1; and 151.34."

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. 1808, A bill for an act relating to agriculture; providing grasshopper control; authorizing levies; appropriating money; amending Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 1989 Supplement, section 18.0266.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [3.7372] [HONEYBEE OWNERS; COMPENSATION FOR DAMAGE CAUSED BY GRASSHOPPER CONTROL MEASURES.]

Subdivision 1. [AUTHORIZATION.] The commissioner of agriculture shall compensate an owner of honeybee colonies damaged or destroyed by grasshopper control measures in a designated grasshopper control zone.

Subd. 2. [CLAIM FORM.] The owner of damaged or destroyed honeybee colonies shall prepare a claim on forms provided by the commissioner of agriculture and available from county agricultural inspectors, local weed inspectors, or the office of the county extension agent.

Subd. 3. [COMPENSATION.] The owner of damaged or destroyed honeybee colonies is entitled to fair market value for reduced honey production caused by chemical control measures applied in a grasshopper control zone designated by the commissioner under section 18.0223. For each colony destroyed or rendered economically non-productive by the chemical control measures, the owner is also entitled to the reasonable cost of replacing the colony. The commissioner of agriculture shall determine the fair market value of reduced honey production and reasonable colony replacement costs upon recommendation of the county agricultural inspector or other qualified agent.

Subd. 4. [INSURANCE DEDUCTION.] Payments authorized under this section must be reduced by amounts received by an owner of honeybee colonies as proceeds from an insurance policy covering loss of colonies or reduced honey production or from any other source for the same purposes including, but not limited to, a federal program.

Subd. 5. [DENIAL OF CLAIM; APPEAL.] If the commissioner of agriculture denies compensation claimed by an owner of damaged or destroyed honeybee colonies under this section, the commissioner shall issue a written decision based upon the available evidence including a statement of the facts upon which the decision is based and the conclusions on the material issues of the claim. A copy of the decision must be mailed to the owner of the honeybee colonies.

Sec. 2. Minnesota Statutes 1989 Supplement, section 18.0225, is amended to read:

18.0225 [GRASSHOPPER CONTROL PROGRAM.]

(a) The commissioner of agriculture shall develop and implement a grasshopper control program to prevent crop damage in the grasshopper control zone. Within grasshopper control zones the commissioner, landowners, and local weed inspectors have the same authorities and duties under chapter 18 for grasshoppers as if grasshoppers are noxious weeds under chapter 18. After consultation and cooperation with the state extension service entomologist, the commissioner must develop the program to economically and efficiently control grasshoppers and to minimize adverse environmental impact, including the selection of pesticides and prescription of application rates.

(b) Notwithstanding the provisions of paragraph (a) and chapter

18, the board of a town designated by the commissioner as a grasshopper control zone may appoint a grasshopper control advisory committee of up to three members who are residents of the township before issuing orders for grasshopper control measures. The advisory committee must include at least one owner of land enrolled in the conservation reserve program if any land is enrolled and one dairy farmer if dairying occurs in the township. The town board must seek the advice of the advisory committee before the issuance of each order for grasshopper control.

(b) (c) The grasshopper control program must utilize proven methods of grasshopper control and the commissioner may make grants for experimental methods of control in selected areas.

(d) The commissioner, upon written request from any person or organization, may exempt from grasshopper control measures a parcel of land that the commissioner determines to be of particular scientific or natural significance or is particularly sensitive to the use of insecticides or other control methods being used. The request for exemption must include at least the following:

(1) the name and address of the person or organization making the request;

(2) the acreage and legal description of the parcel; and

(3) a statement of the specific reasons why an exemption is reasonable.

(e) A decision of the commissioner under paragraph (d) must be in writing and delivered to the person or organization making the request and the clerk of the town in which the property is located. The commissioner, counties, towns, and their agents are not liable for damages from exemptions granted under paragraphs (d) and (e).

Sec. 3. [18.0228] [CONTROL PROVISIONS.]

Subdivision 1. [PESTICIDE SELECTION.] (a) The commissioner, in consultation with the extension service entomologist, shall prepare a list of registered pesticides for use in the grasshopper control program. The commissioner must recommend pesticides and application methods that will minimize the adverse impact on foraging bees. The pesticides must economically and efficiently control grasshoppers and minimize adverse environmental impacts. Grasshopper control may only be conducted under this chapter with pesticides according to their label requirements.

(b) The commissioner shall determine grasshopper densities and densities causing economic or potential economic damage by May 1,

1990, notwithstanding chapter 14, except that section 14.38, subdivisions 7 and 8, must be complied with.

Subd. 2. [INDIVIDUAL NOTICES.] (a) The individual notices required under this chapter for the grasshopper control program must be in the form provided in this subdivision.

(b) The individual notice must be in the form prescribed by the commissioner and state at least the following:

(1) the legal description of the property covered by the notice to control;

(2) the date the notice is issued;

(3) the name and work telephone number of the inspector issuing the notice;

(4) the grasshopper counts found on the property;

(5) the date the property will be controlled by the county or municipality if the owner or occupant does not comply with the notice, which must be at least three days after the date the notice was served;

(6) that the costs of the control will be a lien and applied against the property's tax roll; and

(7) that the owner or occupant may contact the inspector about the notice before the time that the county or the municipality will control grasshoppers, which must be at least three days after the date the notice was served.

Subd. 3. [EFFECTS ON FORAGING BEES.] (a) Minnesota extension service shall hold meetings in grasshopper control zone areas explaining grasshopper control methods and procedures to minimize adverse effects on foraging bees.

(b) Not later than May 1 of each year, an owner of honeybee colonies must notify the commissioner as to the number and location of the colonies. Notification under this section must be accomplished by identifying on a map provided by the commissioner the location of colonies. The notice must include the name, address, and telephone number of the owner. If an owner of honeybee colonies relocates the colonies the owner must report the relocation orally, by phone, or in writing to the extension agent within ten days after the relocation.

(c) The extension agent in each county where one or more townships are designated grasshopper control zones must prepare

maps of the location of all known honeybee colonies, including identification of the name, address, and telephone number of the owner. The maps must be updated at least weekly if owners of honeybee colonies give notice of relocations. The extension agent must make copies of the map available to pesticide applicators and to the town clerk of each township in the county.

(d) A pesticide applicator must provide written or oral notice to all owners of honeybee colonies within two miles of an application site not more than seven days nor less than 24 hours before pesticide application occurs.

(e) A pesticide applicator must not apply grasshopper control pesticides on blooming crops including alfalfa, clover, or sunflowers except during the first three hours after sunrise or during the last hour before sunset within two miles of honeybee colonies.

(f) A farmer who applies pesticides or contracts to have pesticides applied must notify beekeepers within two miles of the application site within not more than seven days nor less than 24 hours prior to the application.

Subd. 4. [APPEAL OF CONTROL COSTS; PETITION.] (a) If a land owner objects to paying for grasshopper control measures ordered under section 18.0225, the land owner shall petition for judicial review. The petition must be filed within 30 days after the conclusion of grasshopper control measures on the petitioner's property. The petition shall be filed with the court administrator in the county in which the real property is located together with proof of service of a copy of the petition on the commissioner and the county auditor. The petition must be accompanied by the standard filing fee for civil actions. No responsive pleadings shall be required of the commissioner or the county, and no court fees shall be charged for the appearance of the commissioner or the county in the matter.

(b) The petition must be captioned in the name of the person making the petition as petitioner and the commissioner of agriculture and the respective county as respondents. The petition must include the petitioner's name, the legal description of the real estate involved, a copy of the notice to control grasshoppers, and the date or dates on which appealed control measures were undertaken.

(c) The petition must state with specificity the grounds upon which the petitioner seeks to avoid the impositions of a lien for the cost of grasshopper control measures.

Subd. 5. [HEARING.] (a) A hearing under subdivisions 4 to 6 must be held at the earliest practicable date, and in no event later than 90 days following the filing of the petition of objection. The hearing must be before a district judge in the county in which the real estate is located, and must be conducted in accordance with the normal

rules of civil procedure. The commissioner must be represented by the attorney general. The county in which the petition is filed must be represented by the county attorney.

(b) The scope of the hearing must be limited to:

(1) procedures used in the selection of the real property upon which grasshopper control measures were undertaken and the reasonableness and arbitrariness of that selection;

(2) the reasonableness of the time period allowed for the land owner to undertake the grasshopper control measures before the county agricultural inspector or the local weed inspector ordered a third party to undertake the control measures;

(3) the reasonableness of the costs for control measures undertaken; and

(4) any other factors relating to the reasonable necessity for imposing the grasshopper control measures.

(c) The court shall either order that a lien representing part or all of the costs for grasshopper control measures be imposed against the real property or that the land owner be relieved of responsibility for payment of grasshopper control measures undertaken.

Subd. 6. [APPEAL.] Any party aggrieved by the decision of the reviewing court may appeal the decision as provided in the rules of appellate procedure.

Sec. 4. [18.0229] [LIABILITY.]

Counties and townships and their agents are not liable for damages from the grasshopper control program for actions conducted in accordance with sections 18.0223 to 18.0228.

Sec. 5. [18.205] [PUBLIC UTILITY EASEMENTS.]

For property that is subject to a public utility easement, the person controlling the surface of the land other than the holder of the public utility easement is the person responsible for control of noxious weeds and plant pests under this chapter.

Sec. 6. [GRASSHOPPER CONTROL APPROPRIATION.]

Subdivision 1. [APPROPRIATION.] \$2,500,000 is appropriated from the general fund to the commissioner of finance to pay grasshopper control costs in 1989 and 1990.

Subd. 2. [REIMBURSEMENT.] The commissioner of finance shall reimburse counties for up to 50 percent of the county and town costs of grasshopper control in 1989 in the grasshopper control zone. Towns shall certify and submit actual costs to the county treasurer by October 1, 1990. The counties shall certify their costs and submit county and town costs to the commissioner of finance by December 1, 1990. The commissioner shall reimburse counties and towns up to 50 percent of their costs from the appropriation.

Sec. 7. [APPROPRIATION; CLAIMS BY HONEYBEE OWNERS.]

§ is appropriated from the general fund to the commissioner of agriculture to pay honeybee colony damage claims under section 1. This appropriation remains available until November 1, 1991.

Sec. 8. [REPEALER.]

Minnesota Statutes 1989 Supplement, section 18.0226, is repealed.

Sec. 9. [EFFECTIVE DATE.]

Sections 2 to 4 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; providing grasshopper control; making certain payments to beekeepers; appropriating money; amending Minnesota Statutes 1989 Supplement, section 18.0225; proposing coding for new law in Minnesota Statutes, chapters 3 and 18; repealing Minnesota Statutes 1989 Supplement, section 18.0226."

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. 1876, A bill for an act relating to education; modifying the maximum effort school aid law capital loan program; authorizing the issuance of state bonds; appropriating money; proposing coding for new law in chapter 124; repealing Minnesota Statutes 1988, section 124.43, subdivisions 2, 3, 4, 5, and 6; and Minnesota Statutes 1989 Supplement, section 124.43, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [124.478] [BOND ISSUE; MAXIMUM EFFORT LOANS; 1990.]

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 \$36,630,000, 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. 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. 2. Laws 1989, chapter 329, article 5, section 21, subdivision 8, is amended to read:

Subd. 8. [MAXIMUM EFFORT SCHOOL LOAN FUND.] For the maximum effort school loan fund:

\$855,500 1990

~~\$2,100,000~~ \$3,656,000 1991

These appropriations shall be placed in the loan repayment account of the maximum effort school loan fund for the payment of the principal and interest on school loan bonds, as provided in Minnesota Statutes, section 124.46, to the extent that money in the fund is not sufficient to pay when due the full amount of principal and interest due on school loan bonds. The purpose of these appropriations is to ensure that sufficient money is available in the fund to prevent a statewide property tax levy as would otherwise be required pursuant to Minnesota Statutes, section 124.46, subdivision 3. Notwithstanding the provisions of Minnesota Statutes, section 124.39, subdivision 5, any amount of the appropriation made in this section which is not needed to pay when due the principal and interest due on school loan bonds shall not be transferred to the debt

service loan account of the maximum effort school loan fund but instead shall cancel and revert to the general fund.

The 1990 appropriation does not cancel and is available until July 1, 1991.

Sec. 3. [OSAKIS SCHOOL DISTRICT.]

A capital loan in an amount not to exceed \$4,755,000 to independent school district No. 213, Osakis, is approved.

Sec. 4. [NEW LONDON-SPICER SCHOOL DISTRICT.]

A capital loan in an amount not to exceed \$8,577,000 to independent school district No. 345, New London-Spicer, is approved.

Sec. 5. [ROSEAU SCHOOL DISTRICT.]

A capital loan in an amount not to exceed \$9,348,000 to independent school district No. 682, Roseau, is approved.

Sec. 6. [SARTELL SCHOOL DISTRICT.]

A capital loan in an amount not to exceed \$3,194,000 to independent school district No. 748, Sartell, is approved.

Sec. 7. [ST. MICHAEL-ALBERTVILLE SCHOOL DISTRICT.]

A capital loan in an amount not to exceed \$10,756,000 to independent school district No. 885, St. Michael-Albertville, is approved.

Sec. 8. [LOANS NOT APPROVED IN 1990.]

Capital loans to independent school districts No. 115, Cass Lake; No. 192, Farmington; No. 390, Lake of the Woods; and No. 484, Pierz; are not approved. If these districts reapply for capital loans and meet the criteria in effect at that time, their loan applications must be approved by the state board and submitted to the legislature by the commissioner.

Sec. 9. [DOVER-EYOTA SCHOOL DISTRICT.]

A capital loan to independent school district No. 533, Dover-Eyota, is not approved. This district is urged to consider meeting its facility needs by planning a joint facility with neighboring districts. Neighboring districts are urged to consider meeting their facility needs by planning a joint facility with independent school district No. 533.

Sec. 10. [DEPARTMENT OF EDUCATION.]

Subdivision 1. [CAPITAL IMPROVEMENTS.] The sums indicated in this section are appropriated from the bond proceeds fund to the department of education to be spent to acquire and to better public land and buildings and other public improvements of a capital nature as specified in this section.

Subd. 2. [MINNESOTA STATE ACADEMIES FOR THE DEAF AND BLIND, FARIBAULT.] (a) \$128,000 to upgrade the mechanical systems in the activities building.

(b) \$182,000 to replace windows in Mott Hall and Lauritsen Gymnasium.

(c) \$50,000 to retrofit science laboratories to comply with safety standards for school science facilities.

Sec. 11. [EFFECTIVE DATE.]

This act is effective the day after its final enactment.

Delete the title and insert:

“A bill for an act relating to education; authorizing the issuance and sale of state bonds; approving capital loans to certain school districts; not approving capital loans to certain school districts; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature; appropriating money; amending Laws 1989, chapter 329, article 5, section 21, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 124.”

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 Taxes to which was referred:

H. F. No. 1877, A bill for an act relating to Hennepin county; permitting the issuance of obligations by the county board for a public safety building.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 1879, A bill for an act relating to natural resources; establishing Lake of the Woods state forest; amending Minnesota Statutes 1988, section 89.021, by adding a subdivision; Minnesota Statutes 1989 Supplement, section 40.46, subdivision 2, and 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.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 1888, A bill for an act relating to children; establishing a board to plan, coordinate, and oversee early childhood development programs and services; requiring local area planning councils to be established; establishing a technical advisory committee; proposing coding for new law as Minnesota Statutes, chapter 129D; repealing Minnesota Statutes 1989 Supplement, section 256H.25.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [129D.01] [MINNESOTA EARLY CHILDHOOD FAMILY COORDINATING BOARD.]

Subdivision 1. [MEMBERSHIP; CHAIR.] (a) The Minnesota early childhood family coordinating board consists of 15 members appointed by the governor as follows:

(1) 11 members who have demonstrated expertise in programs and services for children from birth through age eight;

(2) two members who are early childhood family development experts from post-secondary educational institutions; and

(3) two members who are parents with children in early childhood family development programs.

Members appointed under clause (1) must have expertise in programs and services of child care, family child care, school-age child care, Head Start, early childhood family education, parent education, nursery school programs and services, early childhood family

education programs for handicapped children, or early childhood health services.

(b) Membership of the board must reflect the geographical, racial, and ethnic diversity of the state.

(c) The governor shall appoint a member of the board to serve as its chair.

Subd. 2. [TERMS; COMPENSATION.] Terms and removal of members and the filling of membership vacancies are governed by section 15.0575. Compensation of members is governed by section 15.059, subdivision 6.

Subd. 3. [MEETINGS; DUTIES.] The board shall meet at least four times a year and shall:

(1) plan for the coordination and integration of the development and delivery of new and existing public and private early childhood family development programs and services;

(2) recommend to the governor and the legislature policies, legislation, and funding that will further develop and improve early childhood family development programs and services;

(3) develop and recommend a quality control system that would promote a level of consistent high quality across all programs and services and that could ensure that all early childhood family development programs and services have the developmental focus appropriate to the age and needs of the child;

(4) oversee local area planning councils established under section 2 by defining planning boundaries, developing selection criteria, designating organizations that meet the criteria, and providing technical assistance as needed;

(5) study and evaluate issues including personnel compensation and benefit levels, availability of facilities, caregiver training and certification offerings, parental participation, and business involvement, and recommend strategies for expansion and improvement of the early childhood family development system;

(6) issue requests for proposals to provide comprehensive and coordinated early childhood family development services at the local level;

(7) authorize the acceptance and expenditure of grants, awards, or other funds or appropriations as may be available to the board to carry out the purposes of the board;

(8) establish demonstration models of integrated early childhood family development programs;

(9) develop interagency mechanisms for the planning, coordination, and integration of early childhood family development programs and services at the state and local level;

(10) set budget priorities that will create an equitable distribution of resources across the state for the development and expansion of early childhood family development programs and services, based upon the biennial state plan for early childhood family development services established under section 3;

(11) promote public-private sector collaboration for early childhood family development programs and services;

(12) promote research and evaluation efforts across the early childhood family development system; and

(13) serve as a clearinghouse for information on early childhood family development programs and services.

Subd. 4. [EXECUTIVE DIRECTOR.] The board shall appoint a full-time executive director to serve in the unclassified service. The director may employ other personnel in the classified service as necessary to enable the early childhood family coordinating board to perform its duties. The executive director must be a person qualified by training and ability in the field of early childhood family development.

Subd. 5. [DUTIES OF THE EXECUTIVE DIRECTOR.] The executive director shall:

(1) supervise the staff, prepare an annual work plan, and perform all duties and responsibilities assigned by the board;

(2) make and enter into all contracts and agreements necessary or incidental to the performance of the board's duties and the execution of its powers under this section, including contracts with the United States or other states and agencies and governmental subdivisions of the state; and

(3) accept and expend grants, awards, or other funds or appropriations as may be available to and authorized by the board to carry out the purposes of the board.

Sec. 2. [129D.02] [LOCAL AREA PLANNING COUNCILS.]

Subdivision 1. [DESIGNATION; PURPOSE.] The early childhood family coordinating board shall designate local area planning

councils across the state to plan for, develop, and coordinate early childhood family development programs and services at the local level.

Subd. 2. [DUTIES OF LOCAL AREA PLANNING COUNCILS.]
The local area planning councils shall:

(1) assess the early childhood family development needs in a given community;

(2) develop a system of planning and coordination at the local level;

(3) assist the community to obtain needed resources and provide technical assistance with program and service implementation;

(4) review and recommend local funding requests to the board;

(5) promote consumer education about the importance of quality resources; and

(6) report community assessment data to the board before the development of the biennial state plan and assist in the development of the biennial state plan.

Sec. 3. [129D.03] [BIENNIAL STATE PLAN FOR EARLY CHILDHOOD FAMILY DEVELOPMENT PROGRAMS AND SERVICES.]

The early childhood family coordinating board shall develop a biennial state plan for early childhood family development programs and services. The plan must set forth the policies and goals for early childhood family development programs and services, identify service needs and gaps in services, and provide a plan for meeting identified needs. The biennial state plan must be submitted to the governor and the legislature before each biennial budget year.

Sec. 4. [129D.04] [TECHNICAL ADVISORY COMMITTEE.]

The technical advisory committee to the early childhood family coordinating board shall advise the board in carrying out its powers and duties and in the development of the biennial state plan for early childhood family development programs and services. It shall also provide technical and support services to the board.

The technical advisory committee consists of representatives from major early childhood family development services associations, designated by the executive director of the early childhood family coordinating board, and the commissioners of human services, education, health, jobs and training, state planning, and finance, and the director of the higher education coordinating board or their

designees. Compensation of committee members is governed by section 15.059, subdivision 6.

Sec. 5. [INITIAL TERMS.]

Notwithstanding section 1, subdivision 2, the governor shall appoint the initial members of the Minnesota early childhood family coordinating board as follows:

- (1) five members to two-year terms;
- (2) five members to three-year terms; and
- (3) five members to four-year terms.

Sec. 6. [INITIAL DESIGNATION OF LOCAL AREA PLANNING COUNCILS.]

The Minnesota early childhood family coordinating board shall complete its initial designation of local area planning councils under section 2 by June 30, 1994.

Sec. 7. [INITIAL PLAN.]

The initial biennial state plan required by section 3 is due by December 31, 1990. In addition to the biennial plans required by section 3, the early childhood family coordinating board, by December 31, 1991, shall submit to the governor and legislature a plan for the establishment of six pilot local area planning councils and a plan for the continued development of local area planning councils across the state.

Sec. 8. [INITIAL EXECUTIVE DIRECTOR APPOINTMENT.]

Notwithstanding section 1, subdivision 4, the governor shall appoint the first executive director of the early childhood family coordinating board to a two-year term in the unclassified service.

Sec. 9. [APPROPRIATION TRANSFER.]

Any unencumbered or unexpended balance remaining in the appropriation to the department of human services and allocated for the use of the governor's council on children, youth, and family shall cancel and is appropriated from the general fund to the department of education for the Minnesota early childhood family coordinating board for fiscal year 1990 for the purposes of sections 1 to 8. The 1990 appropriation does not cancel and is available until June 30, 1991.

The state complement for the Minnesota early childhood family coordinating board is four.

Sec. 10. [REPEALER.]

Minnesota Statutes 1989 Supplement, section 256H.25, is repealed August 1, 1990. Sections 1 to 4 are repealed August 1, 1995.

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 Appropriations.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 1907, A bill for an act relating to human services; requiring increases in rates for wages of employees of intermediate care facilities for persons with mental retardation or related conditions, developmental achievement centers, and mental health residential programs; establishing a task force on compensation; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 252.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 1935, A bill for an act relating to health; defining the term practitioner for the purpose of dispensing medicines and drugs; prohibiting the dispensing of legend drugs for profit by anyone other than a pharmacist; amending Minnesota Statutes 1988, section 151.37, subdivision 2.

Reported the same back with the following amendments:

Page 1, delete lines 18 to 25, and insert:

“(b) A licensed practitioner that dispenses for profit a legend drug that is to be administered orally, is ordinarily dispensed by a pharmacist, and is not a vaccine, must file with the practitioner’s licensing board a statement indicating that the practitioner dispenses legend drugs for profit, the general circumstances under which the practitioner dispenses for profit, and the types of legend drugs generally dispensed. It is unlawful to dispense legend drugs for profit after July 31, 1990, unless the statement has been filed with the appropriate licensing board. For purposes of this paragraph, “profit” means (1) any amount received by the practitioner in excess of the acquisition cost of a legend drug for legend drugs that are purchased in prepackaged form or (2) any amount received by the practitioner in excess of the acquisition cost of a legend drug plus the cost of making the drug available if the legend drug requires compounding, packaging, or other treatment. The statement filed under this paragraph is public data under section 13.03. This paragraph does not apply to a licensed doctor of veterinary medicine or a registered pharmacist.”

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

With the recommendation that when so amended the bill pass.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 1946, A bill for an act relating to human services; authorizing grant funds to establish pilot project sobering stations; increasing taxes on wine and dedicating certain revenues to a sobering station project account; appropriating money; amending Minnesota Statutes 1988, section 297C.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 254A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [254A.085] [PROJECT.]

Subdivision 1. [GRANT PROGRAMS ESTABLISHED.] The com-

missioner of human services shall establish and provide grant funds for a pilot project sobering station program.

Subd. 2. [SOBERING STATION PROGRAM REQUIREMENTS.] In order to be eligible for grant funds, a sobering station program must be licensed to provide detoxification services and must meet the following minimum requirements. The program must be located in a nonresidential area 1.5 miles from the present location of other county detoxification service sites. The program must not be located within .25 miles of any establishment licensed for the retail sale of alcoholic beverages. The program must be designed to serve the general public as well as the special needs of American Indian persons, as that term is defined in section 254A.02, subdivision 11, and veterans, as that term is defined in section 197.447. The program must have available the services of trained medical personnel and must be designed to assess each client upon admission and refer for medical services as necessary. The program must provide special transport vans, staffed with persons trained to evaluate and transport intoxicated and drug dependent persons. The program must provide on-site security designed to assure the health and safety of clients, staff, and neighborhood residents. The program must operate with the guidance of a neighborhood-based board. The board must include representatives of the following groups: the American Indian community, veterans of military service, residents of neighborhoods in which detoxification centers are presently located, residents of the nearby neighborhood in which the sobering station is sited, law enforcement, chemical dependency professionals, and elected officials representing the affected neighborhoods.

Sec. 2. [APPROPRIATION.]

\$: : : : : is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1991, for purposes of section 1.

Delete the title and insert:

"A bill for an act relating to human services; authorizing grant funds for a chemical dependency pilot project sobering station; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 254A."

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 Taxes to which was referred:

H. F. No. 1965, A bill for an act relating to health; providing exemptions from the infectious waste control act; requiring hospitals to accept certain infectious waste; modifying standards for ambulance drivers; requiring adoption of rules setting new standards for recertification of and upgrading to emergency care course certificates; increasing reimbursement for volunteers; establishing an emergency medical services advisory council; exempting ambulances from vehicle license fees, registration, and excise taxes; regulating the provision of special transportation services; providing a tax credit; requiring studies; increasing medical assistance rates for ambulance services; providing funding for continuing education and equipment; creating emergency medical services personnel account and dedicating part of certain driver's license fees to the account; establishing task forces for medical directors and advisers; determining daily wage of volunteer first responder or member of law enforcement assistance organization, for purposes of workers' compensation; establishing an incentive plan for ambulance service personnel; setting plan requirements; creating a loan forgiveness program for medical students; providing nursing scholarships; creating a loan forgiveness program for advanced practice nurses; providing funding for summer medical interns; encouraging rural medical school applicants; requiring a study of medical assistance reimbursement for rural physicians; increasing participation in the rural physicians associates program; creating a rural hospital planning and transition grant program; creating a rural hospital subsidy fund; clarifying requirements for medical assistance coverage of swing beds; requiring a study of rural health professionals; allowing counties authority to exceed levy limits; appropriating money and increasing the complement; amending Minnesota Statutes 1988, sections 171.26; and 176.011, subdivision 9; Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 9; 116.78, by adding subdivisions; 144.804, subdivisions 1 and 7; 144.809; 144.8091; 168.012, subdivision 1; 168.013, subdivision 1a; 171.06, subdivision 2; 256B.0625, subdivision 2; and 297B.03; Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 136A; 144; 147; 148; 174; and 290; proposing coding for new law as Minnesota Statutes, chapter 353E.

Reported the same back with the following amendments:

Page 11, after line 6, insert:

"Sec. 11. [168.129] [SPECIAL PLATES; NATIONAL EVENTS.]

Subdivision 1. [PLATES ISSUED FOR 14 DAYS.] The registrar shall issue upon request to the sponsor of a special event that is of national significance a distinguishing license plate. The plates will

be valid for the duration of the event but in no case for a period longer than 14 days. The plates may be displayed on a passenger vehicle when the use of the vehicle has been donated for the event by the manufacturer.

Subd. 2. [FEE.] The registrar shall collect a fee of \$10 for each pair of plates issued to the sponsor. The minimum quantity to be issued for any event will be 50 pairs.

Subd. 3. [APPLICATION.] The application for special event plates shall include the name of the event, the quantity of plates requested, a certification that insurance as required under section 65B.49, subdivision 3, will be provided, the dates of the event, and the name and address of the sponsor. The application must be filed at least 120 days prior to the event.

Subd. 4. [LIABILITY OF SPONSOR.] The sponsor shall assume liability for all unpaid traffic violations which occurred during the display period."

Pages 11 and 12, delete section 12

Page 37, after line 32, insert:

"Sec. 4. Minnesota Statutes 1988, section 144.581, subdivision 1, is amended to read:

Subdivision 1. [NONPROFIT CORPORATION POWERS.] A municipality, political subdivision, state agency, or other governmental entity that owns or operates a hospital authorized, organized, or operated under chapters 158, 250, 376, and 397, or under sections 246A.01 to 246A.27, 412.221, 447.05 to 447.13, 447.31, or 471.59, or under any special law authorizing or establishing a hospital or hospital district shall, relative to the delivery of health care services, have, in addition to any authority vested by law, the authority and legal capacity of a nonprofit corporation under chapter 317, including authority to

- (a) enter shared service and other cooperative ventures,
- (b) join or sponsor membership in organizations intended to benefit the hospital or hospitals in general,
- (c) enter partnerships,
- (d) incorporate other corporations,
- (e) have members of its governing authority or its officers or administrators serve as directors, officers, or employees of the ventures, associations, or corporations,

(f) own shares of stock in business corporations, ~~and~~

(g) offer, directly or indirectly, products and services of the hospital, organization, association, partnership, or corporation to the general public, and

(h) provide funds for payment of educational expenses of up to \$20,000 per individual, if the hospital or hospital district has at least \$1,000,000 in reserve and depreciation funds at the time of payment, and these funds were obtained solely from the operating revenues of the hospital or hospital district."

Pages 39 to 44, delete section 6

Page 44, lines 20 and 22, delete "4" and insert "5"

Page 44, line 24, delete "5" and insert "6"

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 13, delete "providing a tax credit;"

Page 1, lines 36 and 37, delete "allowing counties authority to exceed levy limits;" and insert "allowing certain entities owning or operating hospitals to provide funds for educational expenses; providing for issuance of special license plates;"

Page 1, line 39, after "sections" insert "144.581, subdivision 1;"

Page 1, line 45, delete everything after the semicolon

Page 1, line 46, delete everything before "proposing"

Page 2, line 2, after "148;" insert "168; and" and delete "and 290;"

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 Governmental Operations to which was referred:

H. F. No. 1997, A bill for an act relating to health; establishing a legislative task force to study the regulation of health insurance premium rates and health care costs.

Reported the same back with the following amendments:

Page 3, line 22, after the period insert "The task force shall expire on January 1, 1991."

With the recommendation that when so amended the bill pass.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2034, A bill for an act relating to human services; establishing a program to pay health insurance premiums on behalf of persons with AIDS to enable them to continue coverage under a private health plan; proposing coding for new law in Minnesota Statutes, chapter 256.

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. 2035, A bill for an act relating to agriculture; appropriating money for farm and small business management programs at technical colleges.

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 Governmental Operations to which was referred:

H. F. No. 2051, A bill for an act relating to human services; providing for drug and alcohol abuse prevention, research, and

treatment programs; requiring rules; requiring reports; appropriating money; amending Minnesota Statutes 1988, sections 254A.03, by adding a subdivision; 254B.06, by adding a subdivision; and 254B.08; Minnesota Statutes 1989 Supplement, section 254B.03, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 254A.

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 Government and Metropolitan Affairs to which was referred:

H. F. No. 2083, A bill for an act relating to metropolitan government; clarifying provisions for compensation; amending Minnesota Statutes 1988, sections 473.123, subdivision 5; and 473.141, subdivision 7; Minnesota Statutes 1989 Supplement, sections 473.605, subdivision 2; and 473.704, subdivision 6.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2133, 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; amending Minnesota Statutes 1989 Supplement, section 245.94, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 8, delete "decedents or on"

Page 2, line 9, after the period insert "The ombudsman is not required to obtain consent for access to private data on decedents who were receiving services for mental illness, mental retardation or a related condition, or emotional disturbance."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2168, A bill for an act relating to health; codifying existing law restricting construction of new hospitals; repealing a sunset; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Laws 1984, chapter 654, article 5, section 57; Laws 1987, chapter 75, sections 1 and 2; Laws 1988, chapter 689, article 2, section 238; and Laws 1989, chapter 282, article 2, section 204.

Reported the same back with the following amendments:

Page 1, line 12, before "The" insert "Until July 1, 1993,"

Page 3, line 9, delete "or"

Page 3, line 10, delete "130-bed" and insert "hospital or hospitals with a combined licensed capacity of 130 beds" and delete "hospital"

Page 3, line 15; after "beds" insert ", or the combined licensed capacity of the hospitals, whichever is less;"

(11) the relocation of licensed hospital beds from an existing state facility operated by the commissioner of human services to a new or existing facility, building, or complex operated by the commissioner of human services, or from one regional treatment center site to another; or

(12) the construction or relocation of hospital beds operated by a hospital having a statutory obligation to provide hospital and medical services for the indigent that does not result in a net increase in the number of hospital beds"

Page 4, line 4, delete the semicolon and insert ", as amended by"

Page 4, line 5, delete the semicolon and insert a comma

Page 4, line 6, delete the semicolon and insert a comma

Page 4, line 7, delete "are" and insert "is"

Amend the title as follows:

Page 1, line 6, delete everything after "57" and insert ", as amended."

Page 1, delete lines 7 and 8

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2171, A bill for an act relating to horse racing; increasing per diem rate for racing commissioners; requiring licenses for pari-mutuel clerks at county fairs; apportioning money for promotion of the breeding and racing industry; allowing administration of certain medications by designated persons; reducing state tax withholding on pari-mutuel winnings; amending Minnesota Statutes 1988, sections 240.02, subdivision 3; 240.09, subdivision 2; 240.18; 240.24, subdivision 2; and 290.92, subdivision 27.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 2205, A bill for an act relating to insurance; regulating the practices and record keeping of, and disclosures by, public adjusters; amending Minnesota Statutes 1988, section 72B.135, by adding subdivisions.

Reported the same back with the following amendments:

Page 1, line 17, delete "solicit a" and insert "initiate contact with a prospective"

Page 2, delete lines 1 to 5

Page 2, line 6, delete "(9)" and insert "(7)"

Page 2, line 9, delete "(10)" and insert "(8)"

Page 2, line 11, delete "(11)" and insert "(9)"

With the recommendation that when so amended the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2230, A bill for an act relating to public purchasing; establishing programs for purchasing from certain small targeted group businesses and businesses located in economically disadvantaged areas; requiring prompt payment to subcontractors; providing penalties; amending Minnesota Statutes 1988, sections 16A.124, subdivision 1; 16B.07, by adding a subdivision; 16B.20, subdivisions 1 and 3; 161.321, subdivisions 1, 4, 5, and by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 16B.19; 16B.20, subdivision 2; 16B.21; 16B.22; 16B.226; 116J.68; 136.27; 136.72; 137.31, subdivision 6; 161.321, subdivisions 2, 3, and 6; 161.3211; 241.27, subdivision 2; 471.345, subdivision 8; and 473.142; Laws 1989, chapter 352, section 25; proposing coding for new law in Minnesota Statutes, chapters 16A, 16B; and 137; repealing Minnesota Statutes 1989 Supplement, sections 16B.189; 137.31, subdivision 3a; and 645.445, subdivision 5.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 4, line 10, after "businesses" insert "that are majority" and after "owned" insert "and operated"

Page 4, line 23, after "(b)" insert "In addition to designations under paragraph (a),"

Page 5, line 5, delete "in excess of \$200,000"

Page 5, delete lines 8 to 16

Page 5, line 17, delete "award."

Page 13, line 15, delete "felony" and insert "misdemeanor"

Page 17, line 33, delete "in excess of \$200,000"

Page 17, line 35, delete "Each contractor"

Page 17, delete line 36

Page 18, delete lines 1 to 7

Page 18, line 8, delete everything before "The"

Page 20, line 14, delete "in excess of \$200,000"

Page 20, line 16, delete "Each contractor"

Page 20, delete lines 17 to 24

Page 20, line 25, delete everything before "The"

Page 26, line 22, delete "in excess of \$200,000"

Page 26, line 25, delete everything after the period

Page 26, delete lines 26 to 33

Page 26, line 34, delete everything before "The"

Page 28, after line 5, insert:

"Sec. 28. [473.1426] [PROMPT PAYMENT OF BILLS.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, "agency" means the metropolitan council and agencies defined in section 473.143, subdivision 1.

Subd. 2. [PAYMENT REQUIRED.] Agencies must pay each valid vendor obligation so that the vendor receives payment within the vendor's early payment discount period. If there is no early payment discount period, the agency must pay the vendor within 30 days following the receipt of the invoice for the completed delivery of the product or service.

Subd. 3. [INVOICE ERRORS.] If an invoice is incorrect, defective, or otherwise improper, the agency must notify the vendor within ten days of discovering the error. Upon receiving a corrected invoice, the agency must pay the bill within the time limitation contained in subdivision 2.

Subd. 4. [PAYMENT OF INTEREST ON LATE PAYMENTS REQUIRED.] (a) An agency shall pay interest to a vendor for undisputed billings when the agency has not paid the billing within 30 days following receipt of the invoice, merchandise, or service, whichever is later. A negotiated contract or agreement between a vendor and an agency which requires an audit by the agency prior to acceptance and payment of the vendor's invoice shall not be considered past due until 30 days after the completion of the audit by the agency. Before any interest payment is made, the vendor must invoice the agency for the interest.

(b) The rate of interest paid by the agency on undisputed bills not paid within 30 days shall be 1-1/2 percent per month or any part thereof.

(c) Any vendor who prevails in a civil action to collect interest penalties from an agency shall be awarded its costs and disbursements, including attorney's fees, incurred in bringing the actions.

(d) No interest penalties may accrue against an agency that delays payment of a bill due to a disagreement with the vendor; provided, that the dispute must be settled within 30 days after the bill became overdue. Upon the resolution of the dispute, the agency must pay the vendor accrued interest on all proper invoices for which payment was not received within the applicable time limit contained in subdivision 2.

(e) The minimum monthly interest penalty payment that an agency shall pay a vendor for the unpaid balance for any one overdue bill equal to or in excess of \$100 is \$10. For unpaid balances of less than \$100, the agency shall pay the actual penalty due to the vendor.

Subd. 5. [APPLICABILITY.] Subdivisions 1 to 4 apply to all agency purchases, leases, rentals, and contracts for services, including construction and remodeling contracts, except for purchases from or contracts for service with a public utility as defined in section 216B.02 or a telephone company as defined in section 237.01 that has on file with the public utilities commission an approved practice regarding late fees."

Page 28, line 9, delete "shall study"

Page 28, line 10, delete everything after the period

Page 28, delete line 11

Page 28, delete lines 15 to 19

Page 28, line 22, delete everything after the period

Page 28, delete lines 23 to 29

Page 28, after line 29, insert:

"(d) The reviews and evaluations in this section must be done by January 15, 1991."

Page 29, after line 10, insert:

"Sec. 31. [RULES.]

The commissioner of administration may adopt emergency rules for purposes of implementing sections 3 to 9. For purposes of certifying small targeted group businesses and small businesses

located in economically disadvantaged areas, the commissioner of administration may use, without further rulemaking, previous rules used to implement the program governing socially or economically disadvantaged businesses. If the commissioner uses those rules, the phrase "socially or economically disadvantaged business" in those rules must be read to refer to targeted group businesses and businesses located in economically disadvantaged areas. The phrase "set-aside" program in those rules must be read to refer to the programs created in section 3.

Page 29, line 15, delete "31" and insert "32" and before the period insert ", and apply only to contracts for which notice of invitation to bid or requests for proposals are issued after that date"

Page 29, line 16, delete "Section 30 is" and insert "Sections 30 and 31 are"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 7 and 8, delete "16A.124, subdivision 1;"

Page 1, line 17, delete "and" and after "137" insert "; and 473"

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2266, A bill for an act relating to towns; regulating maintenance of tunnels; regulating town meetings; providing for town deputy treasurer; amending Minnesota Statutes 1988, sections 160.25, subdivision 3; 365.51, subdivision 1; and 365.58; proposing coding for new law in Minnesota Statutes, chapter 367.

Reported the same back with the following amendments:

Page 1, delete lines 9 to 16

Page 2, line 16, after "deputy" insert "not currently serving as an elected official of the town,"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the first semicolon

Page 1, line 5, delete "160.25, subdivision 3;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2268, A bill for an act relating to local government; allowing municipalities to enter into certain contracts to reduce energy and operating costs; amending Minnesota Statutes 1988, section 471.345, by adding a subdivision; repealing Minnesota Statutes 1988, section 471.345, subdivision 9.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2275, A bill for an act relating to retirement; St. Paul police pension benefits; amending Laws 1955, chapter 151, section 9, subdivisions 5 and 6, as amended.

Reported the same back with the following amendments:

Page 2, after line 12, insert:

"Sec. 3. Laws 1955, chapter 375, section 22, as amended by Laws 1973, chapter 287, section 1, is amended to read:

Sec. 22. [SAINT PAUL, CITY OF; FIREMEN'S RELIEF ASSOCIATION; RETIREMENT BENEFITS.] A member of such association who has completed a period, or periods of service on the fire department equal to 20 years or more, shall, after he has arrived at the age of 50 years, or more, and has retired from the payroll of the fire department, be entitled to a basic pension of not less than 20 units and not more than 33 units per month for his natural life in conformity to the by-laws of such association. Any and all leaves of absence of more than 90 days, except such as are granted to a

member because of his disability due to sickness or accident, shall be excluded in computing said period of service; and all periods of time during which a member received a disability pension shall be excluded in such computation. No deduction shall be made for a leave of absence granted to a member to enable him to accept an appointive position in said fire department. No member shall be entitled to draw both a disability and a service pension.

Such monthly basic payments may be increased by adding to said basic pension ~~1 unit~~ two units per month, or any portion thereof, for each year of active duty over 20 and not more than 35 years. ~~Provided further, however, that for a member who retires after July 1, 1973, such monthly basic payments may be increased by the addition of 2 units per month, or any portion thereof, for each year of active duty over 20 years.~~

The by-laws of such association may provide for these increases, or any portion thereof: provided, that in no event the total pension exceed the sum of 40 units per month."

Page 2, line 13, delete "3" and insert "4"

Page 2, line 14, delete "1 and 2" and insert "1, 2, and 3"

Amend the title as follows:

Page 1, line 2, after "police" insert "and fire"

Page 1, line 3, delete "chapter" and insert "chapters"

Page 1, line 4, after "amended" insert "; and 375, section 22, as amended"

With the recommendation that when so amended the bill pass.

The report was adopted.

Pursuant to House Rule No. 9.3, H. F. No. 2275 was re-referred to the Committee on Rules and Legislative Administration.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2318, A bill for an act relating to cities; regulating financial operations of municipal hospitals; amending Minnesota Statutes 1988, section 412.221, subdivision 16.

Reported the same back with the following amendments:

Page 2, after line 4, insert:

"Sec. 2. Laws 1988, chapter 645, section 2, is amended to read:

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~~ appointed by the St. Louis county board to represent the aggregate of the unorganized townships of St. Louis county listed in section 1, subdivision 1, and one member elected at large from appointed by the Koochiching county board to represent the aggregate of the unorganized townships in Koochiching county listed in section 1, subdivision 2.

Sec. 3. [CONTINUATION OF EFFECT.]

Notwithstanding Minnesota Statutes, section 645.021, subdivision 3, Laws 1988, chapter 645, is not deemed to be disapproved because of failure by one or more governmental units to comply with the filing requirements of Minnesota Statutes, section 645.021, subdivision 3, if those requirements are met by January 8, 1991.

Sec. 4. [EFFECTIVE DATE.]

Sections 2 and 3 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to cities; regulating financial operations of municipal hospitals; amending Minnesota Statutes 1988, section 412.221, subdivision 16; Laws 1988, chapter 645, section 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2346, A bill for an act relating to health; granting an exception to the nursing home moratorium; amending Minnesota Statutes 1989 Supplement, section 144A.071, subdivision 3.

Reported the same back with the following amendments:

Page 6, line 24, delete "separate" and delete "another building" and insert "a separate facility"

Page 6, line 25, after "that" insert "was formerly licensed as a hospital and is currently licensed as a nursing facility and that"

With the recommendation that when so amended the bill pass.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2379, A bill for an act relating to human services; clarifying case management services under medical assistance; specifying requirements for an individual service plan; requiring county boards to document unavailability of money for services to persons with mental retardation or related conditions; amending Minnesota Statutes 1988, section 256B.092, subdivisions 1a, 1b, and by adding subdivisions.

Reported the same back with the following amendments:

Page 1, line 14, strike "include" and insert "are limited to" and strike "an"

Page 1, line 16, strike "and" and insert "specification of" and strike the comma

Page 1, line 17, strike "evaluating" and insert "services and the evaluation" and after "monitoring" insert "of"

Page 1, line 26, after "for" insert "the" and delete "services" and insert "component of the plan"

Page 2, line 7, delete "boards" and insert "agencies"

Page 2, line 10, after "management" insert "and day training and habilitation services"

Page 2, line 16, delete "For purposes of this"

Page 2, line 17, delete "section," and insert "Before a county denies, reduces, or terminates a service to an individual due to fiscal limitations, the" and delete "boards" and insert "agency"

Page 2, line 20, delete "board" and insert "agency"

Page 2, line 25, after "plan" insert "and action that will be taken to prevent abuse or neglect as defined in sections 626.556, subdivision 2, paragraphs (a), (c), and (d), and 626.557, subdivision 2, paragraphs (d) and (e)"

Page 2, line 28, delete "board" and insert "agency"

Page 2, line 31, delete "board" and insert "agency"

Page 2, line 33, delete "board" and insert "agency" and delete "grants or"

Page 2, line 34, delete "allocations" and insert "funds"

Page 2, after line 36, insert:

"Sec. 5. Minnesota Statutes 1988, section 256B.092, is amended by adding a subdivision to read:

Subd. 1e. [COUNTY WAITING LIST.] The county agency shall maintain a waiting list of persons with developmental disabilities and a list of the services needed but not provided.

Sec. 6. [COST CONTAINMENT STUDY.]

By January 1, 1991, the department of human services shall submit a proposal to the health and human services policy committees and the house appropriations and senate finance committees to eliminate the fiscal incentives which encourage counties to use more expensive state and federally funded services for developmentally disabled clients rather than less expensive services which require a higher percentage of county funding. The proposal shall include specific recommendations for semi-independent living services, case management, and day training and habilitation services."

Amend the title as follows:

Page 1, line 7, after the semicolon insert "requiring a waiting list; requiring a study on cost containment;"

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 Government and Metropolitan Affairs to which was referred:

H. F. No. 2386, A bill for an act relating to solid waste management; granting authority to St. Louis county; proposing coding for new law in Minnesota Statutes, chapter 383C.

Reported the same back with the following amendments:

Page 1, line 12, after "with" insert "or without" and after "bids" insert "; provided, however, that any request for proposal or other contract negotiated under this subdivision shall require competitive negotiation with more than one vendor or contractor"

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. 2418, A bill for an act relating to education; delaying the date by which the regent candidate advisory council must submit recommendations to the legislature; amending Minnesota Statutes 1988, section 137.0245, subdivision 4.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2453, A bill for an act relating to human services; establishing a case mix rate and assessment process for provider with an addendum to a provider agreement; amending Minnesota Statutes 1988, section 256B.48, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 12, after "beginning" insert "July 1, 1983 or"

Page 1, line 15, delete "on or"

Page 1, line 21, after the comma insert "chapter 4656, and"

Page 1, line 22, after "9549.0059" insert a comma

Page 1, line 23, after "commissioner" insert "of health"

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 Governmental Operations to which was referred:

H. F. No. 2458, A bill for an act relating to hazardous materials; directing the commissioner of public safety to plan a system for a regional hazardous materials incident response program; establishing an advisory council; appropriating money.

Reported the same back with the following amendments:

Page 1, line 9, delete "Subdivision 1. [PLAN.]"

Page 1, line 10, delete "and implement"

Page 1, line 15, delete "council" and insert "task force"

Page 2, delete lines 8 and 9

Page 2, line 10, delete "COUNCIL" and insert "TASK FORCE"

Page 2, line 12, delete "council is created and" and insert "task force"

Page 2, line 29, delete "council" and insert "advisory task force"

Page 2, line 30, delete "and"

Page 2, line 31, delete "implementation" and delete "and shall"

Page 2, delete line 32

Page 2, line 33, delete "implement the plan"

Page 2, line 36, delete "council's" and insert "advisory task force's"

Page 3, delete sections 3 and 4

Page 3, line 12, delete "5" and insert "3"

Page 3, line 14, delete "6" and insert "4"

Page 3, line 15, delete "to 4" and insert "and 2"

Amend the title as follows:

Page 1, line 5, delete "council," and insert "task force"

Page 1, line 6, delete "appropriating money"

With the recommendation that when so amended the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2489, A bill for an act relating to state government; requiring the state board of investment to invest certain assets currently managed by the commerce department; amending Minnesota Statutes 1988, section 79.251, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 13, after "assets" insert "and may invest the assets consistent with the provisions of section 11A.14"

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. 2497, A bill for an act relating to agriculture; changing certain duties, procedures, and requirements related to organic food; amending Minnesota Statutes 1988, sections 31.94 and 31.95; repealing Minnesota Statutes 1988, section 31.95, subdivision 2.

Reported the same back with the following amendments:

Page 2, delete lines 18 to 33 and insert:

“Subd. 5. [CERTIFICATION ORGANIZATIONS.] (a) An organic product that is grown or processed in Minnesota and that is labeled “certified” must be certified by a certification organization that is designated pursuant to section 31.95, subdivision 1.

(b) A certified organic product sold in this state must be certified by a designated certification organization or by a certification organization approved by the commissioner after consultation with members of the organic industry.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 2499, A bill for an act relating to insurance; regulating cancellations, reductions, and nonrenewals of commercial property and liability insurance; amending Minnesota Statutes 1988, section 60A.38, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 10, after the comma insert “United States postal service”

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 2500, A bill for an act relating to insurance; modifying the effective date of the statutory notice requirement for cancellation or nonrenewal of individual life policies; amending Laws 1989, chapter 330, section 38.

Reported the same back with the following amendments:

Page 1, line 11, reinstate the stricken “29,”

Page 1, lines 14 and 15, delete the new language and insert “Section 29 does not apply to a named insured who is not the policy owner under an individual life policy issued before August 1, 1989.”

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2582, A bill for an act relating to occupations and professions; specifying requirements for membership of the board of medical examiners; containing procedural requirements for disciplinary actions; applying reporting requirements to other entities that provide professional liability coverage to physicians; amending Minnesota Statutes 1988, sections 147.01, subdivisions 1, 3, and 4; 147.09; 147.111, subdivision 5; repealing Minnesota Statutes 1988, sections 147.171; 147.24; 147.25; 147.26; 147.27; 147.28; 147.29; 147.30; 147.31; 147.32; 147.33; and Laws 1988, chapter 557, section 6.

Reported the same back with the following amendments:

Page 3, lines 7 to 11, delete the new language

Page 3, line 11, strike the period

Page 3, line 12, strike "(b)"

Page 3, line 18, strike "(c)" and insert "(b)"

Page 3, line 23, strike "(d)" and insert "(c)"

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. 2608, A bill for an act relating to highways; substituting new Legislative Route No. 298 in the trunk highway system.

Reported the same back with the following amendments:

Page 1, line 13, delete "and" and insert a comma and delete "including"

Page 1, delete lines 14 and 15, and insert "and the Minnesota correctional facility-Faribault."

With the recommendation that when so amended 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. 2621, A bill for an act relating to motor vehicles; exempting water well driller vehicles from certain registration and taxation requirements when the vehicles are only incidentally moved over a highway; amending Minnesota Statutes 1989 Supplement, section 168.011, subdivision 22.

Reported the same back with the following amendments:

Page 1, line 15, reinstate the stricken commas and delete the new language

Page 1, line 16, delete "well tank trucks," and delete the second comma

Page 1, line 17, delete everything before "under" and insert "equipment registered"

Page 1, line 18, delete the semicolon and insert a comma

Page 2, after line 1, insert:

"Sec. 2. Minnesota Statutes 1988, section 168.012, subdivision 5, is amended to read:

Subd. 5. Motor vehicles, which are used only for the purpose of carrying sawing machines; well drilling machines, pump hoists, and other equipment registered under chapter 103I; barn sprayers or corn shellers permanently attached to them, shall not be subject to the registration tax as herein provided, but shall be listed for taxation as personal property as provided by law."

Renumber the sections in sequence

Delete the title and insert:

“A bill for an act relating to motor vehicles; exempting certain water well drilling equipment and vehicles from registration and taxation requirements; amending Minnesota Statutes 1988, section 168.012, subdivision 5; Minnesota Statutes 1989 Supplement, section 168.011, subdivision 22.”

With the recommendation that when so amended 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. 2666, 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 various changes in laws applicable to school district elections; clarifying and modifying certain exceptions to multicandidate political party expenditure limitations; modifying lobbyist reporting requirements; expanding certain reports by certain political committees and political funds; discontinuing the state ethical practices board's responsibility for developing and furnishing certain forms; providing an income tax credit for contributions to state and federal candidates and political parties; limiting contributions and solicitations during a regular legislative session; providing a public subsidy for legislative candidates in special elections; requiring candidates to match funds received from the state elections campaign fund; providing a schedule for distribution of political campaign checkoff money to political parties; requiring deer licenses to include an application for absentee ballots; requiring county auditors to provide a sample ballot for classroom use; specifying a time period for preparing a candidate's affidavit; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivisions 7 and 10b; 10A.04, subdivisions 2, 4, and 4a; 10A.20, subdivision 3; 10A.25, subdivision 10, and by adding a subdivision; 10A.255, by adding a subdivision; 10A.27, subdivisions 1 and 4; 10A.275; 10A.28, subdivision 1; 10A.30, subdivision 2; 10A.33; 97A.485, by adding a subdivision; 201.071, subdivision 3; 203B.08, subdivision 3; 204B.08, subdivision 3; 204B.09, subdivision 1; 204B.14, subdivision 5; 204B.17; 204B.44; 204C.22, subdivisions 9, 10, 15, and by adding a subdivision; 204D.04, subdivision 2; 205A.05, subdivision 1; 205A.07, by adding a subdivision; 205A.09, subdivision 2; 205A.11; 209.02, subdivision 1; 209.03; 209.09, subdivision 1; 211A.01, subdivision 6; 290.06, by adding a subdivision; and 383B.055, subdivisions 1 and 2; and Minnesota Statutes 1989 Supplement, sections 205A.10, subdivisions 2 and 3; and 209.021, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 10A and 204D; repealing Minnesota Statutes 1988, sections 10A.27, subdivision 5; 10A.32, subdivisions 1, 2, 3, and 4; and 211B.11, subdivision 2; and

Minnesota Statutes 1989 Supplement, section 10A.32, subdivision 3a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

ETHICS IN GOVERNMENT LAW; CAMPAIGN PRACTICES

Section 1. Minnesota Statutes 1988, section 10A.04, subdivision 2, is amended to read:

Subd. 2. Each report shall cover the time from the last day of the period covered by the last report to 15 days prior to the current filing date. The reports shall be filed with the board by the following dates:

- (a) January 15;
- (b) April 15; and
- (c) July 15; and
- (d) October 15.

Sec. 2. [10A.065] [CONTRIBUTIONS AND SOLICITATIONS DURING LEGISLATIVE SESSION.]

Subdivision 1. [REGISTERED LOBBYIST CONTRIBUTIONS; LEGISLATIVE SESSION.] A candidate for the legislature, the candidate's principal campaign committee, any other political committee with the candidate's name or title, or any committee authorized by the candidate for the benefit of the candidate, shall not solicit or accept a contribution on behalf of the candidate's principal campaign committee, any other political committee with the candidate's name or title, or any committee authorized by the candidate for the benefit of the candidate, from a registered lobbyist, political committee, or political fund during a regular session of the legislature.

Subd. 2. [DEFINITION.] For purposes of this section, "regular session" does not include a special session or the interim between the two annual sessions of a biennium.

Subd. 3. [CIVIL PENALTY.] A candidate or political committee that violates this section is subject to a civil fine of up to \$500. If the 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 a candidate or a candidate's principal campaign committee in a legislative special election during the period beginning when the person becomes a candidate in the special election and ending on the day of the 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, or to a member of that political committee acting solely on behalf of the committee.

Sec. 3. Minnesota Statutes 1988, section 10A.20, subdivision 3, is amended to read:

Subd. 3. Each report under this section shall disclose:

(a) The amount of liquid assets on hand at the beginning of the reporting period;

(b) The name, address and employer, or occupation if self-employed, of each individual, political committee or political fund who within the year has made one or more transfers or donations in kind to the political committee or political fund, including the purchase of tickets for all fund raising efforts, which in aggregate exceed \$100 for legislative or statewide candidates or ballot questions, together with the amount and date of each transfer or donation in kind, and the aggregate amount of transfers and donations in kind within the year from each source so disclosed. A donation in kind shall be disclosed at its fair market value. An approved expenditure is listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors shall be listed in alphabetical order;

(c) The sum of contributions to the political committee or political fund during the reporting period;

(d) Each loan made or received by the political committee or political fund within the year in aggregate in excess of \$100, continuously reported until repaid or forgiven, together with the name, address, occupation and the principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If any loan made to the principal campaign committee of a candidate is forgiven at any time or repaid by any entity other than that principal campaign committee, it shall be reported as a contribution for the year in which the loan was made;

(e) Each receipt in excess of \$100 not otherwise listed under clauses (b) to (d);

(f) The sum of all receipts of the political committee or political fund during the reporting period;

(g) The name and address of each individual or association to whom aggregate expenditures, including approved expenditures, have been made by or on behalf of the political committee or political fund within the year in excess of \$100, together with the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made, identification of the ballot question which the expenditure is intended to promote or defeat, and in the case of independent expenditures made in opposition to a candidate, the name, address and office sought for each such candidate;

(h) The name and address of each individual or association to whom aggregate transfers or disbursements in excess of \$100 have been made within the year by or on behalf of a political fund or political committee, other than a major political party, minor political party, or principal campaign committee, together with the amount, date, and purpose of each transfer or disbursement;

(i) The sum of all expenditures made by or on behalf of the political committee or political fund during the reporting period;

(j) (j) The amount and nature of any advance of credit incurred by the political committee or political fund, continuously reported until paid or forgiven. If any advance of credit incurred by the principal campaign committee of a candidate is forgiven at any time by the creditor or paid by any entity other than that principal campaign committee, it shall be reported as a donation in kind for the year in which the advance of credit was incurred;

(k) (k) The name and address of each political committee, political fund, or principal campaign committee to which aggregate transfers in excess of \$100 have been made within the year, together with the amount and date of each transfer;

(l) (l) The sum of all transfers made by the political committee, political fund, or principal campaign committee during the reporting period;

(m) (m) For principal campaign committees only, the sum of noncampaign disbursements made in each category listed in section 10A.01, subdivision 10c, during the reporting period; and

(n) (n) The sum of all noncampaign disbursements made by the

political committee, political fund, or principal campaign committee during the reporting period.

Sec. 4. Minnesota Statutes 1988, section 10A.24, is amended to read:

10A.24 [DISSOLUTION OR TERMINATION.]

Subdivision 1. [REQUIREMENTS FOR DISSOLUTION.] No political committee or political fund shall dissolve until it has settled all of its debts and disposed of all its assets in excess of \$100 and filed a termination report. The termination report may be made at any time and shall include all information required in periodic reports.

Subd. 2. [LIQUIDATION OF INACTIVE FUNDS.] (a) An inactive principal campaign committee, or other political committee or political fund with the name or title of a candidate or authorized by a candidate for the candidate's benefit, must be dissolved and its assets liquidated and deposited in the general account of the state elections campaign fund within 30 days of becoming inactive. A principal campaign committee becomes inactive on the later of the following dates:

(1) when four years have elapsed since the last election for the office sought or held at the time the principal campaign committee registered with the board; or

(2) when four years have elapsed since the last day on which the individual for whom it exists served in an elective office subject to this chapter.

A committee or fund other than a principal campaign committee becomes inactive when two years have elapsed since the committee or fund was last required to file a report under this chapter.

(b) If a committee or fund becomes inactive when it still has unpaid debts, the committee or fund shall liquidate the available assets to pay the debts. If insufficient assets exist to pay the debts, the ethical practices board may set up a payment schedule to allow the committee or fund to defer dissolution until all debts are paid.

Sec. 5. Minnesota Statutes 1988, section 10A.27, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivisions 2 and 6, no candidate shall permit the candidate's principal campaign committee to accept contributions from any individual, political committee, or political fund in excess of the following:

(a) To candidates for governor and lieutenant governor running

together, \$60,000 in an election year for the office sought and \$12,000 in other years;

(b) To a candidate for attorney general, \$10,000 in an election year for the office sought and \$2,000 in other years;

(c) To a candidate for the office of secretary of state, state treasurer or state auditor, \$5,000 in an election year for the office sought and \$1,000 in other years;

(d) To a candidate for state senator, \$1,500 in an election year for the office sought and \$300 in other years; and

(e) To a candidate for state senator, \$300 in other years;

(f) To a candidate for state representative, \$750 in an election year for the office sought; and \$150 in the other year

(g) To a candidate for state representative, \$150 in the other years.

Sec. 6. Minnesota Statutes 1988, section 10A.27, subdivision 4, is amended to read:

Subd. 4. For the purposes of this section, a political party means the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts, and all or part of the party organization within either house of the legislature, except for individual members.

Sec. 7. [10A.271] [CONTRIBUTION LIMIT ADJUSTMENT.]

The dollar amounts in section 10A.27, subdivision 1, paragraphs (e) and (g), must be adjusted for 1991 and subsequent nonelection years as provided in this section. By June 1 of each general election year, the executive director of the board shall determine the percentage increase in the consumer price index from December of the year in which the last determination was made, or December 1987, for the adjustment made in 1991, to December of the year preceding the current year. The dollar amounts used for the current 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 nonelection year. The product must be rounded up to the next highest number of dollars evenly divisible by 25. 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 1982 as a base year.

Sec. 8. Minnesota Statutes 1988, section 10A.275, is amended to read:

10A.275 [MULTICANDIDATE POLITICAL PARTY EXPENDITURES.]

Subdivision 1. [EXCEPTIONS.] 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, or two or more substate units of a state political party acting together, with at least one substate unit being either: the state party organization or the party organization within congressional districts, counties, or legislative districts, 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; or

(e) expenditures for party committee staff member services that benefit three or more candidates. This paragraph applies only to staff members paid from the political committee of a political party as defined in section 10A.27, subdivision 4.

Subd. 2. [SUBSTATE UNIT OF STATE POLITICAL PARTY.] For purposes of this section, "substate unit of a state political party" means all or part of the party organization within each house of the legislature; the state party organization; or the party organization within a congressional district, county, legislative district, municipality, or precinct.

Sec. 9. Minnesota Statutes 1988, section 97A.485, is amended by adding a subdivision to read:

Subd. 1a. [DEER LICENSE; ABSENTEE BALLOT APPLICATION.] The commissioner shall include with every license to take

deer with firearms or by archery, sold or issued during a general election year, an application for absentee ballots and a voter registration card. The commissioner shall obtain absentee ballot application forms from the secretary of state.

Sec. 10. Minnesota Statutes 1988, section 204B.09, subdivision 1, is amended to read:

Subdivision 1. [CANDIDATES IN STATE AND COUNTY GENERAL ELECTIONS.] Except as otherwise provided by this subdivision, affidavits of candidacy and nominating petitions for county, state and federal offices filled at the state general election shall be filed not more than 70 days nor less than 56 days before the state primary. The affidavit may be prepared and signed at any time between 60 days before the filing period opens and the last day of the filing period. Candidates for presidential electors may file petitions on or before the state primary day. Nominating petitions to fill vacancies in nominations shall be filed as provided in section 204B.13. No affidavit or petition shall be accepted later than 5:00 p.m. on the last day for filing. Affidavits and petitions for offices to be voted on in only one county shall be filed with the county auditor of that county. Affidavits and petitions for offices to be voted on in more than one county shall be filed with the secretary of state.

Sec. 11. Minnesota Statutes 1988, section 204D.03, subdivision 1, is amended to read:

Subdivision 1. [STATE PRIMARY.] The state primary shall be held on the first Tuesday after the ~~second~~ first Monday in September August in each even-numbered year to select the nominees of the major political parties for partisan offices and the nominees for nonpartisan offices to be filled at the state general election, other than presidential electors.

Sec. 12. [204D.165] [SAMPLE BALLOTS TO SCHOOLS.]

Notwithstanding any contrary provisions in section 204D.09 or 204D.16, the county auditor, two weeks before the applicable primary or general election, shall provide one copy of the sample partisan primary, nonpartisan primary, canary, white, or pink ballot to a school district upon request. The school district may have the sample ballots reproduced at its expense for classroom educational purposes.

Sec. 13. Minnesota Statutes 1988, section 290.06, is amended by adding a subdivision to read:

Subd. 23. [CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] A taxpayer may take a credit against the tax due under this chapter equal to the amount of the taxpayer's contribu-

tions to candidates for elective state public office and to any political party. The maximum credit for an individual shall not exceed \$50 and, for a married couple filing jointly, shall not exceed \$100. No credit is allowed under this subdivision for a contribution to any candidate, other than a candidate for elective judicial office, who has not signed an agreement to limit campaign expenditures as provided in section 10A.32. The credit allowed under this subdivision must be available on the short form. This credit shall be allowed only if the contribution is verified in the manner the commissioner of revenue prescribes.

For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a. A major political party or minor political party includes the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts. A qualifying political party must provide each contributor with a tax credit receipt form indicating that the contributor may be eligible to receive a credit against state income tax equal to the amount of the contribution but not more than \$50 for an individual or \$100 for a married couple filing a joint return.

Sec. 14. Minnesota Statutes 1988, section 383B.055, subdivision 1, is amended to read:

Subdivision 1. The state ethical practices board shall:

(a) Develop forms for all statements and reports required to be filed under sections 383B.041 to 383B.054 and furnish the forms to the county filing officer in Hennepin county;

(b) (1) issue and publish advisory opinions concerning the requirements of sections 383B.041 to 383B.057 upon application in writing by the county filing officer of Hennepin county or any individual or association who wishes to use the opinion to guide the applicant's own conduct; and

(e) (2) exempt any individual or association required to disclose information under sections 383B.046 to 383B.05 from any requirement of those sections in the same manner as it exempts any individual or association from disclosure requirements under chapter 10A. An individual or association exempted from the disclosure provisions of chapter 10A, shall also be exempt from the disclosure provisions of sections 383B.046 to 383B.05.

Sec. 15. Minnesota Statutes 1988, section 383B.055, subdivision 2, is amended to read:

Subd. 2. The county filing officer of Hennepin county shall develop forms for all statements and reports required to be filed under sections 383B.041 to 383B.054. The filing officer shall furnish sufficient copies of the forms provided by the ethical practices board to all officers with whom candidates file affidavits or applications of candidacy and nominating petitions.

Sec. 16. [REPEALER.]

Minnesota Statutes 1988, section 211B.11, subdivision 2, is repealed.

Sec. 17. [SEVERABILITY.]

If a provision of this article is found to be unconstitutional and void, the remaining provisions of this article remain valid.

Sec. 18. [EFFECTIVE DATE.]

Section 7 is effective the day following final enactment. Section 11 is effective for the state primary in 1992 and thereafter. Section 13 is effective for taxable years beginning after December 31, 1989.

ARTICLE 2

STATE CAMPAIGN FINANCING

Section 1. Minnesota Statutes 1988, section 10A.01, subdivision 7, is amended to read:

Subd. 7. "Contribution" means a transfer of funds or a donation in kind.

Contribution 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) forgiven, or (b) paid by an entity individual or an 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, 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.

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.

Sec. 2. Minnesota Statutes 1988, section 10A.01, subdivision 10b, is amended to read:

Subd. 10b. "Independent expenditure" means an expenditure expressly advocating the election or defeat of a clearly identified candidate, which expenditure is made without the express or implied consent, authorization, or cooperation of, and not in concert with or at the request or suggestion of, any candidate or any candidate's principal campaign committee or agent. An independent expenditure is not a contribution to that candidate.

Sec. 3. Minnesota Statutes 1988, section 10A.04, subdivision 4a, is amended to read:

Subd. 4a. If in any reporting period the lobbyist's reportable disbursements total not over \$100 and no honorarium, gift, loan, item or benefit equal in value to \$50 or more was given or paid to any public official, a statement to that effect in lieu of the report may be filed for that period. The unreported disbursements shall be included in the report for the following period, unless the total for that period, including the carryover, is not over \$100. The ~~October~~ January 15 report shall include all previously unreported disbursements, even though the total for the year is not over \$100.

Sec. 4. Minnesota Statutes 1988, section 10A.25, is amended by adding a subdivision to read:

Subd. 2a. [AGGREGATED EXPENDITURES.] If a candidate makes expenditures from more than one principal campaign committee for nomination or election to statewide office in the same election year, the amount of expenditures from all of the candidate's principal campaign committees for statewide office for that election year must be aggregated for purposes of determining the limits on campaign expenditures under subdivision 2, clauses (a) to (c).

Sec. 5. Minnesota Statutes 1988, section 10A.25, subdivision 10, is amended to read:

Subd. 10. The expenditure limits imposed by this section apply only to candidates whose major political party opponents agree to be bound by the limits and who themselves agree to be bound by the limits as a condition of receiving a public subsidy for their campaigns in the form of an allocation of money from the state elections campaign fund.

A candidate of a major political party who agrees to be bound by

the limits and receives a public subsidy, who has an opponent who: (1) is a candidate of a major political party; and (2) does not agree to be bound by the limits but is otherwise eligible to receive a public subsidy, is no longer bound by the limits but is still eligible to receive a public subsidy.

Sec. 6. Minnesota Statutes 1988, section 10A.255, is amended by adding a subdivision to read:

Subd. 3. [PUBLICATION OF EXPENDITURE LIMIT.] By June 15 of each year the board shall publish in the State Register the expenditure limit for each office for that calendar year under section 10A.25 as adjusted by this section.

Sec. 7. Minnesota Statutes 1988, section 10A.28, subdivision 1, is amended to read:

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.

Sec. 8. Minnesota Statutes 1988, section 10A.30, subdivision 2, is amended to read:

Subd. 2. Within the state elections campaign fund account there shall be maintained a separate political party account for the candidates of each political party and a general account.

Sec. 9. [10A.315] [SPECIAL ELECTION SUBSIDY.]

(a) Each eligible candidate for a legislative office in a special election must be paid a public subsidy equal to the sum of:

(1) the party account money at the last general election for the candidate's party for the office the candidate is seeking; and

(2) the general account money paid to candidates for the same office at the last general election.

(b) If the filing period for the special election does not coincide with the filing period for the general election, a candidate who wishes to receive this public subsidy must submit a signed agreement under section 11 to the board not later than the day after the candidate files the affidavit of candidacy or nominating petition for the office. The special election subsidy must be distributed in the

same manner as money in the general account is distributed to legislative candidates in a general election.

(c) The amount necessary to make the payments required by this subdivision is appropriated from the general fund to the state treasurer.

Sec. 10. [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 July 1 in an election year an estimate of the total amount in the state general account of the state elections campaign fund and the amount of money each 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, subdivision 5, any necessary vote totals provided by the secretary of state to apply the formulas in section 10A.31, subdivision 5, 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 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 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 who qualifies, as provided in section 10A.31, subdivisions 6 and 7. By August 15 the board shall notify all candidates of their minimum amount. The board shall include with the notice a form for the agreement provided in section 11.

Sec. 11. [10A.322] [PUBLIC SUBSIDY AGREEMENTS.]

Subdivision 1. [AGREEMENT BY CANDIDATE.] (a) As a condition of receiving a public subsidy from the state elections campaign fund, a candidate shall sign and file with the board a written agreement in which the candidate agrees that:

(1) the aggregate of expenditures made by the principal campaign committee of the candidate and approved expenditures made on behalf of the candidate will not exceed the expenditure limits in

section 10A.25, as adjusted by section 10A.255, except as otherwise provided by section 10A.25, subdivision 10; and

(2) except for an amount equal to 25 percent of the expenditure limits set forth in section 10A.25, but not exceeding \$15,000, the candidate will not accept contributions or allow approved expenditures to be made on the candidate's behalf for the period beginning with January 1 of the election year or with the registration of the candidate's principal campaign committee, whichever occurs later, and ending December 31 of the election year, that exceed the difference between the amount that may legally be expended by or for the candidate, and the amount that the candidate receives from the state elections campaign fund.

(b) Money in the account of the principal campaign committee of a candidate on January 1 of the election year for the office held or sought must be considered contributions accepted by that candidate in that year for the purposes of this subdivision. The portion of contributions accepted by a candidate in an election year that equals the amount of noncampaign disbursements and contributions and expenditures to promote or defeat a ballot question that are made by that candidate in that year do not count toward the aggregate contributions and approved expenditure limit imposed by this subdivision.

(c) Except for an amount equal to 25 percent of the expenditure limits set forth in section 10A.25, but not exceeding \$15,000, any amount by which the aggregate contributions and approved expenditures agreed to exceed the difference must be returned to the state treasurer, deposited in the state treasury, and credited to the general fund. The amount returned must not exceed the amount received from the state elections campaign fund.

Subd. 2. [SUBMISSION OF AGREEMENT.] Before the first day of filing for office, the board shall forward agreement forms to all filing officers. The candidate may sign an agreement and submit it to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, the candidate may submit the agreement directly to the board by September 1. An agreement may not be rescinded after September 1. The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.

Subd. 3. [HOW LONG AGREEMENT IS EFFECTIVE.] The agreement, insofar as it relates to the expenditure limits in section 10A.25, as adjusted by section 10A.255, remains effective for candidates until the dissolution of the principal campaign committee of the candidate or the opening of filing for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first.

Subd. 4. [ESTIMATE; ACTUAL AMOUNT.] For the purposes of subdivisions 1 to 3 only, the total amount to be distributed to each candidate is calculated to be the candidate's share of the total estimated funds in the candidate's party account as provided in section 10, subdivision 1, plus the total amount estimated as provided in section 10, subdivision 1, to be in the general account of the state elections campaign fund and set aside for that office divided by the number of candidates whose names are to appear on the general election ballot for that office. If for any reason the amount actually received by the candidate is greater than the candidate's share of the estimate, and the contributions thereby exceed the difference, the agreement must not be considered violated.

Sec. 12. [10A.323] [TAX CREDIT; PENALTY.]

As a condition of receiving a public subsidy for the candidate's election campaign in the form of tax credits against the tax due from individuals who contribute to the candidate's principal campaign committee, a candidate shall agree by stating in writing to the board at any time, beginning with the registration of the candidate's principal campaign committee, that the candidate's expenditures and approved expenditures will not exceed the expenditure limits in section 10A.25, except as otherwise provided by section 10A.25, subdivision 10. The agreement must remain effective until the dissolution of the principal campaign committee of the candidate or the opening of filing for the next election for the office held or sought at the time of agreement, whichever occurs first.

The commissioner of revenue shall not allow any credit under article 1, section 13, for any contribution to a candidate for legislative or statewide office who has not signed an agreement under this subdivision. Nothing in this subdivision may be construed to limit the campaign expenditure of any candidate who does not sign an agreement under this subdivision but accepts a contribution for which the contributor claims a credit against tax due. The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.

The board shall make available to any candidate signing an agreement a supply of official tax credit receipt forms which state in boldface type that: (1) a contributor who is given a receipt form is eligible to receive a credit against tax due in an amount equal to the amount of the contributions, but not more than \$50 for an individual or not more than \$100 for a married couple filing jointly; and (2) the candidate to whom the contribution was made has voluntarily agreed to abide by campaign expenditure limits. A candidate who does not sign an agreement under this subdivision may not issue an official tax credit receipt form or any facsimile of one to any of the candidate's contributors.

Any candidate who does not voluntarily agree to abide by the expenditure limits imposed in section 10A.25 and who willfully issues official tax credit receipt forms or any facsimiles of tax credit receipt forms to any contributor is guilty of a misdemeanor.

Sec. 13. [10A.324] [MATCHING REQUIREMENT.]

In addition to the requirements of section 11, to be eligible to receive a public subsidy from the state elections campaign fund a candidate shall file an affidavit with the board stating that during that calendar year the candidate has accumulated contributions, including unexpended balances from the year before, or has made contributions to self, equal to 20 percent or more of the minimum amount that the board estimates, on August 15 of the general election year, would be received by the candidate from the state elections campaign fund. The candidate or the candidate's treasurer shall submit the affidavit required by this subdivision to the board in writing by October 1 of the general election year.

Sec. 14. [10A.325] [RETURN OF PUBLIC SUBSIDY.]

Subdivision 1. [WHEN RETURN REQUIRED.] A candidate shall return all or a portion of the public subsidy received from the state elections campaign fund under the circumstances in paragraph (a) or (b).

(a) To the extent that the amount of public subsidy received by the candidate exceeds the expenditure limits for the office held or sought, as provided in section 10A.25 and as adjusted by section 10A.255, the treasurer of the candidate's principal campaign committee shall return the excess to the board.

(b) To the extent that the amount of public subsidy received exceeds the aggregate of: (1) actual expenditures made by the principal campaign committee of the candidate; and (2) approved expenditures made on behalf of the candidate, the treasurer of the candidate's principal campaign committee shall return an amount equal to the difference to the board.

Subd. 2. [HOW RETURN DETERMINED.] Whether or not a candidate is required under subdivision 1 to return all or a portion of the public subsidy received from the state elections campaign fund must be determined from the report required to be filed with the board by that candidate by January 31 of the year following an election. Any amount required to be returned must be submitted in the form of a check or money order and must accompany the report filed with the board. The board shall forward the check or money order to the state treasurer for deposit in the general fund. The amount returned must not exceed the amount of public subsidy received by the candidate from the state elections campaign fund.

Sec. 15. [10A.326] [POLITICAL PARTY NOT HAVING CERTAIN CANDIDATES.]

If money has been accumulated in the state elections campaign fund for the candidates of a political party, and the party does not have a candidate in a general election for the office of state senator or state representative, the party account money allocated for the office for which there is no candidate must be returned to the general fund of the state. If that party does not have a candidate in a general election for any state constitutional office, the party account money allocated for that office must be transferred to the state general account of the state elections campaign fund for reallocation to all of the candidate offices as provided in section 10A.31, subdivision 5, and for distribution in that election year to candidates as provided under section 10A.31, subdivision 7.

Sec. 16. Minnesota Statutes 1988, section 10A.33, is amended to read:

10A.33 [APPLICATION.]

Except as otherwise provided in section 9, the provisions of sections 10A.30 to 10A.32 shall 10A.325 apply only in general elections and primaries preceding general elections and shall do not apply to special elections or special primaries.

Sec. 17. [REPEALER.]

Minnesota Statutes 1988, sections 10A.27, subdivision 5; and 10A.32, subdivisions 1, 2, 3, and 4; and Minnesota Statutes 1989 Supplement, section 10A.32, subdivision 3a, are repealed.

Sec. 18. [SEVERABILITY.]

If a provision of this article is found to be unconstitutional and void, the remaining provisions of this article remain valid.

Sec. 19. [EFFECTIVE DATE.]

This article is effective July 1, 1990.

ARTICLE 3

CONGRESSIONAL CAMPAIGN FINANCING

Section 1. [10A.41] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section

apply to sections 1 to 12. The definitions in section 10A.01 also apply to sections 1 to 12, except as they are superseded by the definitions in this section.

Subd. 2. [AUTHORIZED COMMITTEE.] "Authorized committee" means the principal campaign committee or another political committee designated and authorized by a congressional candidate under United States Code, title 2, section 432, subsection (e)(1), to receive contributions or make expenditures on behalf of that congressional candidate.

Subd. 3. [CAMPAIGN EXPENDITURE; EXPENDITURE.] "Campaign expenditure" or "expenditure" means "expenditure" as that term is defined under United States Code, title 2, section 431, paragraph (9).

Subd. 4. [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). A congressional candidate is not a "candidate" as defined in section 10A.01, subdivision 5.

Subd. 5. [CONTRIBUTION.] "Contribution" means a "contribution" as that term is defined under United States Code, title 2, section 431, paragraph (8).

Subd. 6. [INDEPENDENT EXPENDITURE.] "Independent expenditure" means "independent expenditure" as that term is defined under United States Code, title 2, section 431, paragraph (17).

Subd. 7. [POLITICAL COMMITTEE.] "Political committee" means a "political committee" as that term is defined under United States Code, title 2, section 431, paragraph (4). Political committee includes a major political party, a minor political party, a principal campaign committee, and an authorized committee.

Subd. 8. [PRINCIPAL CAMPAIGN COMMITTEE.] "Principal campaign committee" means a political committee designated and authorized by that congressional candidate under United States Code, title 2, section 432, subsection (e)(1).

Sec. 2. [10A.42] [LIMITATION ON APPLICATION.]

The provisions of sections 10A.11 to 10A.24 relating to the organization, registration, and administration of and reporting and disclosure by political funds and political committees, including principal campaign committees, do not apply 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 are governed by United States Code, title 2, chapter 14.

Sec. 3. [10A.43] [PUBLIC SUBSIDY AGREEMENT.]

Subdivision 1. [AGREEMENT.] As a condition of receiving a public subsidy, a congressional candidate shall sign and file with the board a written agreement 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 4.

Subd. 2. [SUBMISSION OF AGREEMENT.] Before the first day of filing for office, the board shall forward agreement forms to all filing officers. The 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 congressional candidate may submit the agreement directly to the board by September 1. An agreement may not be rescinded after September 1. The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.

Subd. 3. [HOW LONG AGREEMENT IS EFFECTIVE.] The agreement, insofar as it relates to the expenditure limits in section 4, remains effective for congressional candidates until the termination of the authorized committees of the congressional candidate, as provided under United States Code, title 2, section 433(d), 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. 4. [10A.44] [CONGRESSIONAL CAMPAIGN SPENDING LIMITS.]

Subdivision 1. [LIMITS.] 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, \$3,000,000; and
- (2) for representative in Congress, \$300,000.

Subd. 2. [ADJUSTMENT BY CONSUMER PRICE INDEX.] (a) The dollar amounts provided in subdivision 1 must be adjusted for general election years as provided in this subdivision. 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 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 1982 as a base year.

(b) The dollar amounts in subdivision 1 must be adjusted for the 1992 races for representative in Congress and the 1994 race for United States senate, and subsequent general elections for those offices in the manner provided in paragraph (a), except that the last general election year must 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 must be \$3,000,000 and \$300,000 respectively.

(c) By June 15 of each year, the board shall publish in the State Register the expenditure limit for each office for that calendar year as adjusted under this subdivision.

Subd. 3. [CONTESTED PRIMARY RACES.] Notwithstanding the limits imposed by subdivisions 1 and 2, 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 under subdivisions 1 and 2.

Subd. 4. [POSTELECTION YEAR EXPENDITURES.] In a 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 in subdivisions 1 and 2.

Subd. 5. [LIMITATION CONDITIONAL.] (a) The expenditure limits imposed by this section apply only to congressional candidates whose major political party opponents agree to be bound by the limits and who themselves agree to be bound by the limits as a condition of receiving a public subsidy for their campaigns.

(b) If a congressional candidate of a major political party agrees to be bound by the limits and has an opponent who is a congressional candidate of a major political party who is otherwise eligible to receive a subsidy, then:

(1) if the opponent agrees to be bound by the limits, both candidates are bound by the limits but neither may receive a public subsidy and the amount that both candidates would have received must be canceled to the general fund; and

(2) if the opponent does not agree to be bound by the limits, the congressional candidate is no longer bound by the limits but is still eligible to receive a public subsidy.

Sec. 5. [10A.45] [CONTRIBUTION AND LOAN LIMITS.]

Contributions by or to a congressional candidate and loans to a congressional candidate are governed by United States Code, title 2, chapter 14.

Sec. 6. [10A.46] [MULTICANDIDATE POLITICAL PARTY EXPENDITURES.]

Multicandidate political party expenditures with respect to congressional candidates are governed by United States Code, title 2, section 431, paragraph (9).

Sec. 7. [10A.47] [PENALTY FOR EXCEEDING LIMITS.]

Subdivision 1. [EXPENDITURE LIMITS.] A congressional candidate subject to the expenditure limits in section 4 who permits the candidate's authorized committees to make aggregate expenditures on the candidate's behalf in excess of the limits imposed by section 4 is subject to a civil fine up to four times the amount by which the expenditures exceed the limit.

Subd. 2. [CONTRIBUTION LIMITS.] 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, is subject to the penalties imposed by United States Code, title 2, section 437g.

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 subdivision 1 or 2, the board shall make every effort, for 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 under this subdivision is a matter of public record. Unless violated, a conciliation agreement bars 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 that constitutes probable cause to believe that excess expenditures have been made or excess contributions accepted contrary to subdivision 1 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 to impose a civil fine as prescribed by the board under subdivision 1

or 2. An action filed against a congressional candidate for United States senator must be brought in the district court of Ramsey county. 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 under this section must be deposited in the state treasury and credited to the general fund.

Sec. 8. [10A.48] [MATCHING REQUIREMENTS.]

In order to be eligible to receive a public subsidy, a congressional candidate must provide evidence to the board of nonpublic contributions equal to the public subsidy.

Sec. 9. [10A.49] [CERTIFICATION AND DISTRIBUTION.]

Subdivision 1. [CERTIFICATION OF ELIGIBLE CANDIDATES.] Within one week after certification by the state canvassing board of the results of the primary, the ethical practices board shall certify to the state treasurer the name of each congressional candidate who is eligible to receive a public subsidy.

Subd. 2. [DISTRIBUTION OF MONEY AFTER PRIMARY.] Within two weeks after certification by the state canvassing board of the results of the primary, the state treasurer shall pay a public subsidy of up to \$1,000,000 to any congressional candidate of a major political party for the office of senator who has signed an agreement as required under section 3 and is eligible to receive a public subsidy; and up to \$100,000 to each congressional candidate of a major political party for the office of representative who has signed an agreement as required under section 3 and is eligible to receive a public subsidy.

Sec. 10. [10A.50] [RETURN OF PUBLIC SUBSIDY.]

Subdivision 1. [WHEN REQUIRED.] A congressional candidate shall return all or a portion of the public subsidy received under the circumstances in paragraphs (a) and (b).

(a) To the extent that the public subsidy received by the congressional candidate exceeds the expenditure limits for the office held or sought, as provided in section 4, the treasurer of the congressional candidate's principal campaign committee shall return the excess to the board.

(b) To the extent that the 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. 2. [HOW RETURN DETERMINED.] Whether or not a congressional candidate is required under subdivision 1 to return all or a portion of the public subsidy received must be determined from the report required to be filed with the board by that congressional candidate by 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 in the general fund. The amount returned must not exceed the amount of public subsidy received by the congressional candidate.

Sec. 11. [10A.51] [CAMPAIGN REPORTS.]

A congressional candidate who agrees to be bound by the expenditure limits in section 4, 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. The reports must be filed with the board at the times required under United States Code, title 2, section 434.

Sec. 12. [10A.52] [CONTRIBUTION LIMITATION.]

Notwithstanding any other law, a congressional candidate may receive no more than 40 percent of the candidate's campaign contributions from political action committees.

Sec. 13. [SEVERABILITY.]

If a provision of this article is found to be unconstitutional and void, the remaining provisions of this article remain valid.

Sec. 14. [EFFECTIVE DATE.]

This article is effective January 1, 1991."

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; clarifying and modifying certain exceptions to multicandidate political party expenditure limitations; modifying lobbyist reporting requirements; expanding certain reports by certain political committees and political funds; discontinuing the state ethical practices board's responsibility for developing and furnishing certain forms; providing an income tax credit for contributions to state candidates and political parties; limiting

contributions and solicitations during a regular legislative session; providing a public subsidy for legislative candidates in special elections; requiring candidates to match funds received from the state elections campaign fund; requiring deer licenses to include an application for absentee ballots; requiring county auditors to provide a sample ballot for classroom use; specifying a time period for preparing a candidate's affidavit; providing penalties; amending Minnesota Statutes 1988, sections 10A.01, subdivisions 7 and 10b; 10A.04, subdivisions 2 and 4a; 10A.20, subdivision 3; 10A.24; 10A.25, subdivision 10, and by adding a subdivision; 10A.255, by adding a subdivision; 10A.27, subdivisions 1 and 4; 10A.275; 10A.28, subdivision 1; 10A.30, subdivision 2; 10A.33; 97A.485, by adding a subdivision; 204B.09, subdivision 1; 204D.03, subdivision 1; 290.06, by adding a subdivision; and 383B.055, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 10A; and 204D; repealing Minnesota Statutes 1988, sections 10A.27, subdivision 5; 10A.32, subdivisions 1, 2, 3, and 4; and 211B.11, subdivision 2; Minnesota Statutes 1989 Supplement, section 10A.32, subdivision 3a."

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 Government and Metropolitan Affairs to which was referred:

H. F. No. 2683, A bill for an act relating to the city of Upsala; permitting the establishment of a boundary commission.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2689, A bill for an act relating to health; allowing a waiver of restrictions that may be placed upon controlling persons of a nursing home; amending Minnesota Statutes 1988, section 144A.04, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 144A.04, subdivision 4, is amended to read:

Subd. 4. [CONTROLLING PERSON RESTRICTIONS.] (a) The controlling persons of a nursing home may not include any person who was a controlling person of another nursing home during any period of time in the previous two-year period:

(a) (1) during which time of control that other nursing home incurred the following number of uncorrected or repeated violations:

(1) (i) two or more uncorrected violations or one or more repeated violations which created an imminent risk to direct resident care or safety; or

(2) (ii) four or more uncorrected violations or two or more repeated violations of any nature for which the fines are in the four highest daily fine categories prescribed in rule; or

(b) (2) who was convicted of a felony or gross misdemeanor punishable by a term of imprisonment of more than 90 days that relates to operation of the nursing home or directly affects resident safety or care, during that period.

(b) The provisions of this subdivision shall not apply to any controlling person who had no legal authority to affect or change decisions related to the operation of the nursing home which incurred the uncorrected violations.

Sec. 2. Minnesota Statutes 1988, section 144A.04, is amended by adding a subdivision to read:

Subd. 4a. [STAY OF ADVERSE ACTION REQUIRED BY CONTROLLING PERSON RESTRICTIONS.] (a) In lieu of revoking, suspending, or refusing to renew the license of a nursing home with a controlling person disqualified by subdivision 4, paragraph (a), clause (1), the commissioner may issue an order staying the revocation, suspension, or nonrenewal of the nursing home license. The order may, but need not, be contingent upon the nursing home's compliance with restrictions and conditions imposed on the license to ensure the proper operation of the nursing home and to protect the health, safety, comfort, treatment, and well-being of the residents in the home. The decision to issue an order for stay must be made within 90 days of the commissioner's determination that a controlling person is disqualified by subdivision 4, paragraph (a), clause (1), from operating a nursing home.

(b) In determining whether to issue a stay and to impose conditions and restrictions, the commissioner shall consider the following factors:

(1) the ability of the controlling persons to operate other nursing homes in accordance with the licensure rules and laws;

(2) the conditions in the facility that received the number and type of uncorrected or repeated violations described in subdivision 4, paragraph (a), clause (1); and

(3) the conditions and compliance history of each of the nursing homes operated by the controlling persons.

(c) The commissioner's decision to exercise the authority under this subdivision in lieu of revoking, suspending, or refusing to renew the license of the nursing home is not subject to administrative or judicial review.

(d) The order for the stay of revocation, suspension, or nonrenewal of the nursing home license must include any conditions and restrictions on the nursing home license that the commissioner deems necessary based upon the factors listed in paragraph (b).

(e) Prior to issuing an order for stay of revocation, suspension, or nonrenewal, the commissioner shall inform the controlling persons, in writing, of any conditions and restrictions that will be imposed. The controlling persons shall, within ten working days, notify the commissioner in writing of their decision to accept or reject the conditions and restrictions. If the nursing home rejects any of the conditions and restrictions, the commissioner shall either modify the conditions and restrictions or take action to suspend, revoke, or not renew the nursing home license.

(f) Upon issuance of the order for stay of revocation, suspension, or nonrenewal, the controlling persons shall be responsible for compliance with the conditions and restrictions contained therein. Any time after the conditions and restrictions have been in place for 180 days, the controlling persons may petition the commissioner for removal or modification of the conditions and restrictions. The commissioner shall respond to the petition within 30 days of the receipt of the written petition. If the commissioner denies the petition, the controlling persons may request a hearing under the provisions of chapter 14. Any hearing shall be limited to a determination of whether the conditions and restrictions shall be modified or removed. At the hearing, the controlling persons will have the burden of proof.

(g) The failure of the controlling persons to comply with the conditions and restrictions contained in the order for stay shall result in the immediate removal of the stay and the commissioner shall take action to suspend, revoke, or not renew the license.

(h) The conditions and restrictions are effective for two years after the date they are imposed.

(i) Nothing in this subdivision shall be construed to limit in any way the commissioner's ability to impose other sanctions against a nursing home license under the standards set forth in state or federal law whether or not a stay of revocation, suspension, or nonrenewal is issued.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. The provisions of section 2 apply to any contested case proceeding that is pending on the date of enactment as well as to licensing actions and contested case hearings commenced on or after that date."

Amend the title as follows:

Page 1, line 5, before the period insert ", and by adding a 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. 2704, A bill for an act relating to commerce; removing a real estate licensing prohibition; amending Minnesota Statutes 1988, section 82.20, subdivision 4.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Reding from the Committee on Governmental Operations to which was referred:

H. F. No. 2769, A bill for an act relating to the state building code; accessibility for the physically disabled; establishing an access review board; providing for review of applications for permission to provide accessibility by means of stairway chair lifts; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 471.

Reported the same back with the following amendments:

Page 1, line 10, after "board" insert "is created and"

Page 1, line 23, delete "council" and insert "board"

Page 2, line 8, before "The" insert "(a)"

Page 2, line 10, delete "stairway chair lifts" and insert "devices, equipment, or building modifications not sanctioned by the code"

Page 2, line 13, delete "feasible" and insert "possible"

Page 2, line 16, delete "a stairway chair" and insert "devices, equipment, or building modifications not sanctioned by the code"

Page 2, line 18, delete "feasible" and insert "possible"

Page 2, delete lines 26 and 27

Page 2, line 28, delete "(4)" and insert "(3)"

Page 2, line 31, delete "(5)" and insert "(4)"

Page 2, line 32, delete "(6)" and insert "(5)"

Page 2, line 35, delete "(7)" and insert "(6)"

Page 3, line 2, before "The" insert "The board shall consider the applicant's demonstrated inability to afford a greater degree of accessibility, but may not give greater weight to this factor than to the factors listed in clauses (1) to (6)."

Page 3, after line 6, insert:

"(b) The board shall consider applications for access-related waivers from the state building code where no appeals board exists in a local authority, as defined in section 471.465."

Amend the title as follows:

Page 1, line 6, delete "stairway chair lifts" and insert "certain devices, equipment, and building modifications"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

S. F. No. 443, A bill for an act relating to health; establishing standards for the use of nitrous oxide in the practice of podiatric medicine; amending Minnesota Statutes 1988, section 153.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 153.

Reported the same back with the following amendments:

Page 2, line 7, delete "inhalater" and insert "inhalator equipped with scavenging system"

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

S. F. No. 1663, A bill for an act relating to Redwood and Lyon counties; abandoning judicial ditch number 37.

Reported the same back with the following amendments:

Page 1, after line 18, insert:

"Sec. 2. [FARIBAULT COUNTY LOCAL REDEVELOPMENT AGENCY.]

Notwithstanding Minnesota Statutes, section 469.111, subdivision 5, the board of commissioners of the Faribault county local redevelopment agency shall consist of not less than five members nor more than nine members. The county board shall fix their terms so that no more than two expire in any calendar year."

Page 1, line 20, delete "This act" and insert "Section 1"

Page 1, line 21, after the period insert "Section 2 is effective the day after the Faribault county board complies with Minnesota Statutes, section 645.021, subdivision 3."

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 2 and 3 and insert:

"relating to local government; abandoning judicial ditch number 17 in Redwood and Lyon counties; authorizing the Faribault county local redevelopment agency board to have nine members."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

S. F. No. 1696, A bill for an act relating to human services; including the commissioners of commerce and health in designing the demonstration project for uninsured low-income persons; clarifying eligibility and enrollee participation requirements for the demonstration project; amending Minnesota Statutes 1988, section 256B.73.

Reported the same back with the following amendments:

Delete the amendment adopted by the Committee on Insurance as reported in the House Journal, page 9839, on March 8, 1990.

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

S. F. No. 1820, A bill for an act relating to counties; permitting a county board to assign certain duties; 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. [485.27] [DUTIES; ASSIGNMENT.]

The court administrator, with approval of the county board of commissioners, may transfer to the county board of commissioners duties of the court administrator relating to vital statistics under sections 144.211 to 144.227, to notaries public under section 359.061, to hospital liens under sections 514.69 and 514.70, and to marriage licenses under chapter 517. The county board of commissioners shall assign these duties to the appropriate county department. In the event of full state funding of all court administrator's offices in the state, the functions shall become county functions.”

Delete the title and insert:

“A bill for an act relating to counties; permitting a court administrator to assign certain duties to county officers; proposing coding for new law in Minnesota Statutes, chapter 485.”

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:

House Concurrent Resolution No. 4, A house concurrent resolution relating to local government packaging ordinances.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 84, 1234, 1673, 1877, 1879, 1935, 1997, 2083, 2133, 2168, 2171, 2205, 2230, 2266, 2268, 2318, 2346, 2386, 2418, 2458, 2489, 2497, 2499, 2500, 2608, 2621, 2683, 2689 and 2704 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 443, 1663, 1696 and 1820 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Welle and Anderson, G., introduced:

H. F. No. 2784, A bill for an act relating to capital improvements; providing for capital expenses for school district projects; authorizing sale of state bonds; appropriating money.

The bill was read for the first time and referred to the Committee on Education.

Wenzel introduced:

H. F. No. 2785, A bill for an act relating to taxation; sales and use; including generators used for farm purposes in the definition of farm machinery; amending Minnesota Statutes 1988, section 297A.01, subdivision 15.

The bill was read for the first time and referred to the Committee on Taxes.

Janezich, Rest, Begich and Olsen, S., introduced:

H. F. No. 2786, A bill for an act relating to the environment; providing for the management and cleanup of tax-forfeited lands; requiring a report by the pollution control agency; amending Minnesota Statutes 1988, sections 115B.02, subdivision 11; 115B.03, by adding a subdivision; 115C.02, subdivision 8; 115C.021, by adding a subdivision; 116.49, by adding a subdivision; and 282.08; proposing coding for new law in Minnesota Statutes, chapter 282.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Munger, McDonald, Ogren, Simoneau and Anderson, R., introduced:

H. F. No. 2787, A resolution memorializing the President and Congress to adopt the song "America the Beautiful" as a new national anthem.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Kinkel, Wenzel, Hasskamp and Johnson, R., introduced:

H. F. No. 2788, A bill for an act relating to natural resources; appropriating funds for the acquisition of land and development of the Paul Bunyan Trail.

The bill was read for the first time and referred to the Committee on Appropriations.

Bishop introduced:

H. F. No. 2789, A bill for an act relating to health; stating legislative policy on abortion; requiring disclosure of certain information after the 12th week of pregnancy; restricting abortions after the 23rd week of pregnancy; 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.

Bishop introduced:

H. F. No. 2790, A bill for an act relating to health; establishing restrictions on abortion; requiring informed consent to an abortion; prohibiting certain abortions; proposing coding for new law in Minnesota Statutes, chapter 145.

The bill was read for the first time and referred to the Committee on Judiciary.

Kalis, Redalen, Dauner and Olson, E., introduced:

H. F. No. 2791, A bill for an act relating to taxation; providing a special levy for counties to implement comprehensive water plans; amending Minnesota Statutes Second 1989 Supplement, sections 103B.3369, subdivisions 5 and 7; and 275.50, subdivision 5.

The bill was read for the first time and referred to the Committee on Taxes.

Williams, Clark, Long, Kahn and McGuire introduced:

H. F. No. 2792, A resolution memorializing Congress to reduce defense spending to fund vital domestic needs.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

HOUSE ADVISORIES

The following House Advisory was introduced:

Winter, Otis, Kahn, Krueger and Frerichs introduced:

H. A. No. 39, A proposal relating to economic development.

The advisory was referred to the Committee on Economic Development.

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. 1555, A bill for an act relating to fees; providing for fees charged by county recorder; amending Minnesota Statutes 1988, section 357.18, subdivision 1.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 488, 2130 and 1789.

PATRICK E. FLAHAVER, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 488, A bill for an act relating to public employment; defining equitable compensation relationships; requiring an implementation report; providing for review of plans; providing for appeals from decisions of the commissioner of employee relations; requiring the commissioner to report to the legislature; amending Minnesota Statutes 1988, sections 471.991, subdivision 5; 471.992, subdivisions 1, 2, and by adding a subdivision; 471.994; 471.998, by adding a subdivision; 471.9981, subdivision 6, and by adding subdivisions; and 471.999; Minnesota Statutes 1989 Supplement, section

485.018, subdivision 7; repealing Minnesota Statutes 1988, sections 471.992, subdivision 3; 471.995; 471.996; 471.9975; and 471.9981, subdivisions 2 to 5.

The bill was read for the first time and referred to the Committee on Taxes.

S. F. No. 2130, A bill for an act relating to insurance; regulating the practices and record keeping of, and disclosures by, public adjusters; amending Minnesota Statutes 1988, section 72B.135, by adding subdivisions.

The bill was read for the first time.

Skoglund moved that S. F. No. 2130 and H. F. No. 2205, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1789, A bill for an act relating to health; requiring licensed health care practitioners who dispense certain legend drugs for profit to file with the practitioner's licensing board; amending Minnesota Statutes 1988, section 151.37, subdivision 2.

The bill was read for the first time.

Greenfield moved that S. F. No. 1789 and H. F. No. 1935, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 1067, A bill for an act relating to education; requiring students on all HECB advisory groups; amending Minnesota Statutes 1988, section 136A.02, by adding a subdivision; Minnesota Statutes 1989 Supplement, section 136A.02, 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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Beard	Blatz	Carlson, L.	Dawkins
Anderson, G.	Begich	Boo	Carruthers	Dempsey
Anderson, R.	Bennett	Brown	Clark	Dille
Battaglia	Bertram	Burger	Cooper	Dorn
Bauerly	Bishop	Carlson, D.	Dauner	Forsythe

Frederick	Kalis	Munger	Pelowski	Skoglund
Girard	Kelso	Murphy	Peterson	Solberg
Greenfield	Kinkel	Nelson, C.	Poppenhagen	Sparby
Gruenes	Knickerbocker	Nelson, K.	Price	Stanius
Gutknecht	Kostohryz	Neuenschwander	Pugh	Steensma
Hartle	Krueger	O'Connor	Quinn	Sviggum
Hasskamp	Lasley	Ogren	Redalen	Swenson
Haukoos	Lieder	Olsen, S.	Reding	Trimble
Hausman	Limmer	Olson, E.	Rest	Tunheim
Heap	Long	Olson, K.	Rice	Uphus
Henry	Lynch	Omann	Richter	Valento
Himle	Macklin	Onnen	Rodosovich	Vellenga
Hugoson	Marsh	Orenstein	Rukavina	Wagenius
Jacobs	McDonald	Osthoff	Runbeck	Waltman
Jaros	McEachern	Ostrom	Sarna	Weaver
Jefferson	McGuire	Otis	Schafer	Welle
Johnson, A.	McLaughlin	Ozment	Scheid	Wenzel
Johnson, R.	McPherson	Pappas	Schreiber	Williams
Johnson, V.	Milbert	Pauly	Segal	Winter
Kahn	Morrison	Pellow	Simoneau	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1861, A bill for an act relating to game and fish; requiring the commissioner of natural resources to adopt an order regulating the sale and use of blowguns; proposing coding for new law in Minnesota Statutes, chapter 97B.

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:

Abrams	Girard	Lasley	Orenstein	Segal
Anderson, G.	Greenfield	Lieder	Osthoff	Simoneau
Anderson, R.	Gruenes	Limmer	Ostrom	Skoglund
Battaglia	Gutknecht	Long	Otis	Solberg
Bauerly	Hartle	Lynch	Ozment	Sparby
Beard	Hasskamp	Macklin	Pappas	Stanius
Begich	Haukoos	Marsh	Pauly	Steensma
Bennett	Hausman	McDonald	Pellow	Sviggum
Bertram	Heap	McEachern	Pelowski	Swenson
Blatz	Henry	McGuire	Peterson	Tjornhom
Boo	Himle	McLaughlin	Poppenhagen	Tompkins
Brown	Hugoson	McPherson	Price	Trimble
Burger	Jacobs	Milbert	Pugh	Tunheim
Carlson, D.	Jaros	Morrison	Quinn	Uphus
Carlson, L.	Jefferson	Munger	Redalen	Valento
Carruthers	Johnson, A.	Murphy	Reding	Vellenga
Clark	Johnson, R.	Nelson, C.	Rest	Wagenius
Cooper	Johnson, V.	Nelson, K.	Rice	Waltman
Dauner	Kahn	Neuenschwander	Richter	Weaver
Dawkins	Kalis	O'Connor	Rodosovich	Welle
Dempsey	Kelly	Ogren	Rukavina	Wenzel
Dille	Kelso	Olsen, S.	Runbeck	Williams
Dorn	Kinkel	Olson, E.	Sarna	Winter
Forsythe	Knickerbocker	Olson, K.	Schafer	Spk. Vanasek
Frederick	Kostohryz	Omann	Scheid	
Frerichs	Krueger	Onnen	Schreiber	

The bill was passed and its title agreed to.

H. F. No. 2204, A bill for an act relating to insurance; clarifying an insurer's duty to provide loss or claims experience data to an insured; regulating insurance fair information reporting; amending Minnesota Statutes 1989 Supplement, sections 72A.20, subdivision 26; 72A.501, subdivision 1; and 72A.502, subdivision 9, 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 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Omann	Scheid
Anderson, G.	Girard	Krueger	Onnen	Schreiber
Anderson, R.	Greenfield	Lasley	Orenstein	Segal
Battaglia	Gruenes	Lieder	Osthoff	Simoneau
Bauerly	Gutknecht	Limmer	Ostrom	Skoglund
Beard	Hartle	Long	Otis	Solberg
Begich	Hasskamp	Lynch	Ozment	Sparby
Bennett	Haukoos	Macklin	Pappas	Stanius
Bertram	Hausman	Marsh	Pauly	Steensma
Bishop	Heap	McDonald	Pellow	Sviggum
Blatz	Henry	McEachern	Pelowski	Swenson
Boo	Himle	McGuire	Peterson	Tompkins
Brown	Hugoson	McLaughlin	Poppenhagen	Trimble
Burger	Jacobs	McPherson	Price	Tunheim
Carlson, D.	Janezich	Milbert	Pugh	Uphus
Carlson, L.	Jaros	Morrison	Quinn	Valento
Carruthers	Jefferson	Munger	Redalen	Vellenga
Clark	Johnson, A.	Murphy	Reding	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rest	Waltman
Dauner	Johnson, V.	Nelson, K.	Rice	Weaver
Dawkins	Kahn	Neuenschwander	Richter	Welle
Dempsey	Kalis	O'Connor	Rodosovich	Wenzel
Dille	Kelly	Ogren	Rukavina	Williams
Dorn	Kelso	Olsen, S.	Runbeck	Winter
Forsythe	Kinkel	Olson, E.	Sarna	Spk. Vanasek
Frederick	Knickerbocker	Olson, K.	Schafer	

The bill was passed and its title agreed to.

H. F. No. 2242, A bill for an act relating to insurance; no-fault auto; exempting certain antique automobiles and recreational vehicles from rental vehicle coverage; amending Minnesota Statutes 1989 Supplement, section 65A.49, subdivision 5a.

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:

Abrams	Frerichs	Krueger	Onnen	Segal
Anderson, G.	Girard	Lasley	Orenstein	Simoneau
Anderson, R.	Greenfield	Lieder	Osthoff	Skoglund
Battaglia	Gruenes	Limmer	Ostrom	Sparby
Bauerly	Gutknecht	Long	Otis	Stanius
Beard	Hartle	Lynch	Ozment	Steensma
Begich	Hasskamp	Macklin	Pauly	Sviggum
Bennett	Haukoos	Marsh	Pellow	Swenson
Bertram	Hausman	McDonald	Pelowski	Tjornhom
Bishop	Heap	McEachern	Peterson	Tompkins
Blatz	Henry	McGuire	Poppenhagen	Trimble
Boo	Himle	McLaughlin	Price	Tunheim
Brown	Hugoson	McPherson	Pugh	Uphus
Burger	Jacobs	Milbert	Quinn	Valento
Carlson, D.	Jaros	Morrison	Redalen	Vellenga
Carlson, L.	Jefferson	Munger	Reding	Wagenius
Carruthers	Johnson, A.	Murphy	Rest	Waltman
Clark	Johnson, R.	Nelson, C.	Rice	Weaver
Cooper	Johnson, V.	Nelson, K.	Richter	Welle
Dauner	Kahn	Neuenschwander	Rodosovich	Wenzel
Dawkins	Kalis	O'Connor	Rukavina	Williams
Dempsey	Kelly	Ogren	Runbeck	Winter
Dille	Kelso	Olsen, S.	Sarna	Spk. Vanasek
Dorn	Kinkel	Olson, E.	Schafer	
Forsythe	Knickerbocker	Olson, K.	Scheid	
Frederick	Kostohryz	Omann	Schreiber	

The bill was passed and its title agreed to.

H. F. No. 2685 was reported to the House.

Pelowski moved that H. F. No. 2685 be continued on the Consent Calendar. The motion prevailed.

H. F. No. 2521, A bill for an act relating to health care; increasing the membership of the health care access commission; amending Minnesota Statutes 1989 Supplement, section 62J.02, 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:

Abrams	Beard	Blatz	Carlson, L.	Dawkins
Anderson, G.	Begich	Boo	Carruthers	Dempsey
Anderson, R.	Bennett	Brown	Clark	Dille
Battaglia	Bertram	Burger	Cooper	Dorn
Bauerly	Bishop	Carlson, D.	Dauner	Forsythe

Frederick	Kahn	Morrison	Pelowski	Solberg
Frerichs	Kalis	Munger	Peterson	Sparby
Girard	Kelly	Murphy	Poppenhagen	Stanius
Greenfield	Kelso	Nelson, C.	Price	Steenma
Gruenes	Kinkel	Nelson, K.	Pugh	Sviggum
Gutknecht	Knickerbocker	Neuenschwander	Quinn	Swenson
Hartle	Kostohryz	O'Connor	Redalen	Tjornhom
Hasskamp	Krueger	Ogren	Reding	Tompkins
Haukoos	Lasley	Olsen, S.	Rest	Trimble
Hausman	Lieder	Olson, E.	Rice	Tunheim
Heap	Limmer	Olson, K.	Richter	Uphus
Henry	Long	Omann	Rodosovich	Valento
Himle	Lynch	Onnen	Rukavina	Vellenga
Hugoson	Macklin	Orenstein	Runbeck	Wagenius
Jacobs	Marsh	Osthoff	Sarna	Waltman
Janezich	McDonald	Ostrom	Schafer	Weaver
Jaros	McEachern	Otis	Scheid	Welle
Jefferson	McGuire	Ozment	Schreiber	Wenzel
Johnson, A.	McLaughlin	Pappas	Segal	Williams
Johnson, R.	McPherson	Pauly	Simoneau	Winter
Johnson, V.	Milbert	Pellow	Skoglund	Spk. Vanasek

The bill was passed and its title agreed to.

CALENDAR

H. F. No. 1952, A bill for an act relating to crimes; permitting individuals to request that the commissioner of public safety hold certain information on the individual as private; increasing penalties for certain acts of harassment; expanding the crime of terroristic threats to include threats made through an intermediary; authorizing courts to issue orders to restrain acts of harassment; amending Minnesota Statutes 1988, sections 171.12, by adding a subdivision; and 609.713, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 168 and 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 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Carlson, D.	Gruenes	Johnson, A.	Macklin
Anderson, G.	Carlson, L.	Gutknecht	Johnson, R.	Marsh
Anderson, R.	Carruthers	Hartle	Johnson, V.	McGuire
Battaglia	Clark	Hasskamp	Kahn	McLaughlin
Bauerly	Cooper	Haukoos	Kelly	Milbert
Beard	Dauner	Hausman	Kelso	Morrison
Begich	Dawkins	Heap	Kinkel	Munger
Bennett	Dille	Henry	Knickerbocker	Murphy
Bertram	Dorn	Himle	Krueger	Nelson, C.
Bishop	Forsythe	Hugoson	Lasley	Nelson, K.
Blatz	Frederick	Jacobs	Lieder	Neuenschwander
Boo	Frerichs	Janezich	Limmer	O'Connor
Brown	Girard	Jaros	Long	Ogren
Burger	Greenfield	Jefferson	Lynch	Olsen, S.

Olson, E.	Pellow	Richter	Stanius	Waltman
Olson, K.	Pelowski	Rodosovich	Steensma	Weaver
Omann	Peterson	Rukavina	Swenson	Welle
Onnen	Poppenhagen	Runbeck	Tjornhom	Wenzel
Orenstein	Price	Schafer	Tompkins	Williams
Osthoff	Pugh	Scheid	Trimble	Winter
Ostrom	Quinn	Segal	Tunheim	Spk. Vanasek
Otis	Redalen	Simoneau	Uphus	
Ozment	Reding	Skoglund	Valento	
Pappas	Rest	Solberg	Vellenga	
Pauly	Rice	Sparby	Wagenius	

Those who voted in the negative were:

Dempsey Sviggum

The bill was passed and its title agreed to.

H. F. No. 1841, A bill for an act relating to consumer protection; regulating membership travel contracts; providing a right to cancel; prescribing penalties; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325G.

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:

Abrams	Frerichs	Kostohryz	Omann	Scheid
Anderson, G.	Girard	Krueger	Onnen	Schreiber
Anderson, R.	Greenfield	Lasley	Orenstein	Segal
Battaglia	Gruenes	Lieder	Osthoff	Simoneau
Bauerly	Gutknecht	Limmer	Ostrom	Skoglund
Beard	Hartle	Long	Otis	Solberg
Begich	Hasskamp	Lynch	Ozment	Sparby
Bennett	Haukoos	Macklin	Pappas	Steensma
Bertram	Hausman	Marsh	Pauly	Sviggum
Bishop	Heap	McDonald	Pellow	Swenson
Blatz	Henry	McEachern	Pelowski	Tjornhom
Boo	Himle	McGuire	Peterson	Tompkins
Brown	Hugoson	McLaughlin	Poppenhagen	Trimble
Burger	Jacobs	McPherson	Price	Tunheim
Carlson, D.	Janezich	Milbert	Pugh	Uphus
Carlson, L.	Jaros	Morrison	Quinn	Valento
Carruthers	Jefferson	Munger	Redalen	Vellenga
Clark	Johnson, A.	Murphy	Reding	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rest	Waltman
Dauner	Johnson, V.	Nelson, K.	Rice	Weaver
Dawkins	Kahn	Neuenschwander	Richter	Welle
Dempsey	Kalis	O'Connor	Rodosovich	Wenzel
Dille	Kelly	Ogren	Rukavina	Williams
Dorn	Kelso	Olsen, S.	Runbeck	Winter
Forsythe	Kinkel	Olson, E.	Sarna	Spk. Vanasek
Frederick	Knickerbocker	Olson, K.	Schafer	

The bill was passed and its title agreed to.

H. F. No. 1883, A bill for an act relating to water resources; approving certain permits under certain conditions; amending Minnesota Statutes 1988, section 105.405, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Omann	Schreiber
Anderson, G.	Girard	Krueger	Onnen	Segal
Anderson, R.	Greenfield	Lasley	Orenstein	Simoneau
Battaglia	Gruenes	Lieder	Osthoff	Skoglund
Bauerly	Gutknecht	Limmer	Ostrom	Solberg
Beard	Hartle	Long	Otis	Sparby
Begich	Hasskamp	Lynch	Ozment	Stanius
Bennett	Haukoos	Macklin	Pappas	Steenasma
Bertram	Hausman	Marsh	Pauly	Sviggum
Bishop	Heap	McDonald	Pellow	Swenson
Blatz	Henry	McEachern	Pelowski	Tjornhom
Boo	Himle	McGuire	Peterson	Tompkins
Brown	Hugoson	McLaughlin	Poppenhagen	Trimble
Burger	Jacobs	McPherson	Price	Tunheim
Carlson, D.	Janezich	Milbert	Pugh	Uphus
Carlson, L.	Jaros	Morrison	Quinn	Valento
Carruthers	Jefferson	Munger	Redalen	Vellenga
Clark	Johnson, A.	Murphy	Reding	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rest	Waltman
Dauner	Johnson, V.	Nelson, K.	Rice	Weaver
Dawkins	Kahn	Neuenschwander	Richter	Welle
Dempsey	Kalis	O'Connor	Rodosovich	Wenzel
Dille	Kelly	Ogren	Rukavina	Williams
Dorn	Kelso	Olsen, S.	Runbeck	Winter
Forsythe	Kinkel	Olson, E.	Sarna	Spk. Vanasek
Frederick	Knickerbocker	Olson, K.	Scheid	

The bill was passed and its title agreed to.

H. F. No. 1921, A bill for an act relating to waste; prohibiting the placement of certain dry cell batteries in mixed municipal solid waste; requiring labeling of certain batteries by electrode content; establishing maximum content levels of mercury in batteries; requiring that batteries in certain consumer products be easily removable; providing penalties; proposing coding for new law in Minnesota Statutes, chapters 115A and 325E.

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:

Abrams	Frerichs	Kostohryz	Onnen	Schreiber
Anderson, G.	Girard	Krueger	Orenstein	Segal
Anderson, R.	Greenfield	Lasley	Osthoff	Simoneau
Battaglia	Gruenes	Lieder	Ostrom	Skoglund
Bauerly	Gutknecht	Limmer	Otis	Solberg
Beard	Hartle	Long	Ozment	Sparby
Begich	Hasskamp	Lynch	Pappas	Stanius
Bennett	Haukoos	Macklin	Pauly	Steenasma
Bertram	Hausman	Marsh	Pellow	Swiggum
Bishop	Heap	McDonald	Pelowski	Swenson
Blatz	Henry	McEachern	Peterson	Tjornhom
Boo	Himle	McGuire	Poppenhagen	Tompkins
Brown	Hugoson	McLaughlin	Price	Trimble
Burger	Jacobs	McPherson	Pugh	Tunheim
Carlson, D.	Janezich	Milbert	Quinn	Uphus
Carlson, L.	Jaros	Morrison	Redalen	Valento
Carruthers	Jefferson	Munger	Reding	Vellenga
Clark	Johnson, A.	Murphy	Rest	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rice	Waltman
Dauner	Johnson, V.	Nelson, K.	Richter	Weaver
Dawkins	Kahn	Neuenschwander	Rodosovich	Welle
Dempsey	Kalis	O'Connor	Rukavina	Wenzel
Dille	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Frederick	Knickerbocker	Omann	Scheid	

The bill was passed and its title agreed to.

H. F. No. 1964, A bill for an act relating to mining; amending certain provisions relating to operators' bonds; amending Minnesota Statutes 1988, section 93.49.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Clark	Hausman	Knickerbocker	Murphy
Anderson, G.	Cooper	Heap	Kostohryz	Nelson, C.
Anderson, R.	Dauner	Henry	Krueger	Nelson, K.
Battaglia	Dawkins	Himle	Lasley	Neuenschwander
Bauerly	Dempsey	Hugoson	Lieder	O'Connor
Beard	Dille	Jacobs	Limmer	Ogren
Begich	Dorn	Janezich	Long	Olsen, S.
Bennett	Forsythe	Jaros	Lynch	Olson, E.
Bertram	Frederick	Jefferson	Macklin	Olson, K.
Bishop	Frerichs	Johnson, A.	Marsh	Omann
Blatz	Girard	Johnson, R.	McDonald	Onnen
Boo	Greenfield	Johnson, V.	McEachern	Orenstein
Brown	Gruenes	Kahn	McGuire	Osthoff
Burger	Gutknecht	Kalis	McPherson	Ostrom
Carlson, D.	Hartle	Kelly	Milbert	Otis
Carlson, L.	Hasskamp	Kelso	Morrison	Ozment
Carruthers	Haukoos	Kinkel	Munger	Pappas

Pauly	Reding	Scheid	Sviggum	Wagenius
Pellow	Rest	Schreiber	Swenson	Waltman
Pelowski	Rice	Segal	Tjornhom	Weaver
Peterson	Richter	Simoneau	Tompkins	Welle
Poppenhagen	Rodosovich	Skoglund	Trimble	Wenzel
Price	Rukavina	Solberg	Tunheim	Williams
Pugh	Runbeck	Sparby	Uphus	Winter
Quinn	Sarna	Stanius	Valento	
Redalen	Schafer	Steensma	Vellenga	

The bill was passed and its title agreed to.

H. F. No. 1968, A bill for an act relating to commerce; increasing the amount of the department's general civil penalty; amending Minnesota Statutes 1988, section 45.027, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Omann	Scheid
Anderson, G.	Girard	Krueger	Onnen	Schreiber
Anderson, R.	Greenfield	Lasley	Orenstein	Segal
Battaglia	Gruenes	Lieder	Osthoff	Simoneau
Bauerly	Gutknecht	Limmer	Ostrom	Skoglund
Beard	Hartle	Long	Otis	Solberg
Begich	Hasskamp	Lynch	Ozment	Sparby
Bennett	Haukoos	Macklin	Pappas	Stanius
Bertram	Hausman	Marsh	Pauly	Steensma
Bishop	Heap	McDonald	Pellow	Sviggum
Blatz	Henry	McEachern	Pelowski	Swenson
Boo	Himle	McGuire	Peterson	Tjornhom
Brown	Hugoson	McLaughlin	Poppenhagen	Tompkins
Burger	Jacobs	McPherson	Price	Trimble
Carlson, D.	Janezich	Milbert	Pugh	Tunheim
Carlson, L.	Jaros	Morrison	Quinn	Uphus
Carruthers	Jefferson	Munger	Redalen	Valento
Clark	Johnson, A.	Murphy	Reding	Vellenga
Cooper	Johnson, R.	Nelson, C.	Rest	Wagenius
Dauner	Johnson, V.	Nelson, K.	Rice	Waltman
Dawkins	Kahn	Neuenchwander	Richter	Weaver
Dempsey	Kalis	O'Connor	Rodosovich	Welle
Dille	Kelly	Ogren	Rukavina	Wenzel
Dorn	Kelso	Olsen, S.	Runbeck	Williams
Forsythe	Kinkel	Olson, E.	Sarna	Winter
Frederick	Knickerbocker	Olson, K.	Schafer	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1983, A bill for an act relating to insurance; regulating coverages under Medicare supplement plans; requiring insurers to submit claims experience and earned premiums data; amending Minnesota Statutes 1988, 62A.36, by adding a subdivision; Minnesota Statutes 1989 Supplement, 62A.31, subdivision 2; 62A.315; and 62A.316.

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:

Abrams	Frerichs	Kostohryz	Omahn	Scheid
Anderson, G.	Girard	Krueger	Onnen	Schreiber
Anderson, R.	Greenfield	Lasley	Orenstein	Segal
Battaglia	Gruenes	Lieder	Osthoff	Simoneau
Bauerly	Gutknecht	Limmer	Ostrom	Skoglund
Beard	Hartle	Long	Otis	Solberg
Begich	Hasskamp	Lynch	Ozment	Sparby
Bennett	Haukoos	Macklin	Pappas	Stanius
Bertram	Hausman	Marsh	Pauly	Steenasma
Bishop	Heap	McDonald	Pellow	Sviggum
Blatz	Henry	McEachern	Pelowski	Swenson
Boo	Himle	McGuire	Peterson	Tjornhom
Brown	Hugoson	McLaughlin	Poppenhagen	Tompkins
Burger	Jacobs	McPherson	Price	Trimble
Carlson, D.	Janezich	Milbert	Pugh	Tunheim
Carlson, L.	Jaros	Morrison	Quinn	Uphus
Carruthers	Jefferson	Munger	Redalen	Valento
Clark	Johnson, A.	Murphy	Reding	Vellenga
Cooper	Johnson, R.	Nelson, C.	Rest	Wagenius
Dauner	Johnson, V.	Nelson, K.	Rice	Waltman
Dawkins	Kahn	Neuenschwander	Richter	Weaver
Dempsey	Kalis	O'Connor	Rodosovich	Welle
Dille	Kelly	Ogren	Rukavina	Wenzel
Dorn	Kelso	Olsen, S.	Runbeck	Williams
Forsythe	Kinkel	Olson, E.	Sarna	Winter
Frederick	Knickerbocker	Olson, K.	Schafer	Spk. Vanasek

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Long, 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 19, 1990:

H. F. Nos. 2081, 2103 and 1987; S. F. No. 956; H. F. Nos. 2594, 1981, 2012, 2059, 2212, 2294, 1730, 1857, 2062, 2135, 2162, 1897, 1991, 2011, 2078, 2084, 2132, 2187, 2299, 2343 and 2381; S. F. No. 2353; H. F. Nos. 1939 and 1960; S. F. No. 1922; and H. F. No. 2092.

SPECIAL ORDERS

H. F. No. 2081 was reported to the House.

Reding moved to amend H. F. No. 2081, the first engrossment, as follows:

Page 5, after line 15, insert:

"Sec. 7. Minnesota Statutes 1989 Supplement, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. [UNCLASSIFIED POSITIONS.] Unclassified positions are held by employees who are:

- (a) chosen by election or appointed to fill an elective office;
- (b) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;
- (c) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a;
- (d) the confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;
- (e) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;
- (f) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the office of the adjutant general;
- (g) employees of the Washington, D.C., office of the state of Minnesota;
- (h) employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries; shall be employees in the classified service;
- (i) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal economic opportunity act work study program in the school and resource center for the arts, state universities and community colleges, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

(j) officers and enlisted persons in the national guard;

(k) attorneys, legal assistants, examiners, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(l) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;

(m) members of the state patrol; provided that selection and appointment of state patrol troopers shall be made in accordance with applicable laws governing the classified service;

(n) chaplains employed by the state;

(o) examination monitors and intermittent training instructors employed by the departments of employee relations and commerce and by professional examining boards;

(p) student workers;

(q) one position in the hazardous substance notification and response activity in the department of public safety;

(r) employees unclassified pursuant to other statutory authority;
and

(s) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation; and

(t) the administrator and the deputy administrator at the state academies for the deaf and blind."

Page 24, after line 19, insert:

"Sec. 38. Minnesota Statutes 1988, section 237.51, subdivision 5, is amended to read:

Subd. 5. [DUTIES.] In addition to any duties specified elsewhere in sections 237.51 to 237.56, the board shall:

(1) define economic hardship, special needs, and household criteria so as to determine the priority of eligible applicants for initial distribution of devices and to determine circumstances necessitating provision of more than one communication device per household;

(2) establish a method to verify eligibility requirements;

(3) establish specifications for communication devices to be purchased under section 237.53, subdivision 3;

(4) enter contracts for the establishment and operation of the message relay service pursuant to section 237.54;

(5) inform the public and specifically the community of communication-impaired persons of the program;

(6) prepare the reports required by section 237.55;

(7) administer the fund created in section 237.52;

(8) retain the services of a program administrator whose position is in the unclassified service;

(9) adopt rules, including emergency rules, under chapter 14 to implement the provisions of sections 237.50 to 237.56; and

(10) study the potential economic impact of the program on local communication device retailers and dispensers. Notwithstanding any provision of chapter 16B, the board shall develop guidelines for the purchase of some communication devices from local retailers and dispensers if the study determines that otherwise they will be economically harmed by implementation of sections 237.50 to 237.56."

Renumber the sections

Correct internal cross references

Amend the title as follows:

Page 1, line 12, after the semicolon insert "designating certain positions in the unclassified service;"

Page 1, line 23, after the second semicolon insert "237.51, subdivision 5;"

Page 1, line 25, after "section" insert "43A.08, subdivision 1;"

The motion prevailed and the amendment was adopted.

The Speaker called Rodosovich to the Chair.

McLaughlin and Reding moved to amend H. F. No. 2081, the first engrossment, as amended, as follows:

Page 1, after line 30, insert:

"Section 1. Minnesota Statutes 1988, section 15A.081, subdivision 7b, is amended to read:

Subd. 7b. [HIGHER EDUCATION OFFICERS.] The state university board, the state board for community colleges, the state board of vocational technical education, and the higher education coordinating board shall set the salary rates for, respectively, the chancellor of the state universities, the chancellor of the community colleges, the state director of vocational technical education, and the executive director of the higher education coordinating board. The respective 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. Salary rates for the positions specified in this subdivision may not exceed 95 percent of the salary of the governor under section 15A.082, subdivision 3. In deciding whether to recommend a salary increase, the governing board shall consider the performance of the chancellor or director, including the chancellor's or director's progress toward attaining affirmative action goals.

Page 11, line 14, after the period, insert "The performance evaluation must include a review of an incumbent's progress toward attainment of affirmative action goals."

Renumber the sections

Correct internal cross references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 2081, A bill for an act relating to state government; regulating certain employment practices; permitting the transfer of vacation and sick leave for certain gubernatorial appointees; permitting employees on permanent layoff to test into new state positions; authorizing the donation of the value accrued vacation leave to other state employees under certain circumstances; making technical changes in the public employees insurance program; eliminating the authority of the board of medical examiners and the board of dentistry to set the salaries of their executive directors; designating certain positions in the unclassified service; eliminating obsolete language; appropriating money; amending Minnesota Statutes 1988, sections 15A.081, subdivision 7b, and by adding a subdivision; 15A.083, subdivisions 5 and 7; 43A.04, subdivisions 1 and 3, and by adding a subdivision; 43A.10, subdivisions 7 and 8; 43A.12, subdivision 10; 43A.13, subdivisions 2, 3, 4, 5, 6, and 7; 43A.15, subdivision 10; 43A.17, subdivisions 1 and 8; 43.18, subdivisions 4 and 5; 43A.191, subdivisions 2 and 3; 43A.23, subdivision 1; 43A.27, subdivision 4; 43A.316, subdivisions 2, 3, 5, 7, and 8; 43A.37, subdivision 1;

176.421, by adding a subdivision; 176B.02; 237.51, subdivision 5; 473.405, subdivision 12; Minnesota Statutes 1989 Supplement, section 43A.08, subdivision 1; 43A.316, subdivisions 9 and 10; 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 43A; repealing Minnesota Statutes 1988, section 43A.081, subdivisions 1, 2, 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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Lasley	Orenstein	Simoneau
Anderson, G.	Gruenes	Lieder	Osthoff	Skoglund
Anderson, R.	Gutknecht	Limmer	Ostrom	Solberg
Battaglia	Hartle	Long	Otis	Sparby
Beard	Hasskamp	Lynch	Ozment	Stanius
Begich	Haukoos	Macklin	Pappas	Steensma
Bennett	Hausman	Marsh	Pauly	Sviggum
Bishop	Heap	McDonald	Pellow	Swenson
Blatz	Henry	McEachern	Pelowski	Tjornhom
Boo	Himle	McGuire	Peterson	Tompkins
Brown	Hugoson	McLaughlin	Poppenhagen	Trimble
Burger	Jacobs	McPherson	Pugh	Uphus
Carlson, D.	Janezich	Milbert	Quinn	Valento
Carlson, L.	Jaros	Morrison	Redalen	Vellenga
Carruthers	Jefferson	Munger	Reding	Wagenius
Clark	Johnson, A.	Murphy	Rest	Waltman
Cooper	Johnson, R.	Nelson, C.	Rice	Weaver
Dauner	Johnson, V.	Nelson, K.	Richter	Welle
Dawkins	Kahn	Neuenschwander	Rodosovich	Wenzel
Dempsey	Kalis	O'Connor	Rukavina	Williams
Dille	Kelly	Ogren	Runbeck	Winter
Dorn	Kelso	Olsen, S.	Sarna	Spk. Vanasek
Forsythe	Kinkel	Olsen, E.	Schafer	
Frederick	Knickerbocker	Olsen, K.	Scheid	
Frerichs	Kostohryz	Omann	Schreiber	
Girard	Krueger	Onnen	Segal	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2103 was reported to the House.

Reding moved to amend H. F. No. 2103, the first engrossment, as follows:

Page 1, line 15, delete “by December 31 each” and insert “within six months after the end of the fund’s fiscal”

Page 1, line 16, delete “12-month period ending with the prior June 30” and insert “most recently completed fiscal year”

The motion prevailed and the amendment was adopted.

H. F. No. 2103, A bill for an act relating to public employee retirement plans; requiring the regular reporting of investment performance results calculated on a time-weighted total rate of return basis; proposing coding for new law in Minnesota Statutes, chapter 356.

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:

Abrams	Girard	Krueger	Onnen	Schreiber
Anderson, G.	Greenfield	Lasley	Orenstein	Segal
Anderson, R.	Gruenes	Lieder	Osthoff	Simoneau
Battaglia	Gutknecht	Limmer	Ostrom	Skoglund
Bauerly	Hartle	Long	Otis	Solberg
Beard	Hasskamp	Lynch	Ozment	Sparby
Begich	Haukoos	Macklin	Pappas	Stanius
Bennett	Hausman	Marsh	Pauly	Steenasma
Bishop	Heap	McDonald	Pellow	Sviggum
Blatz	Henry	McEachern	Pelowski	Swenson
Boo	Himle	McGuire	Peterson	Tjornhom
Bröwn	Hugoson	McLaughlin	Poppenhagen	Tompkins
Burger	Jacobs	McPherson	Price	Trimble
Carlson, D.	Janezich	Milbert	Pugh	Uphus
Carlson, L.	Jaros	Morrison	Quinn	Valento
Carruthers	Jefferson	Munger	Redalen	Vellenga
Clark	Johnson, A.	Murphy	Reding	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rest	Waltman
Dauner	Johnson, V.	Nelson, K.	Rice	Weaver
Dawkins	Kahn	Neuenschwander	Richter	Welle
Dempsey	Kalis	O'Connor	Rodosovich	Wenzel
Dille	Kelly	Ogren	Rukavina	Williams
Dorn	Kelso	Olsen, S.	Runbeck	Winter
Forsythe	Kinkel	Olson, E.	Sarna	Spk. Vanasek
Frederick	Knickerbocker	Olson, K.	Schafer	
Frichs	Kostohryz	Omann	Scheid	

The bill was passed, as amended, and its title agreed to.

H. F. No. 1987, A bill for an act relating to housing; establishing a procedure for the allocation of low-income housing tax credits; amending Minnesota Statutes 1988, sections 462A.221, by adding subdivisions; 462A.222, subdivisions 2, 3, and by adding subdivisions; and 462A.223, 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Orenstein	Segal
Anderson, G.	Girard	Krueger	Osthoff	Simoneau
Anderson, R.	Greenfield	Lasley	Ostrom	Skoglund
Battaglia	Gruenes	Lieder	Otis	Solberg
Bauerly	Gutknecht	Limmer	Ozment	Sparby
Beard	Hartle	Long	Pappas	Stanius
Begich	Hasskamp	Lynch	Pauly	Steensma
Bennett	Haukoos	Macklin	Pellow	Sviggum
Bertram	Hausman	Marsh	Pelowski	Swenson
Bishop	Heap	McDonald	Peterson	Tjornhom
Blatz	Henry	McEachern	Poppenhagen	Tompkins
Boo	Himle	McGuire	Price	Trimble
Brown	Hugoson	McLaughlin	Pugh	Tunheim
Burger	Jacobs	McPherson	Quinn	Uphus
Carlson, D.	Janezich	Milbert	Redalen	Valento
Carlson, L.	Jaros	Morrison	Reding	Vellenga
Carruthers	Jefferson	Munger	Rest	Wagenius
Clark	Johnson, A.	Murphy	Rice	Waltman
Cooper	Johnson, R.	Nelson, C.	Richter	Weaver
Dauner	Johnson, V.	Neuenschwander	Rodosovich	Welle
Dawkins	Kahn	O'Connor	Rukavina	Wenzel
Dempsey	Kalis	Olsen, S.	Sarna	Williams
Dille	Kelly	Olson, E.	Schafer	Winter
Dorn	Kelso	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Kinkel	Omann	Schreiber	
Frederick	Knickerbocker	Onnen	Seaberg	

The bill was passed and its title agreed to.

S. F. No. 956 was reported to the House.

Sparby moved to amend S. F. No. 956, the unofficial engrossment, as follows:

Page 1, line 18, delete "7" and insert "6"

The motion prevailed and the amendment was adopted.

S. F. No. 956, A bill for an act relating to waste management; requiring a county that enters a contract with the state for the siting and development of a stabilization and containment facility to hold a binding referendum on implementation of the contract; amending Minnesota Statutes 1988, section 115A.191, 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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Orenstein	Simoneau
Anderson, G.	Girard	Krueger	Osthoff	Solberg
Anderson, R.	Greenfield	Lasley	Ostrom	Sparby
Battaglia	Gruenes	Limmer	Otis	Stanius
Bauerly	Gutknecht	Long	Ozment	Steensma
Beard	Hartle	Lynch	Pauly	Sviggum
Begich	Hasskamp	Macklin	Pellow	Swenson
Bennett	Haukoos	Marsh	Pelowski	Tjornhom
Bertram	Hausman	McDonald	Peterson	Tompkins
Bishop	Heap	McEachern	Poppenhagen	Trimble
Blatz	Henry	McGuire	Price	Tunheim
Boo	Himle	McLaughlin	Pugh	Uphus
Brown	Hugoson	McPherson	Quinn	Valento
Burger	Jacobs	Milbert	Redalen	Vellenga
Carlson, D.	Janezich	Morrison	Reding	Wagenius
Carlson, L.	Jaros	Munger	Rest	Waltman
Carruthers	Jefferson	Murphy	Rice	Weaver
Clark	Johnson, A.	Nelson, C.	Richter	Welle
Cooper	Johnson, R.	Nelson, K.	Rodosovich	Wenzel
Dauner	Johnson, V.	Neuenschwander	Rukavina	Williams
Dawkins	Kahn	O'Connor	Runbeck	Winter
Dempsey	Kalis	Ogren	Sarna	Spk. Vanasek
Dille	Kelly	Olsen, S.	Schafer	
Dorn	Kelso	Olson, K.	Schreiber	
Forsythe	Kinkel	Omman	Seaberg	
Frederick	Knickerbocker	Onnen	Segal	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2594, A bill for an act relating to commerce; regulating trade practices; prohibiting contracts from providing an exclusive right to display free newspapers for distribution in any place of public accommodation; proposing coding for new law in Minnesota Statutes, chapter 325E.

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:

Abrams	Carlson, L.	Gutknecht	Johnson, V.	Marsh
Anderson, G.	Carruthers	Hartle	Kahn	McDonald
Anderson, R.	Clark	Hasskamp	Kalis	McEachern
Battaglia	Cooper	Haukoos	Kelly	McGuire
Bauerly	Dauner	Hausman	Kelso	McLaughlin
Beard	Dawkins	Heap	Kinkel	McPherson
Begich	Dempsey	Henry	Knickerbocker	Milbert
Bennett	Dille	Himle	Kostohryz	Morrison
Bertram	Dorn	Hugoson	Krueger	Munger
Bishop	Forsythe	Jacobs	Lasley	Murphy
Blatz	Frederick	Janezich	Lieder	Nelson, C.
Boo	Frerichs	Jaros	Limmer	Nelson, K.
Brown	Girard	Jefferson	Long	Neuenschwander
Burger	Greenfield	Johnson, A.	Lynch	O'Connor
Carlson, D.	Gruenes	Johnson, R.	Macklin	Ogren

Olsen, S.	Pellow	Rodosovich	Sparby	Wagenius
Olson, E.	Pelowski	Rukavina	Stanius	Waltman
Olson, K.	Peterson	Runbeck	Steensma	Weaver
Omann	Poppenhagen	Sarna	Sviggum	Welle
Onnen	Price	Schafer	Swenson	Wenzel
Orenstein	Pugh	Scheid	Tjornhom	Williams
Osthoff	Quinn	Schreiber	Tompkins	Winter
Ostrom	Redalen	Seaberg	Trimble	Spk. Vanasek
Otis	Reding	Segal	Tunheim	
Ozment	Rest	Simoneau	Uphus	
Pappas	Rice	Skoglund	Valento	
Pauly	Richter	Solberg	Vellenga	

The bill was passed and its title agreed to.

H. F. No. 1981 was reported to the House.

Johnson, A., and Seaberg moved to amend H. F. No. 1981, as follows:

Page 2, line 18, after "person" insert "or mailing address if provided to the commissioner under section 3."

Page 3, after line 12, insert a section to read:

"Sec. 3. [168.346] [REQUEST TO USE MAILING ADDRESS IN CERTAIN CASES.]

The owner of a motor vehicle may request in writing that the owner's residence address be classified as private data on individuals, as defined in section 13.02, subdivision 12. The commissioner shall grant the classification upon receipt of reasonable evidence that the classification is required for the safety of the applicant or the applicant's family. When the classification is granted, the applicant must provide a mailing address that is a valid, existing address where the applicant consents to receive service of process and that is in the same county as the residence address. The commissioner shall use the mailing address in place of the residence address in all documents and notices pertaining to the motor vehicle. The residence address and any information provided in the classification request shall be held as private data on individuals and may be provided only to requesting law enforcement agencies."

Renumber the remaining sections

Amend the title:

Page 1, line 5, after "address" insert "or mailing address"

Page 1, line 6, after the semicolon insert "permitting motor

vehicle owners to classify residence addresses as private data and to use mailing addresses on motor vehicle registration forms;"

Page 1, line 13, after "2" insert "; proposing coding for new law in Minnesota Statutes, chapter 168"

The motion prevailed and the amendment was adopted.

H. F. No. 1981, A bill for an act relating to motor vehicles; providing for temporary permit while awaiting delivery of special vehicle license plates; requiring registered owner of motor vehicle to list address or mailing address of primary residence on application for registration; permitting motor vehicle owners to classify residence addresses as private data and to use mailing addresses on motor vehicle registration forms; clarifying when inspection fee must be paid to receive certificate of inspection for salvage vehicle; clarifying disclosure requirements for motor vehicle pollution control system; amending Minnesota Statutes 1988, sections 168.09, by adding a subdivision; 168.10, subdivision 1; and 325E.0951, subdivision 3a; Minnesota Statutes 1989 Supplement, section 168A.152, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 168.

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:

Abrams	Dempsey	Jefferson	McGuire	Ozment
Anderson, G.	Dille	Johnson, A.	McLaughlin	Pappas
Anderson, R.	Dorn	Johnson, R.	McPherson	Pauly
Battaglia	Forsythe	Johnson, V.	Milbert	Pellow
Bauerly	Frederick	Kahn	Morrison	Pelowski
Beard	Frerichs	Kalis	Munger	Peterson
Begich	Girard	Kelly	Murphy	Poppenhagen
Bennett	Greenfield	Kelso	Nelson, C.	Price
Bertram	Gruenes	Kinkel	Nelson, K.	Pugh
Bishop	Gutknecht	Knickerbocker	Neuenschwander	Quinn
Blatz	Hartle	Kostohryz	O'Connor	Redalen
Boo	Hasskamp	Krueger	Ogren	Reding
Brown	Haukoos	Lasley	Olsen, S.	Rest
Burger	Hausman	Lieder	Olson, E.	Richter
Carlson, D.	Heap	Limmer	Olson, K.	Rodosovich
Carlson, L.	Henry	Long	Omann	Rukavina
Carruthers	Himle	Lynch	Onnen	Runbeck
Clark	Hugoson	Macklin	Orenstein	Schafer
Cooper	Jacobs	Marsh	Osthoff	Scheid
Dauner	Janezich	McDonald	Ostrom	Schreiber
Dawkins	Jaros	McEachern	Otis	Seaberg

Segal	Stanius	Tompkins	Vellenga	Wenzel
Simoneau	Steensma	Trimble	Wagenius	Williams
Skoglund	Sviggum	Tunheim	Waltman	Winter
Solberg	Swenson	Uphus	Weaver	Spk. Vanasek
Sparby	Tjornhom	Valento	Welle	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2012, A bill for an act relating to agriculture; providing for uniformity of certain food rules with federal law; amending Minnesota Statutes 1989 Supplement, section 31.101, 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:

Abrams	Girard	Lieder	Osthoff	Segal
Anderson, G.	Greenfield	Limmer	Ostrom	Simoneau
Anderson, R.	Gruenes	Long	Otis	Skoglund
Battaglia	Gutknecht	Lynch	Ozment	Solberg
Bauerly	Hartle	Macklin	Pappas	Sparby
Beard	Hasskamp	Marsh	Pauly	Stanius
Begich	Haukoos	McDonald	Pellow	Steensma
Bennett	Hausman	McEachern	Pelowski	Sviggum
Bertram	Heap	McGuire	Peterson	Swenson
Blatz	Henry	McLaughlin	Poppenhagen	Tjornhom
Boo	Himle	McPherson	Price	Tompkins
Brown	Hugoson	Milbert	Pugh	Trimble
Burger	Jacobs	Morrison	Quinn	Tunheim
Carlson, D.	Janezich	Munger	Redalen	Uphus
Carlson, L.	Jaros	Murphy	Reding	Valento
Carruthers	Jefferson	Nelson, C.	Rest	Vellenga
Clark	Johnson, A.	Nelson, K.	Rice	Wagenius
Cooper	Johnson, R.	Neuenschwander	Richter	Waltman
Dauner	Johnson, V.	O'Connor	Rodosovich	Weaver
Dawkins	Kahn	Ogren	Rukavina	Welle
Dempsey	Kelso	Olsen, S.	Runbeck	Wenzel
Dille	Kinkel	Olson, E.	Sarna	Williams
Dorn	Knickerbocker	Olson, K.	Schafer	Winter
Forsythe	Kostohryz	Omann	Scheid	Spk. Vanasek
Frederick	Krueger	Onnen	Schreiber	
Frerichs	Lasley	Orenstein	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 2059, A bill for an act relating to education; permitting special school district No. 1 to remodel the Aviation Training Center with federal funds.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Lasley	Orenstein	Seaberg
Anderson, G.	Girard	Lieder	Osthoff	Segal
Anderson, R.	Greenfield	Limmer	Ostrom	Simoneau
Battaglia	Gruenes	Long	Otis	Skoglund
Bauerly	Gutknecht	Lynch	Ozment	Solberg
Beard	Hartle	Macklin	Pappas	Sparby
Begich	Hasskamp	Marsh	Pauly	Stanius
Bennett	Haukoos	McDonald	Pellow	Steenasma
Bertram	Hausman	McEachern	Pelowski	Sviggum
Bishop	Heap	McGuire	Peterson	Swenson
Blatz	Henry	McLaughlin	Poppenhagen	Tjornhom
Boo	Himle	McPherson	Price	Tompkins
Brown	Hugoson	Milbert	Pugh	Trimble
Burger	Jacobs	Morrison	Quinn	Tunheim
Carlson, D.	Janezich	Munger	Redalen	Uphus
Carlson, L.	Jaros	Murphy	Reding	Valento
Carruthers	Jefferson	Nelson, C.	Rest	Vellenga
Clark	Johnson, A.	Nelson, K.	Rice	Wagenius
Cooper	Johnson, R.	Neuenschwander	Richter	Waltman
Dauner	Johnson, V.	O'Connor	Rodosovich	Weaver
Dawkins	Kahn	Ogren	Rukavina	Welle
Dempsey	Kelso	Olsen, S.	Runbeck	Wenzel
Dille	Kinkel	Olsen, E.	Sarna	Williams
Dorn	Knickerbocker	Olsen, K.	Schafer	Winter
Forsythe	Kostohryz	Omman	Scheid	Spk. Vanasek
Frederick	Krueger	Onnen	Schreiber	

The bill was passed and its title agreed to.

H. F. No. 2212, A bill for an act relating to education; revising, updating, and making substantive changes in the laws on the county extension service; amending Minnesota Statutes 1988, sections 38.33; 38.34; 38.35; 38.36; 38.37; and 38.38; proposing coding for new law in Minnesota Statutes, chapter 38.

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 43 nays as follows:

Those who voted in the affirmative were:

Abrams	Carruthers	Jacobs	Krueger	Murphy
Anderson, R.	Clark	Janezich	Lasley	Nelson, C.
Battaglia	Cooper	Jaros	Lieder	Nelson, K.
Bauerly	Dawkins	Jefferson	Long	Neuenschwander
Beard	Dorn	Johnson, A.	Macklin	O'Connor
Begich	Forsythe	Johnson, R.	McGuire	Ogren
Bennett	Girard	Kahn	McLaughlin	Olsen, S.
Bishop	Greenfield	Kelly	McPherson	Olsen, E.
Boo	Hausman	Kelso	Milbert	Olsen, K.
Brown	Heap	Knickerbocker	Morrison	Orenstein
Carlson, L.	Himle	Kostohryz	Munger	Osthoff

Ostrom	Pugh	Rukavina	Solberg	Vellenga
Otis	Quinn	Runbeck	Sparby	Wagenius
Pappas	Reding	Scheid	Sviggum	Williams
Pelowski	Rest	Segal	Swenson	Spk. Vanasek
Peterson	Rice	Simoneau	Trimble	
Price	Rodosovich	Skoglund	Tunheim	

Those who voted in the negative were:

Bertram	Gruenes	Kinkel	Poppenhagen	Uphus
Blatz	Gutknecht	Limmer	Redalen	Valento
Burger	Hartle	Lynch	Richter	Waltman
Carlson, D.	Hasskamp	Marsh	Schafer	Weaver
Dauner	Haukoos	McDonald	Seaberg	Welle
Dempsey	Henry	Omann	Stanius	Wenzel
Dille	Hugoson	Onnen	Steenma	Winter
Frederick	Johnson, V.	Pauly	Tjornhom	
Frerichs	Kalis	Fellow	Tompkins	

The bill was passed and its title agreed to.

H. F. No. 2294 was reported to the House.

Bishop; Hausman; Olson, E.; Dawkins; Williams; Johnson, A.; Nelson, C.; Lasley; Ogren; Solberg; Miller; Munger; Olsen, S.; Pappas; Frederick; Scheid; Lieder; Valento; Schreiber; Long; Lynch; Dille; Orenstein; Abrams; Dorn; Milbert; Rest; Quinn; Forsythe; Haukoos; Carlson, D.; Jefferson; Anderson, G.; Johnson, R.; Hartle; Jennings; Cooper; Pugh; Skoglund; Carruthers; Frerichs; Kahn; Blatz; Olson, K.; Stanius; Price; Segal; Morrison; Himle; Boo; Brown; Welle; Swenson; Vellenga; Pelowski; Simoneau; Ostrom; Wagenius; Runbeck; Knickerbocker; Burger; Trimble; Nelson, K.; Gutknecht; Osthoff; Rukavina; Fellow; Weaver; Pauly; Clark; McGuire; Bennett; McLaughlin; Redalen; Dempsey and Kelly moved to amend H. F. No. 2294, as follows:

Page 1, after line 7, insert a section to read:

"Section 1. Minnesota Statutes 1989 Supplement, section 171.06, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF APPLICATION.] Every application ~~shall~~ must state the full name, date of birth, social security number, sex and residence address of the applicant, a description of the applicant in such manner as the commissioner may require, and ~~shall~~ must state whether or not the applicant has theretofore been licensed as a driver; and, if so, when and by what state or country and whether any such license has ever been suspended or revoked, or whether an application has ever been refused; and, if so, the date of and reason for such suspension, revocation, or refusal, together with such facts pertaining to the applicant and the applicant's ability to operate a motor vehicle with safety as may be required by the commissioner. The application form ~~shall~~ must contain a notifica-

tion to the applicant of the availability of the donor document provided pursuant to section 171.07, subdivision 5, and ~~shall~~ must contain spaces where the applicant must indicate a desire to receive or not to receive the donor document. The application form must contain a notification to the applicant of the availability of a living will designation on the license under section 171.07, subdivision 7. The application ~~shall~~ must be in the form prepared by the commissioner.

The application form must be accompanied by a pamphlet containing relevant facts relating to:

- (1) the effect of alcohol on driving ability;
- (2) the effect of mixing alcohol with drugs;
- (3) the laws of Minnesota relating to operation of a motor vehicle while under the influence of alcohol or a controlled substance; and
- (4) the levels of alcohol-related fatalities and accidents in Minnesota and of arrests for alcohol-related violations."

Page 3, after line 17, insert a section to read:

"Sec. 6. Minnesota Statutes 1988, section 171.07, is amended by adding a subdivision to read:

Subd. 7. [LIVING WILL DESIGNATION.] At the written request of the applicant and on payment of the required fee, the department shall issue, renew, or reissue a driver's license or Minnesota identification card bearing the designation "Living Will" or an abbreviation thereof.

On payment of the required fee, the department shall issue a replacement or renewal license or identification card without the designation if requested by the applicant.

For the purposes of this subdivision, "living will" means a declaration made under section 145B.03."

Renumber the remaining sections

Amend the title:

Page 1, line 3, after the semicolon insert: "providing for living will designation on driver's licenses;"

Page 1, line 5, after "6" insert ", and by adding a subdivision"

Page 1, line 6, delete "section" and insert "sections 171.06, subdivision 3; and"

The motion prevailed and the amendment was adopted.

Kinkel moved to amend H. F. No. 2294, as amended, as follows:

Page 3, after line 26, insert:

"Sec. 6. Minnesota Statutes 1989 Supplement, section 171.18, is amended to read:

171.18 [SUSPENSION.]

The commissioner shall have authority to and may suspend the license of any driver without preliminary hearing upon a showing by department records or other sufficient evidence that the licensee:

(1) Has committed an offense for which mandatory revocation of license is required upon conviction; or

(2) Has been convicted by a court of competent jurisdiction for violation of a provision of the highway traffic regulation act or an ordinance regulating traffic and where it appears from department records that the violation for which the licensee was convicted contributed in causing an accident resulting in the death or personal injury of another, or serious property damage; or

(3) Is an habitually reckless or negligent driver of a motor vehicle; or

(4) Is an habitual violator of the traffic laws; or

(5) Is incompetent to drive a motor vehicle as determined and adjudged in a judicial proceeding; or

(6) Has permitted an unlawful or fraudulent use of such license; or

(7) Has committed an offense in another state which, if committed in this state, would be grounds for suspension; or

(8) Has committed a violation of section 171.22; or

(9) Has failed to appear in court as provided in section 169.92, subdivision 4; or

(10) has failed to report a medical condition that if reported would have resulted in cancellation of driving privileges.

Provided, however, that any action taken by the commissioner under subparagraphs (2) and (5) shall conform to the recommendation of the court when made in connection with the prosecution of the licensee.

Upon suspending the license of any person, as hereinbefore in this section authorized, the department shall immediately notify the licensee, in writing, by depositing in the United States post office a notice addressed to the licensee at the licensee's last known address, with postage prepaid thereon, and the licensee's written request shall afford the licensee an opportunity for a hearing within not to exceed 20 days after receipt of such request in the county wherein the licensee resides, unless the department and the licensee agree that such hearing may be held in some other county. Upon such hearing the commissioner, or duly authorized agent, may administer oaths and issue subpoenas for the attendance of witnesses and the production of relevant books and papers, and may require a reexamination of the licensee. Upon such hearing the department shall either rescind its order of suspension or, good cause appearing therefor, may extend the suspension of such license or revoke such license. The department shall not suspend a license for a period of more than one year."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "allowing commissioner to suspend a driver's license for failure to report certain medical conditions;"

Page 1, line 6, delete "section" and insert "sections" and after "3" insert "; and 171.18"

The motion prevailed and the amendment was adopted.

H. F. No. 2294, A bill for an act relating to drivers' licenses; providing for electronically produced images on drivers' licenses; providing for living will designation on driver's licenses; allowing commissioner to suspend a driver's license for failure to report certain medical conditions; amending Minnesota Statutes 1988, sections 171.07, subdivisions 1a and 6, and by adding a subdivision; and 171.071; Minnesota Statutes 1989 Supplement, sections 171.06, subdivision 3; 171.07, subdivisions 1 and 3; and 171.18.

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 128 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Girard	Lasley	Orenstein	Seaberg
Anderson, G.	Greenfield	Lieder	Osthoff	Segal
Anderson, R.	Gruenes	Limmer	Ostrom	Simoneau
Battaglia	Gutknecht	Long	Otis	Skoglund
Bauerly	Hartle	Lynch	Ozment	Sparby
Beard	Hasskamp	Macklin	Pappas	Stanius
Begich	Haukoos	Marsh	Pauly	Steensma
Bennett	Hausman	McDonald	Pellow	Sviggum
Bertram	Heap	McEachern	Pellowski	Swenson
Bishop	Henry	McGuire	Peterson	Tjornhom
Blatz	Himle	McLaughlin	Poppenhagen	Tompkins
Boo	Hugoson	McPherson	Price	Trimble
Brown	Jacobs	Milbert	Pugh	Tunheim
Burger	Janezich	Morrison	Quinn	Uphus
Carlson, D.	Jaros	Munger	Redalen	Valento
Carlson, L.	Jefferson	Murphy	Reding	Vellenga
Carruthers	Johnson, A.	Nelson, C.	Rest	Wagenius
Clark	Johnson, R.	Nelson, K.	Rice	Waltman
Cooper	Johnson, V.	Neuenschwander	Richter	Weaver
Dauner	Kahn	O'Connor	Rodosovich	Welle
Dawkins	Kelly	Ogren	Rukavina	Wenzel
Dempsey	Kelso	Olsen, S.	Runbeck	Williams
Dille	Kinkel	Olson, E.	Sarna	Winter
Dorn	Knickerbocker	Olson, K.	Schafer	Spk. Vanasek
Forsythe	Kostohryz	Omann	Scheid	
Frederick	Krueger	Onnen	Schreiber	

Those who voted in the negative were:

Kalis

The bill was passed, as amended, and its title agreed to.

H. F. No. 1730, A bill for an act relating to commerce; requiring seating furniture in public occupancies to meet flammability and labeling standards; proposing coding for new law in Minnesota Statutes, chapter 299F.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Boo	Dorn	Henry	Kalis
Anderson, G.	Brown	Frederick	Himle	Kelly
Anderson, R.	Carlson, D.	Frerichs	Hugoson	Kelso
Battaglia	Carlson, L.	Girard	Jacobs	Kinkel
Bauerly	Carruthers	Greenfield	Janezich	Knickerbocker
Beard	Clark	Gruenes	Jaros	Kostohryz
Begich	Cooper	Hartle	Jefferson	Krueger
Bennett	Dauner	Hasskamp	Johnson, A.	Lasley
Bertram	Dawkins	Haukoos	Johnson, R.	Lieder
Bishop	Dempsey	Hausman	Johnson, V.	Limmer
Blatz	Dille	Heap	Kahn	Long

Lynch	Neuenschwander	Pellow	Runbeck	Tjornhom
Macklin	O'Connor	Pelowski	Sarna	Tompkins
Marsh	Ogren	Peterson	Schafer	Trimble
McDonald	Olsen, S.	Poppenhagen	Scheid	Tunheim
McEachern	Olson, E.	Price	Seaberg	Uphus
McGuire	Olson, K.	Pugh	Segal	Valento
McLaughlin	Omam	Quinn	Simoneau	Vellenga
McPherson	Orenstein	Redalen	Skoglund	Wagenius
Milbert	Osthoff	Reding	Solberg	Waltman
Morrison	Ostrom	Rest	Sparby	Welle
Munger	Otis	Rice	Stanius	Wenzel
Murphy	Ozment	Richter	Steensma	Williams
Nelson, C.	Pappas	Rodosovich	Sviggum	Winter
Nelson, K.	Pauly	Rukavina	Swenson	Spk. Vanasek

Those who voted in the negative were:

Burger Onnen

The bill was passed and its title agreed to.

H. F. No. 1857, A bill for an act relating to transportation; providing greater restrictions on eligibility of debarred persons for certain public contracts; increasing scope of interstate motor carrier registration agreements; amending Minnesota Statutes 1988, section 161.315, subdivisions 2 and 3; Minnesota Statutes 1989 Supplement, section 221.601, 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:

Abrams	Dille	Johnson, V.	Morrison	Peterson
Anderson, G.	Dorn	Kahn	Munger	Poppenhagen
Anderson, R.	Frederick	Kalis	Murphy	Price
Battaglia	Frerichs	Kelly	Nelson, C.	Pugh
Bauerly	Girard	Kelso	Nelson, K.	Quinn
Beard	Greenfield	Kinkel	Neuenschwander	Redalen
Begich	Gruenes	Knickerbocker	O'Connor	Reding
Bennett	Gutknecht	Kostohryz	Ogren	Rest
Bertram	Hartle	Krueger	Olsen, S.	Rice
Bishop	Hasskamp	Lasley	Olson, E.	Richter
Blatz	Haukoos	Lieder	Olson, K.	Rodosovich
Boo	Haupman	Limmer	Omam	Rukavina
Brown	Heap	Long	Onnen	Runbeck
Burger	Henry	Lynch	Orenstein	Sarna
Carlson, D.	Himle	Macklin	Osthoff	Schafer
Carlson, L.	Hugoson	Marsh	Ostrom	Scheid
Carruthers	Jacobs	McDonald	Otis	Schreiber
Clark	Janezich	McEachern	Ozment	Seaberg
Cooper	Jaros	McGuire	Pappas	Segal
Dauner	Jefferson	McLaughlin	Pauly	Simoneau
Dawkins	Johnson, A.	McPherson	Pellow	Skoglund
Dempsey	Johnson, R.	Milbert	Pelowski	Solberg

Sparby	Swenson	Tunheim	Wagenius	Wenzel
Stanius	Tjornhom	Uphus	Waltman	Williams
Steensma	Tompkins	Valento	Weaver	Winter
Swiggun	Trimble	Vellenga	Welle	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 2062 was reported to the House.

Williams moved to amend H. F. No. 2062, as follows:

Page 2, lines 11 to 13, delete the new language and strike the old language

Re-letter subsequent clauses

Amend the title as follows:

Page 1, line 2, delete "limiting" and insert "repealing"

A roll call was requested and properly seconded.

The question was taken on the Williams amendment and the roll was called. There were 70 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Battaglia	Gruenes	Kostohryz	Olson, K.	Sarna
Bauerly	Hasskamp	Lasley	Orenstein	Segal
Begich	Hausman	Lieder	Ostrom	Solberg
Bertram	Jacobs	Long	Otis	Sparby
Brown	Janezich	McGuire	Pappas	Steensma
Carlson, L.	Jaros	McLaughlin	Pelowski	Trimble
Carruthers	Jefferson	Munger	Peterson	Tunheim
Clark	Johnson, A.	Murphy	Price	Vellenga
Cooper	Johnson, R.	Nelson, C.	Pugh	Wagenius
Dauner	Kahn	Nelson, K.	Quinn	Welle
Dawkins	Kalis	Neuenschwander	Reding	Wenzel
Dille	Kelly	O'Connor	Rest	Williams
Dorn	Kelso	Ogren	Rodosovich	Winter
Greenfield	Kinkel	Olson, E.	Rukavina	Spk. Vanasek

Those who voted in the negative were:

Abrams	Burger	Hartle	Krueger	Omann
Anderson, G.	Carlson, D.	Haukoos	Limmer	Onnen
Anderson, R.	Dempsey	Heap	Lynch	Ozment
Beard	Forsythe	Henry	Macklin	Pauly
Bennett	Frederick	Himle	Marsh	Pellow
Bishop	Frerichs	Hugoson	McDonald	Poppenhagen
Blatz	Girard	Johnson, V.	McPherson	Redalen
Boo	Gutknecht	Knickerbocker	Olson, S.	Rice

Richter	Seaberg	Sviggum	Uphus
Runbeck	Simoneau	Swenson	Valento
Schafer	Skoglund	Tjornhom	Waltman
Schreiber	Stanius	Tompkins	Weaver

The motion prevailed and the amendment was adopted.

H. F. No. 2062, A bill for an act relating to public employment; repealing the exclusion of graduate assistants from coverage under the public employment labor relations act; amending Minnesota Statutes 1988, section 179A.03, subdivision 14.

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 90 yeas and 37 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Krueger	Olson, E.	Sarna
Anderson, R.	Gruenes	Lasley	Olson, K.	Scheid
Battaglia	Hartle	Lieder	Omann	Segal
Bauerly	Hasskamp	Long	Orenstein	Simoneau
Beard	Hausman	Lynch	Osthoff	Skoglund
Begich	Jacobs	Macklin	Ostrom	Solberg
Bertram	Janezich	McEachern	Otis	Sparby
Boo	Jaros	McGuire	Pappas	Steensma
Brown	Jefferson	McLaughlin	Pelowski	Trimble
Burger	Johnson, A.	Milbert	Peterson	Tunheim
Carlson, L.	Johnson, R.	Morrison	Price	Uphus
Carruthers	Johnson, V.	Munger	Pugh	Vellenga
Clark	Kahn	Murphy	Quinn	Wagenius
Cooper	Kalis	Nelson, C.	Reding	Welle
Dauner	Kelly	Nelson, K.	Rest	Wenzel
Dawkins	Kelso	O'Connor	Rodosovich	Williams
Dorn	Kinkel	Ogren	Rukavina	Winter
Forsythe	Kostohryz	Olsen, S.	Runbeck	Spk. Vanasek

Those who voted in the negative were:

Abrams	Girard	Limmer	Redalen	Tjornhom
Bennett	Gutknecht	McDonald	Richter	Tompkins
Blatz	Haukoos	McPherson	Schafer	Valento
Carlson, D.	Heap	Onnen	Schreiber	Waltman
Dempsey	Henry	Ozment	Seaberg	Weaver
Dille	Himle	Pauly	Stanius	
Frederick	Hugoson	Pellow	Sviggum	
Frerichs	Knickerbocker	Poppenhagen	Swenson	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2135 was reported to the House.

Olsen, S., moved to amend H. F. No. 2135, as follows:

Page 3, after line 2, insert:

“Sec. 3. [REPEALER.]

Section 1 is repealed effective one year from the effective date of section 1.”

The motion prevailed and the amendment was adopted.

H. F. No. 2135, A bill for an act relating to Anoka county; authorizing the sale or exchange of certain land.

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:

Abrams	Frerichs	Kostohryz	Onnen	Schreiber
Anderson, G.	Girard	Krueger	Orenstein	Seaberg
Anderson, R.	Greenfield	Lasley	Osthoff	Segal
Battaglia	Gruenes	Lieder	Ostrom	Simoneau
Bauerly	Gutknecht	Limmer	Otis	Skoglund
Beard	Hartle	Long	Ozment	Solberg
Begich	Hasskamp	Lynch	Pappas	Sparby
Bennett	Haukoos	Macklin	Pauly	Stanius
Bertram	Hausman	Marsh	Pellow	Steensma
Bishop	Heap	McDonald	Pelowski	Sviggum
Blatz	Henry	McEachern	Peterson	Swenson
Boo	Himle	McGuire	Poppenhagen	Tjornhom
Brown	Hugoson	McLaughlin	Price	Tompkins
Burger	Jacobs	McPherson	Pugh	Trimble
Carlson, D.	Janezich	Milbert	Quinn	Tunheim
Carlson, L.	Jaros	Morrison	Redalen	Uphus
Carruthers	Jefferson	Murphy	Reding	Valento
Clark	Johnson, A.	Nelson, C.	Rest	Vellenga
Cooper	Johnson, R.	Nelson, K.	Rice	Wagenius
Dauner	Johnson, V.	Neuenschwander	Richter	Waltman
Dawkins	Kahn	O'Connor	Rodosovich	Weaver
Dempsey	Kalis	Ogren	Rukavina	Welle
Dille	Kelly	Olsen, S.	Runbeck	Wenzel
Dorn	Kelso	Olson, E.	Sarna	Williams
Forsythe	Kinkel	Olson, K.	Schafer	Winter
Frederick	Knickerbocker	Omann	Scheid	Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

Swenson was excused for the remainder of today's session.

H. F. No. 2162 was reported to the House.

Williams moved that H. F. No. 2162 be continued on Special Orders. The motion prevailed.

Onnen was excused for the remainder of today's session.

H. F. No. 1897 was reported to the House.

Stanis moved that H. F. No. 1897 be re-referred to the Committee on Appropriations.

A roll call was requested and properly seconded.

The question was taken on the Stanis motion and the roll was called. There were 38 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Macklin	Poppenhagen	Stanis
Blatz	Gruenes	Marsh	Redalen	Sviggum
Boo	Heap	McDonald	Richter	Tjornhom
Burger	Henry	McPherson	Runbeck	Tompkins
Carlson, D.	Hugoson	Olsen, S.	Schafer	Valento
Forsythe	Johnson, V.	Omann	Schreiber	Waltman
Frederick	Knickerbocker	Ozment	Seaberg	
Frerichs	Limmer	Pellow	Simoneau	

Those who voted in the negative were:

Anderson, G.	Greenfield	Lasley	Osthoff	Skoglund
Anderson, R.	Hartle	Lieder	Ostrom	Solberg
Battaglia	Hasskamp	Long	Otis	Sparby
Bauerly	Haukoos	McEachern	Pappas	Steensma
Beard	Hausman	McGuire	Pauly	Trimble
Begich	Jacobs	McLaughlin	Pelowski	Tunheim
Bennett	Janezich	Milbert	Peterson	Uphus
Bertram	Jaros	Morrison	Price	Vellenga
Brown	Jefferson	Munger	Pugh	Wagenius
Carlson, L.	Johnson, A.	Murphy	Quinn	Weaver
Carruthers	Johnson, R.	Nelson, C.	Reding	Welle
Clark	Kahn	Nelson, K.	Rest	Wenzel
Cooper	Kalis	Neuenschwander	Rice	Williams
Dauner	Kelly	O'Connor	Rodosovich	Winter
Dawkins	Kelso	Ogren	Rukavina	Spk. Vanasek
Dempsey	Kinkel	Olson, E.	Sarna	
Dille	Kostohryz	Olson, K.	Scheid	
Dorn	Krueger	Orenstein	Segal	

The motion did not prevail.

Winter moved that H. F. No. 1897 be continued on Special Orders. The motion prevailed.

The Speaker resumed the Chair.

H. F. No. 1991, A bill for an act relating to natural resources;

repealing certain pipeline review authority of the commissioner of natural resources; repealing Minnesota Statutes 1988, section 117.49.

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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Omann	Schreiber
Anderson, G.	Girard	Krueger	Orenstein	Seaberg
Anderson, R.	Greenfield	Lasley	Osthoff	Segal
Battaglia	Gruenes	Lieder	Ostrom	Simoneau
Bauerly	Gutknecht	Limmer	Otis	Skoglund
Beard	Hartle	Long	Ozment	Solberg
Begich	Hasskamp	Lynch	Pappas	Sparby
Bennett	Haukoos	Macklin	Pauly	Stanius
Bertram	Hausman	Marsh	Pellow	Steenasma
Bishop	Heap	McDonald	Pelowski	Sviggum
Blatz	Henry	McEachern	Peterson	Tjornhom
Boo	Himle	McGuire	Poppenhagen	Tompkins
Brown	Hugoson	McLaughlin	Price	Trimble
Burger	Jacobs	McPherson	Pugh	Tunheim
Carlson, D.	Janezich	Milbert	Quinn	Uphus
Carlson, L.	Jaros	Morrison	Redalen	Valento
Carruthers	Jefferson	Munger	Reding	Vellenga
Clark	Johnson, A.	Murphy	Rest	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rice	Waltman
Dauner	Johnson, V.	Nelson, K.	Richter	Weaver
Dawkins	Kahn	Neuenschwander	Rodosovich	Welle
Dempsey	Kalis	O'Connor	Rukavina	Wenzel
Dille	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Frederick	Knickerbocker	Olson, K.	Scheid	

The bill was passed and its title agreed to.

Long moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Long moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Skoglund moved that the name of Winter be added as an author on H. F. No. 1983. The motion prevailed.

Simoneau moved that the names of Clark and Ogren be added as authors on H. F. No. 2031. The motion prevailed.

Simoneau moved that the name of Price be added as an author on H. F. No. 2099. The motion prevailed.

Olson, K., moved that the name of Williams be added as an author on H. F. No. 2373. The motion prevailed.

Lasley moved that the names of Trimble and Kahn be added as authors on H. F. No. 2382. The motion prevailed.

McLaughlin moved that the name of Henry be added as an author on H. F. No. 2501. The motion prevailed.

Kalis moved that the name of Jefferson be added as an author on H. F. No. 2769. The motion prevailed.

McLaughlin moved that the name of Clark be added as an author on H. F. No. 2779. The motion prevailed.

Olsen, S., moved that the name of Frerichs be added as an author on H. F. No. 2783. The motion prevailed.

Bishop moved that H. F. No. 2306 be returned to its author. The motion prevailed.

Tjornhom, Battaglia, Long, Begich and Henry introduced:

House Concurrent Resolution No. 5, A house concurrent resolution congratulating the 1990 International Trans-Antarctica Expedition Team on its successful continental crossing.

SUSPENSION OF RULES

Tjornhom moved that the rules be so far suspended that House Concurrent Resolution No. 5 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE CONCURRENT RESOLUTION NO. 5

A house concurrent resolution congratulating the 1990 International Trans-Antarctica Expedition Team on its successful continental crossing.

Whereas, the 1990 International Trans-Antarctica Expedition team consists of: Will Steger, of the United States of America; Dr. Jean-Louis Etienne, of France; Dr. Victor Boyarsky, of the Union of Soviet Socialist Republics; Geoff Somers, of Great Britain; Keizo Funatsu, of Japan; and Qin Dahe, of the People's Republic of China; and

Whereas, the international composition of the expedition purposefully reflects the Antarctic Treaty, signed in 1961 and kept by 39 countries, that sets aside Antarctica as an international scientific laboratory; and

Whereas, logging nearly 4,000 miles in the harshest conditions on earth, the six men and their sled dogs, 40 polar huskies, traveled for seven months; and

Whereas, they began at Seal Nunataks on the Antarctic Peninsula on July 27, 1989, the middle of austral winter; and

Whereas, on the first leg of their journey, along the mountainous peninsula never before traversed in winter, the team experienced a 60-day storm with winds up to 100 miles per hour, temperatures as low as minus 45 degrees Fahrenheit, and deep snow that slowed their progress and threatened their lives; and

Whereas, in November, on top of the Antarctic Plateau, the team increased its mileage from an average of 8 miles per day to 25 miles per day and made up nearly one month of lost time; and

Whereas, the expedition reached the South Pole on December 11, 1989, becoming the first to do so by dogsled since its discovery in 1912 by Roald Amundsen, of Norway; and

Whereas, two of the huskies belonging to Will Steger, a native Minnesotan, became the first to travel to both poles; and

Whereas, the team next accomplished the first on-foot crossing of the Area of Inaccessibility, a 750-mile stretch named for its remoteness and unilateral distance from all coasts of the continent, and reached the Soviet Vostok station on January 18, 1990; and

Whereas, the last 850 miles consisted of 41 days of enduring temperatures as low as minus 54 degrees Fahrenheit, and windchills as low as minus 113 degrees Fahrenheit, before reaching Mirnyy, a Soviet base, on March 3, 1990; and

Whereas, the completion of the expedition is the first unmechanized traverse of Antarctica traveling the west to east axis; and

Whereas, a public celebration will be held at 12:00 Noon, on

Saturday, March 24, 1990, on the State Capitol lawn and will include a banner parade, songs, band music, and proclamations; *Now, Therefore,*

Be It Resolved by the House of Representatives of the State of Minnesota, the Senate concurring, that it congratulates the 1990 International Trans-Antarctica Expedition Team on its successful continental crossing.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to prepare enrolled copies of this resolution, to be authenticated by himself and the Speaker of the House of Representatives and by the Chair of the Senate Rules and Administration Committee and the Secretary of the Senate, and that they be presented to the members of the 1990 International Trans-Antarctica Expedition.

Tjornhom moved that House Concurrent Resolution No. 5 be now adopted. The motion prevailed and House Concurrent Resolution No. 5 was adopted.

House Resolution No. 21 was reported to the House.

SUSPENSION OF RULES

Schreiber moved that the rules be so far suspended that House Resolution No. 21 be now considered and be placed upon its adoption.

POINT OF ORDER

Long raised a point of order pursuant to rule 5.2 relating to the Introduction of Bills and Resolutions that House Resolution No. 21 was not in order. The Speaker ruled the point of order well taken and House Resolution No. 21 out of order.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 2:30 p.m., Wednesday, March 21, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Wednesday, March 21, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION — 1990

SEVENTY-THIRD DAY

SAINT PAUL, MINNESOTA, TUESDAY, MARCH 20, 1990

The Senate met on Tuesday, March 20, 1990, which was the Seventy-third Legislative Day of the Seventy-sixth Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SEVENTY-FOURTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 21, 1990

The House of Representatives convened at 2:30 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Pastor Gregg Donnelly, Grace Evangelical Free Church, Fridley, Minnesota.

The roll was called and the following members were present:

Abrams	Girard	Lasley	Orenstein	Segal
Anderson, G.	Greenfield	Lieder	Osthoff	Simoneau
Anderson, R.	Gruenes	Limmer	Ostrom	Skoglund
Battaglia	Gutknecht	Long	Otis	Solberg
Bauerly	Hartle	Lynch	Ozment	Sparby
Beard	Hasskamp	Macklin	Pappas	Stanius
Begich	Haukoos	Marsh	Pauly	Steensma
Bennett	Hausman	McDonald	Pellow	Sviggum
Bertram	Heap	McEachern	Pelowski	Swenson
Bishop	Henry	McGuire	Peterson	Tjornhom
Blatz	Himle	McLaughlin	Poppenhagen	Tompkins
Boo	Hugoson	McPherson	Price	Trimble
Brown	Jacobs	Milbert	Pugh	Tunheim
Burger	Janezich	Morrison	Quinn	Uphus
Carlson, D.	Jaros	Munger	Redalen	Valento
Carlson, L.	Jefferson	Murphy	Reding	Vellenga
Carruthers	Jennings	Nelson, C.	Rest	Wagenius
Clark	Johnson, A.	Nelson, K.	Richter	Waltman
Cooper	Johnson, R.	Neuenschwander	Rodosovich	Weaver
Dauner	Johnson, V.	O'Connor	Rukavina	Welle
Dawkins	Kahn	Ogren	Runbeck	Wenzel
Dempsey	Kelly	Olsen, S.	Sarna	Williams
Dorn	Kinkel	Olson, E.	Schafer	Winter
Forsythe	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Frederick	Kostohryz	Omann	Schreiber	
Frerichs	Krueger	Onnen	Seaberg	

A quorum was present.

Dille, Kalis, Kelso, Miller and Rice were excused.

The Chief Clerk proceeded to read the Journals of the preceding days. Simoneau and Segal moved that further reading of the Journals be dispensed with and that the Journals be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1234, 1877, 1879, 2083, 2171, 2268, 2418, 2683, 2704, 84, 1673, 1935, 1997, 2133, 2168, 2205, 2230, 2266, 2318, 2346, 2386, 2458, 2489, 2497, 2499, 2500, 2608, 2621, 2689, 2103, 2081, 1981, 2294, 2062 and 2135 and S. F. Nos. 488, 2130, 1789, 443, 1663, 1696 and 1820 have been placed in the members' files.

S. F. No. 1789 and H. F. No. 1935, 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. 1789 be substituted for H. F. No. 1935 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2130 and H. F. No. 2205, 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. 2130 be substituted for H. F. No. 2205 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 274, A bill for an act relating to human services; providing that medical certification for general assistance benefits may be made by a licensed chiropractor; amending Minnesota Statutes 1988, section 256D.02, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 256D.02, is amended by adding a subdivision to read:

Subd. 17. [MEDICALLY CERTIFIED OR MEDICAL CERTIFICATION.] "Medical certification" means:

(1) a statement about a person's illness, injury, or incapacity that is signed by a licensed physician, licensed consulting psychologist, or licensed psychologist, whose professional training and experience qualifies him or her to diagnose and certify the person's condition; or

(2) a statement about an incapacity involving a spinal subluxation condition that is signed by a licensed chiropractor whose professional training and experience qualifies him or her to diagnose and certify the condition."

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. 596, 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.

Reported the same back with the following amendments:

Page 2, after line 3, insert:

"(8) "Holder of the beneficiary's power of attorney" means a person who is a holder of the beneficiary's unrevoked power of attorney if the document creating the power of attorney grants powers similar or identical to those defined as "beneficiary transactions" in section 523.24, subdivision 7."

Page 2, line 4, delete "(8)" and insert "(9)"

Page 2, line 6, delete "deficiency" and insert "retardation"

Page 2, line 10, delete "(9)" and insert "(10)"

Page 2, line 12, delete "(10)" and insert "(11)"

Page 2, line 16, delete "(11)" and insert "(12)"

Page 2, line 19, delete "(12)" and insert "(13)"

Page 2, line 23, delete "(13)" and insert "(14)"

Page 2, line 26, delete “(14)” and insert “(15)”

Page 2, line 28, delete “(15)” and insert “(16)”

Page 3, line 17, delete everything before “may” and insert “holder of the beneficiary’s power of attorney”

Page 3, line 19, delete “conservator” and insert “holder of the beneficiary’s power of attorney”

Page 5, delete section 5

Page 5, line 19, delete “529.06” and insert “529.05”

Page 5, line 34, delete “7” and insert “6” and delete “15” and insert “14”

Page 5, line 36, delete “529.07” and insert “529.06”

Page 6, line 8, delete “that would be” and insert “set forth in section 501B.10.”

Page 6, delete lines 9 and 10

Page 6, line 11, delete “fiduciaries.”

Page 6, line 13, delete everything after the period

Page 6, delete lines 14 to 16

Page 7, delete lines 2 to 4

Page 7, line 5, delete “529.08” and insert “529.07”

Page 7, line 12, delete “7” and insert “6”

Page 7, line 13, delete “529.09” and insert “529.08”

Page 7, line 35, delete “529.10” and insert “529.09”

Page 8, line 1, delete “the custodial”

Page 8, line 2, delete “trust was created under section 5, (ii)”

Page 8, line 4, delete “(iii)” and insert “(ii)”

Page 8, line 17, delete “may” and insert “must”

Page 8, line 34, delete "529.11" and insert "529.10"

Page 9, line 16, delete "529.12" and insert "529.11"

Page 10, line 8, delete "529.13" and insert "529.12"

Page 10, line 34, after "incapacitated," insert "or the holder of the beneficiary's power of attorney"

Page 10, line 35, delete everything after the period

Page 10, delete line 36

Page 11, delete lines 1 to 5

Page 11, line 9, delete "guardian" and insert "conservator"

Page 11, line 13, after "trustee" insert "in accordance with the procedures set forth in sections 501B.16 to 501B.25"

Page 11, line 31, delete "529.14" and insert "529.13"

Page 12, line 9, delete "529.15" and insert "529.14"

Page 13, after line 13, insert:

"(g) All proceedings described in this section must be conducted in accordance with the procedures set forth in sections 501B.16 to 501B.25."

Page 13, line 14, delete "529.16" and insert "529.15"

Page 14, line 12, delete "529.17" and insert "529.16"

Page 14, line 16, after "(2)" insert "to the holder of the beneficiary's power of attorney;

(3)"

Page 14, line 18, delete "(3)" and insert "(4)"

Page 14, delete lines 19 to 21

Page 14, line 22, delete "(ii)" and insert "(i)"

Page 14, line 24, delete "(iii)" and insert "(ii)"

Page 14, line 26, delete "(iv)" and insert "(iii)"

Page 14, line 36, delete "529.18" and insert "529.17"

Page 16, line 32, delete "works" and insert "words"

Page 18, line 1, before the headnote insert "[529.18]"

Page 18, line 14, before the headnote insert "[529.19]"

Page 18, lines 18 and 19, delete "20" and insert "19"

Renumber the sections in sequence

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. 1025, A bill for an act relating to the environment; requiring labeling of CFC-processed materials and materials containing CFC's; restricting use of CFC's unless approved; requiring recovery of CFC's from refrigeration units; imposing a tax on raw CFC; providing penalties; amending Minnesota Statutes 1988, sections 116.70, subdivision 2; and 116.74; 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. [CITATION.]

Sections 1 to 9 may be cited as the "comprehensive chlorofluorocarbon reduction and recycling act of 1990."

Sec. 2. [PURPOSE.]

It is the intent of the legislature to reduce the amount of CFCs used and emitted in Minnesota. Toward this goal, it is the legislature's intent that Minnesota industries use alternative chemicals when available and feasible. Where no alternative exists, CFCs should be recaptured and recycled whenever possible.

Sec. 3. Minnesota Statutes 1988, section 116.70, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 116.71 to ~~116.73~~ 116.7395.

Sec. 4. [116.735] [REQUIREMENTS TO RECYCLE CFCs.]

Subdivision 1. [SALVAGE AUTOMOBILES.] A person who processes automobiles for salvage must remove CFCs for recycling prior to disposal or sale of the materials containing CFCs. This subdivision does not apply to crushed automobiles or automobiles that have been processed in a manner that makes removal and recovery of CFCs impossible.

Subd. 2. [REFRIGERATION EQUIPMENT.] A person processing scrap refrigerators, central air conditioning units, or freezers must remove and recycle the CFCs.

Subd. 3. [MOBILE AIR CONDITIONING EQUIPMENT.] A person servicing or removing mobile air conditioning equipment must:

(1) recapture CFCs, provide storage for recaptured CFCs, and transfer recaptured CFCs to a recycler; or

(2) recapture CFCs and recycle the CFCs to an allowed use.

Subd. 4. [SERVICING OF APPLIANCES.] A person servicing refrigerators, central air conditioning units, or freezers must:

(1) recapture CFCs, provide storage for recaptured CFCs, and transfer recaptured CFCs to a recycler; or

(2) recapture CFCs and recycle the CFCs to an allowed use.

Subd. 5. [FOAM NOT REQUIRED TO BE RECYCLED.] This section does not require recycling of rigid or flexible foam.

Subd. 6. [RULES.] The agency shall adopt rules for recycling CFCs and establish standards for CFC recycling equipment under this section.

Sec. 5. [116.737] [REQUIREMENT TO RECYCLE FIRE EXTINGUISHER HALONS.]

A person who recharges, services, or retires fire extinguishers must recapture and recycle halons.

Sec. 6. [116.7395] [MEDICAL DEVICE EXEMPTION.]

Sections 1 to 5 do not apply to processes using CFCs or halons on medical devices, in sterilization processes in health care facilities, or

by a person or facility in manufacturing or selling of medical devices.

Sec. 7. [116.7397] [UNIFORM CFC REGULATION.]

It is the policy of this state to regulate and manage CFCs in a uniform manner throughout the state. Political subdivisions may not adopt, and are preempted from adopting or enforcing, requirements relating to CFCs that are different than state law.

Sec. 8. Minnesota Statutes 1989 Supplement, section 299K.08, is amended by adding a subdivision to read:

Subd. 3. [ADDITIONAL CHEMICAL REPORTING.] A facility must file a toxic chemical release inventory reporting form to the commission for CFC11' and CFC12', when the facility and chemical thresholds meet the requirements specified in United States Code, title 42, section 11023.

Sec. 9. [325E.35] [SALE OF CERTAIN CFC PRODUCTS PROHIBITED.]

Subdivision 1. [MOTOR VEHICLE COOLANTS.] A person may not offer for sale or sell CFC coolants in containers weighing less than 15 pounds that are designed for or are suitable for use in motor vehicle air conditioners except to persons who possess CFC recycling equipment and who present proof of ownership of CFC recycling equipment at the time of purchase.

Subd. 2. [SOLVENTS.] A person may not offer for sale or sell solvents containing CFCs in containers weighing 15 pounds or less.

Subd. 3. [PARTY STREAMERS.] A person may not offer for sale or sell CFC-propelled party streamers.

Subd. 4. [NOISE HORNS.] A person may not offer for sale or sell CFC noise horns.

Subd. 5. [CFC DEFINITION.] For purposes of this section, the term "CFC" has the definition given in section 116.70, subdivision 3.

Sec. 10. [EFFECTIVE DATE.]

Section 4, subdivisions 1 and 2, are effective July 1, 1991. Section 4, subdivision 3, and section 9 are effective January 1, 1993. Section 4, subdivision 4, is effective January 1, 1992."

Delete the title and insert:

"A bill for an act relating to the environment; requiring CFCs to be recycled; preempting local regulation of CFCs; requiring a report to the emergency response commission; prohibiting the sale of certain CFC products; amending Minnesota Statutes 1988, section 116.70, subdivision 1; Minnesota Statutes 1989 Supplement, section 299K.08, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 116; and 325E."

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. 1463, A bill for an act relating to agriculture; restricting use, purchase, or sale of bovine somatotropin.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [PURPOSE.]

In the public interest, the legislature intends biosynthetic bovine somatotropin to be closely regulated and administered only in research or necessary medical circumstances for two years after the effective date of sections 2 to 4.

Sec. 2. Minnesota Statutes 1988, section 151.01, subdivision 28, is amended to read:

Subd. 28. [VETERINARY LEGEND DRUG:] "Veterinary legend drug" means biosynthetic bovine somatotropin (BST) until two years after the effective date of this section or 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. 3. Minnesota Statutes 1988, section 151.15, subdivision 3, is amended to read:

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. Until two years after the effective date of this section, a veterinarian or veterinarian's assistant may use biosynthetic bovine somatotropin (BST) for medical or research purposes only. Biosynthetic bovine somatotro-

pin (BST) may not be dispensed to, used by, or administered by a person who is not a licensed veterinarian or a veterinarian's assistant under the veterinarian's supervision.

Sec. 4. Minnesota Statutes 1988, section 151.25, is amended to read:

151.25 [REGISTRATION OF MANUFACTURERS OR WHOLE-SALERS; FEE; PROHIBITIONS.]

The board shall require and provide for the annual registration of every person engaged in manufacturing or selling at wholesale drugs, medicines, chemicals, or poisons for medicinal purposes, now or hereafter doing business with accounts in this state. Upon a payment of a fee as set by the board, the board shall issue a registration certificate in such form as it may prescribe to such manufacturer or wholesaler. Such registration certificate shall be displayed in a conspicuous place in such manufacturer's or wholesaler's place of business for which it is issued and expire on the 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 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 or biosynthetic bovine somatotropin (BST) until two years after the effective date of this section to other than a pharmacy, except as provided in this chapter.

Sec. 5. [EFFECTIVE DATE.]

Sections 2, 3, and 4 are effective 30 days after the commissioner of agriculture publishes notice in the State Register that states having 40 percent or more of milk production as determined by the United States Department of Agriculture statistics for 1987 adopt provisions that restrict general use of biosynthetic bovine somatotropin (BST)."

Delete the title and insert:

"A bill for an act relating to agriculture; restricting use of biosynthetic bovine somatotropin for two years; authorizing dispensing and administering of biosynthetic bovine somatotropin only by licensed veterinarians for two years if approved by states with 40 percent of the nation's milk production; prescribing penalties; amending Minnesota Statutes 1988, sections 151.01, subdivision 28; 151.15, subdivision 3; and 151.25."

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. 1860, A bill for an act relating to traffic regulations; requiring motorists to activate vehicle lights during inclement weather conditions; amending Minnesota Statutes 1988, section 169.48.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 169.48, is amended to read:

169.48 [VEHICLE LIGHTING.]

Subdivision 1. [LIGHTS TO BE DISPLAYED.] Every vehicle upon a highway within this state;

(1) at any time from sunset to sunrise;

(2) at any time when it is raining, snowing, sleet, or hailing; and

(3) at any other time when visibility is impaired by weather, smoke, fog or other conditions or there is not sufficient light to render clearly discernible persons and vehicles on the highway at a distance of 500 feet ahead, shall display lighted lamps and illuminating devices, as hereinafter, respectively, required for different classes of vehicles, subject to exceptions with respect to parked vehicles, as hereinafter stated. In addition to the other requirements of this paragraph, every school bus transporting children upon a highway within this state, at any time from a half hour before sunrise to a half hour after sunset, shall display lighted lamps and illuminating devices as required by this paragraph, except that the operator shall use the lower most distribution of light specified in section 169.60 unless conditions warrant otherwise.

When requirement is hereinafter declared as to the distance from which certain lamps and devices shall render objects visible or within which such lamps or devices shall be visible, these provisions shall apply during the time stated in this section upon a straight level unlighted highway under normal atmospheric conditions unless a different time or condition is expressly stated and unless otherwise specified the location of lamps and devices shall refer to the center of such lamps or devices. Parking lamps shall not be used in lieu of head lamps to satisfy the requirements of this section.

Subd. 2. [CERTAIN VIOLATIONS; NEGLIGENCE.] Notwithstanding section 169.96, a violation of subdivision 1, clause (2), is not negligence per se or prima facie evidence of negligence.

Amend the title as follows:

Page 1, line 4, after the semicolon insert "providing that violation is not negligence per se or prima facie evidence of negligence;"

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. 1882, A bill for an act relating to probate; providing right to counsel in certain guardianship and conservatorship proceedings; proposing coding for new law in Minnesota Statutes, chapter 525.

Reported the same back with the following amendments:

Page 1, line 8, before "A" insert "Subdivision 1. [GENERAL.]" and delete the second "proposed"

Page 1, line 11, delete the first "the proposed" and after "conservatee" insert "for the initial proceeding held pursuant to section 525.551"

Page 1, line 13, delete "that person" and insert "the proposed ward or conservatee"

Page 1, line 15, delete "as set forth in" and insert "under"

Page 1, line 22, delete "this charge" and insert "section 525.551"

Page 2, after line 4, insert:

"Subd. 2. [FILING FEE SURCHARGE.] A petitioner who pays a filing fee for a petition under chapters 524 and 525 shall pay a surcharge of up to \$20, set by the county board of the county in which the petition is filed, in addition to the filing fee and other surcharges imposed by law. The court administrator shall transmit the surcharge to the county treasurer for deposit in the county treasury.

Subd. 3. [PAYMENT OF COUNSEL.] A proposed ward or conservatee shall pay the costs of counsel out of assets of, or available to, the ward or conservatee. If the proposed ward or conservatee is indigent, the costs of counsel shall be paid by the county from amounts deposited in the county treasury under 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.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1890, A bill for an act relating to government data practices; establishing procedures for computerized comparisons of data; requiring matching agreements; providing for contesting of data; requiring reviews and reports; imposing penalties; proposing coding for new law as Minnesota Statutes, chapter 13B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [13B.01] [DEFINITIONS.]

Subdivision 1. [GENERAL.] For purposes of this chapter, the following terms have the meanings given them.

Subd. 2. [BENEFIT PROGRAM.] "Benefit program" means a program administered by a public entity or agent of a public entity that provides cash or in-kind assistance in the form of payments, grants, subsidies, loans, loan guarantees, or any other form of financial assistance to individuals.

Subd. 3. [FRONT END VERIFICATION.] "Front end verification" means a computerized procedure operated by a public entity that checks the accuracy and truthfulness of data provided by an individual as part of an application with the public entity.

Subd. 4. [GOVERNMENT DATA.] "Government data" has the meaning given the term in section 13.02, subdivision 7.

Subd. 5. [INDIVIDUAL.] "Individual" has the meaning given the term in section 13.02, subdivision 8.

Subd. 6. [LAW ENFORCEMENT AGENCY.] "Law enforcement agency" means an agency of the state, a political subdivision, or the

University of Minnesota with the power to conduct criminal investigations or make arrests or an attorney authorized by law to prosecute or participate in the prosecution of criminal offenses.

Subd. 7. [MATCHING PROGRAM.] "Matching program" means a computerized comparison of government data to government or nongovernment data for use by a public entity for purposes of determining the eligibility of individuals for a license, privilege, benefit program, or employment. Matching program does not include a comparison performed:

(1) by a public entity if all data used in the comparison are government data of one responsible authority within the public entity, other than personnel or payroll data;

(2) by a law enforcement agency after initiation of a law enforcement investigation for gathering evidence for a law enforcement proceeding against an identified individual;

(3) to produce aggregate statistical data without data that identify individuals in the final product; or

(4) to support a research or statistical project, the specific data of which may not be used to make decisions concerning the rights, benefits, or privileges of specific individuals.

Subd. 8. [PUBLIC ENTITY.] "Public entity" means a state agency or statewide system as those terms are defined in section 13.02.

Subd. 9. [RESPONSIBLE AUTHORITY.] "Responsible authority" has the meaning given in section 13.02, subdivision 16.

Sec. 2. [13B.02] [MATCHING AGREEMENTS.]

Before participating in a matching program, the responsible authority in each public entity that participates in the matching program shall enter into a written agreement with the other public entity specifying:

(1) the rationale, purpose, and legal authority for conducting the program;

(2) a description of the data that will be matched, including each data element that will be used, the approximate number of records that will be matched, and the projected starting and completion dates of the matching program;

(3) procedures for retention and destruction of data created by the matching program consistent with section 138.17;

(4) procedures for ensuring the security of the data;

(5) prohibitions on duplication and redisclosure of data by the public entity who receives the data, unless authorized by the public entity that releases the data;

(6) procedures governing the use of the data provided by the public entity for the matching program, including procedures governing return to the public entity or destruction of the data consistent with section 138.17; and

(7) information on assessments that have been made on the accuracy of the data that will be used in the matching program.

Sec. 3. [13B.03] [FRONT END VERIFICATION AND MATCHING PROGRAMS; RIGHTS OF SUBJECTS.]

A public entity may not suspend, terminate, reduce, or make a final denial of employment or a license or other privilege or of assistance under a benefit program, or take other adverse action against an individual as a result of data produced by a matching program or front end verification, until the entity has independently verified the data. If independent verification shows that the data are correct, the entity shall give the individual written notice of its findings and an opportunity to contest the findings. The requirements of this section may be satisfied by verification, notice, hearing, and appeal rights governing the particular benefit program or employment or licensing procedure. This section shall not apply to actions taken by the commissioner of revenue pursuant to section 270.72.

Sec. 4. [REPEALER.]

Section 2 is repealed July 31, 1992."

Amend the title as follows:

Page 1, line 5, delete everything after "data;"

Page 1, line 6, delete everything before "proposing"

With the recommendation that when so amended the bill pass.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 1908, A bill for an act relating to human services; requiring duplication, contradiction, and archaic language in laws, rules, and regulations governing human services to be reduced or eliminated; requiring one state agency to administer each service; requiring technical assistance, fiscal responsibility, and interpretative guidelines for all regulatory standards; and establishing a legislative commission on regulatory reduction; proposing coding for new law in Minnesota Statutes, chapter 245A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [245A.17] [REFORM OF RULES AND REGULATIONS AFFECTING SERVICES TO PERSONS WITH MENTAL RETARDATION AND RELATED CONDITIONS.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given.

(a) "Commissioners" means the commissioners of human services and health.

(b) "Services" means all services provided to persons with mental retardation or related conditions that are licensed, certified, or regulated by the department of human services or health.

(c) "Rules and regulations" means all laws, interpretative bulletins, or program standards established or administered by the department of human services or health affecting services to persons with mental retardation and related conditions.

(d) "Affected parties" means all consumers of services, providers of services, advocacy groups, and licensing staff.

Subd. 2. [POLICY.] The Minnesota legislature intends to ensure that rules and regulations (1) assure quality of care and services, (2) conform with federal and state codes, (3) are cost effective, and (4) are concise, clear, and noncontradictory.

Subd. 3. [OBJECTIVES.] The commissioners shall submit by February 1, 1991, a plan for simplification of rules and regulations governing services to persons with developmental disabilities and related conditions. This plan shall be developed in consultation with affected parties."

Delete the title and insert:

"A bill for an act relating to health and human services; stating policy and requiring a plan relating to rules and regulations affecting services to persons with mental retardation and related conditions; proposing coding for new law in Minnesota Statutes, chapter 245A."

With the recommendation that when so amended the bill pass.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 1911, A bill for an act relating to human services; amending the Medicare certification requirement for nursing homes; amending Minnesota Statutes 1989 Supplement, section 256B.48, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 256B.48, subdivision 6, is amended to read:

Subd. 6. [MEDICARE CERTIFICATION.] (a) [DEFINITION.] For purposes of this subdivision, "nursing facility" means a nursing home that is certified as a skilled nursing facility or, after September 30, 1990, a nursing home licensed under chapter 144A that is certified as a nursing facility.

(b) [FULL MEDICARE PARTICIPATION REQUIRED.] All nursing facilities shall fully participate in Medicare part A and part B unless, after submitting an application, Medicare certification is denied by the federal health care financing administration. Medicare review shall be conducted at the time of the annual medical assistance review. Charges for Medicare-covered services provided to residents who are simultaneously eligible for medical assistance and Medicare must be billed to Medicare part A or part B before billing medical assistance. Medical assistance may be billed only for charges not reimbursed by Medicare.

(c) [UNTIL SEPTEMBER 30, 1990.] Until September 30, 1990, a nursing facility satisfies the requirements of paragraph (b) if: (1) at least 50 percent of the facility's beds that are licensed under section 144A and certified as skilled nursing beds under the medical

assistance program are Medicare certified; or (2) if a nursing facility's beds are licensed under section 144A, and some are medical assistance certified as skilled nursing beds and others are Medical assistance certified as intermediate care facility I beds, at least 50 percent of the facility's total skilled nursing beds and intermediate care facility I beds or 100 percent of its skilled nursing beds, whichever is less, are Medicare certified.

(d) [~~OCTOBER 1, 1990, TO JUNE 30, 1991 AFTER SEPTEMBER 30, 1990.~~] After September 30, 1990, and ~~until June 30, 1991,~~ a nursing facility satisfies the requirements of paragraph (b) if at least 50 percent of the facility's beds certified as nursing facility beds under the medical assistance program are Medicare certified.

(e) [~~AFTER JUNE 30, 1991.~~] After June 30, 1991, a nursing facility satisfies the requirements of paragraph (b) if 100 percent of the facility's beds that are certified as nursing facility beds under the medical assistance program are Medicare certified.

(f) [~~PROHIBITED TRANSFERS.~~] A resident in a skilled nursing bed or, after September 30, 1990, a resident in any nursing facility bed, who is eligible for medical assistance and who becomes eligible for Medicare has the right to refuse an intrafacility skilled nursing bed transfer if the commissioner approves the exception request based on written documentation submitted by a physician that the transfer would create or contribute to a health problem for the resident. A resident who is occupying a skilled nursing bed or, after September 30, 1990, a nursing facility bed certified by the medical assistance and Medicare programs, has the right to refuse a transfer if the resident's bed is needed for a Medicare-eligible patient or private-pay patient and if the commissioner approves the exception based on written documentation submitted by a physician that the transfer would create or contribute to a health problem for the resident. [~~CONFLICT WITH MEDICARE DISTINCT PART REQUIREMENTS.~~] At the request of a facility, the commissioner of human services may reduce the 50 percent Medicare participation requirement in paragraphs (c) and (d) to no less than 20 percent if the commissioner of health determines that, due to the facility's physical plant configuration, the facility cannot satisfy Medicare distinct part requirements at the 50 percent certification level. To receive a reduction in the participation requirement, a facility must demonstrate that the reduction will not adversely affect access of Medicare-eligible residents to Medicare-certified beds.

(g) (f) [~~INSTITUTIONS FOR MENTAL DISEASE.~~] The commissioner may grant exceptions to the requirements of paragraph (b) for nursing facilities that are designated as institutions for mental disease.

(h) (g) [~~NOTICE OF RIGHTS.~~] The commissioner shall inform

recipients of their rights under this subdivision and section 144.651, subdivision 29."

Delete the title and insert:

"A bill for an act relating to human services; amending the Medicare certification requirement for nursing homes; amending Minnesota Statutes 1989 Supplement, section 256B.48, 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.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 1912, A bill for an act relating to human services; allowing an increase to the property rates for a limited period; establishing a capital replacement fund for nursing homes; providing for a phase-up and extending grandfather status for property costs of certain nursing homes; amending Minnesota Statutes 1988, section 256B.431, by adding a subdivision; and Minnesota Statutes 1989 Supplement, section 256B.431, subdivision 3f.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 144A.073, is amended by adding a subdivision to read:

Subd. 3a. [EXTENSION OF APPROVAL OF A PROJECT REQUIRING AN EXCEPTION TO THE NURSING HOME MORATORIUM.] Notwithstanding subdivision 3, a construction project that was approved by the commissioner under the moratorium exception approval process in this section prior to February 1, 1990, may be commenced more than 12 months after the date of the commissioner's approval but no later than July 1, 1992.

Sec. 2. Minnesota Statutes 1988, section 256B.431, is amended by adding a subdivision to read:

Subd. 3h. [PROPERTY COSTS FOR THE RATE YEAR BEGINNING JULY 1, 1990.] Notwithstanding Minnesota Rules, part 9549.0060, subpart 13, item H, the commissioner shall determine

property-related payment rates for nursing homes for the rate year beginning July 1, 1990, as follows:

(a) The property-related payment rate for a nursing home that qualifies under subdivision 3g is the rate determined under that subdivision.

(b) Nursing homes shall be grouped according to the type of property-related payment rate the commissioner determined for the rate year beginning July 1, 1989. A nursing home whose property-related payment rate was determined under Minnesota Rules, part 9549.0060, subpart 13, item A (full rental reimbursement) shall be considered group A. A nursing home whose property-related payment rate was determined under Minnesota Rules, part 9549.0060, subpart 13, item B (phase-down to full rental reimbursement) shall be considered group B. A nursing home whose property-related payment rate was determined under Minnesota Rules, part 9549.0060, subpart 13, item C or D (phase-up to full rental reimbursement) shall be considered group C.

(c) For the rate year beginning July 1, 1990, a Group A nursing home shall receive its property-related payment rate determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section.

(d) For the rate year beginning July 1, 1990, a Group B nursing home shall receive the greater of 90.5 percent of the property-related payment rate in effect on July 1, 1989; or the rental per diem rate determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section in effect on July 1, 1990; or the sum of 100 percent of the nursing home's allowable principal and interest expense, plus its equipment allowance multiplied by the resident days for the reporting year ending September 30, 1989, divided by the nursing home's capacity days as determined under Minnesota Rules, part 9549.0060, subpart 11, as modified by subdivision 3f, paragraph (c); except that the nursing home's property-related payment rate must not exceed its property-related payment rate in effect on July 1, 1989.

(e) For the rate year beginning July 1, 1990, a Group C nursing home shall receive its property-related payment rate determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section, except the rate must not exceed the lesser of its property-related payment rate determined for the rate year beginning July 1, 1989, multiplied by 150 percent or its rental per diem rate determined effective July 1, 1990.

(f) The property-related payment rate for a nursing home that qualifies for a rate adjustment under Minnesota Rules, part 9549.0060, subpart 13, item G (special reappraisals) shall have the

property-related payment rate determined in paragraphs (a) to (e) adjusted according to the provisions in that rule.

Sec. 3. Minnesota Statutes 1988, section 256B.431, is amended by adding a subdivision to read:

Subd. 3i. [PROPERTY RATE ADJUSTMENT FOR REQUIRED IMPROVEMENTS.] The commissioner shall add an adjustment to the property-related payment rate of a certified, freestanding boarding care home reflecting the costs incurred by that nursing home to install a communications system in every room and hallway handrails, as required under the 1987 federal Omnibus Budget Reconciliation Act, Public Law Number 100-203. The property-related payment rate increase is only available if, and to the extent that, the nursing home's existing property-related payment rate, minus the nursing home's allowable principal and interest costs and equipment allowance, is not sufficient to cover the costs of the required improvements. Each nursing home eligible for the adjustment shall submit to the commissioner a detailed estimate of the cost increases the facility will incur to meet the new physical plant requirements. Ten percent of the amount of the costs that are determined by the commissioner to be reasonable for the nursing home to meet the new requirements, divided by resident days, must be added to the nursing home's property-related payment rate. The adjustment shall be added to the property-related payment rate determined under section 2. The resulting recalculated property-related payment rate is effective October 1, 1990, or 60 days after a nursing home submits its detailed cost estimate, whichever occurs later.

The adjustment is only available to a certified, freestanding boarding care home that cannot meet the requirements of Public Law Number 100-203 for communications systems and handrails as demonstrated to the satisfaction of the commissioner of health. When the commissioner of human services establishes that it is not cost effective to upgrade an eligible certified, freestanding boarding care home to the new standards, the commissioner of human services may exclude the certified freestanding boarding care home if it is either an institution for mental disease or a certified, freestanding boarding care home that would have been determined to be an institution for mental disease but for the fact that it has 16 or fewer licensed beds.

Sec. 4. [RECOMMENDATIONS REGARDING PROPERTY COST PAYMENTS.]

By December 15, 1990, the rule 50 property reimbursement advisory task force under the convening authority of the commissioner of state planning shall recommend to the legislature a new system for determining property-related payment rates for nursing homes. The system recommended by the advisory task force must

not increase total medical assistance spending for nursing home property costs. The system must be designed to:

(1) reimburse nursing homes for their legitimate and reasonable property-related costs;

(2) permit appropriate sales of facilities within reasonable limitations;

(3) allow for the reasonable accumulation of funds to replace capital assets;

(4) take into consideration Medicare principles and required state plan assurances;

(5) provide equitable treatment of facilities;

(6) establish limitations on investment per bed; and

(7) encourage long-term ownership of nursing facilities through providing a return on an owner's actual investment which is related to the length of ownership at the time of an arm's length sale.

Sec. 5. [REPEALER.]

Minnesota Statutes 1988, sections 256B.431, subdivisions 3, 3b, 3c, and 3d; and 256B.50, subdivision 2; and Minnesota Statutes 1989 Supplement, section 256B.431, subdivisions 3a and 3f, are repealed effective July 1, 1991.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective July 1, 1990."

Delete the title and insert:

"A bill for an act relating to health and human services; extending the construction deadline for nursing homes that have been granted exceptions to the moratorium; repealing laws establishing a rental system for reimbursing nursing home property costs; establishing interim property payment rates; requiring the property reimbursement advisory task force to recommend a new property payment system; amending Minnesota Statutes 1988, sections 144A.073, by adding a subdivision; and 256B.431, by adding subdivisions; repealing Minnesota Statutes 1988, sections 256B.431, subdivisions 3, 3b, 3c, and 3d; and 256B.50, subdivision 2; and Minnesota Statutes 1989 Supplement, section 256B.431, subdivisions 3a and 3f."

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. 2027, A bill for an act relating to civil actions; addressing reduction of damages in an action under no-fault automobile insurance; clarifying the execution of a state agency lien for medical assistance in a civil case; preserving common law tort law claims against adults who knowingly provide alcoholic beverages to minors; changing the standard for awarding punitive damages; addressing when a principal may be held liable for punitive damages for an act of the principal's agent; requiring a separate trial to address punitive damages; requiring the court to review a punitive damages award; making the contributory negligence rule apply to damages resulting from economic loss; redefining fault; abolishing the doctrine of last clear chance; repealing the limit on intangible loss damages and the requirement that a jury specify amounts for past, future, and intangible loss damages; amending Minnesota Statutes 1988, sections 65B.51, subdivision 1; 256B.042, subdivision 5; 340A.801, by adding a subdivision; 541.051, subdivision 1; 548.36, subdivision 3; 549.20, subdivisions 1, 2, and by adding subdivisions; 604.01, subdivisions 1, 1a, and 3; repealing Minnesota Statutes 1988, sections 549.23 and 549.24.

Reported the same back with the following amendments:

Page 1, after line 26, insert:

"Section 1. Minnesota Statutes 1988, section 31.50, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, "distressed food" means, in addition to the definition in section 31.495, certain perishable foods, as defined in section 28A.03, which may not be readily marketable due to appearance, freshness, grade, surplus or other considerations and are not suspect of having been rendered unsafe or unsuitable for food use and are adequately labeled.

(b) For the purposes of this section, "food bank" means a surplus food collection and distribution system operated and established to assist in bringing donated food to nonprofit charitable organizations and individuals for the purpose of reducing hunger and meeting nutritional needs.

(c) For the purposes of this section, "food facility" means a:

(1) restaurant, food establishment, vehicle, vending machine, produce stand, temporary food facility, satellite food distribution facility, stationary mobile food preparation unit, and mobile food preparation unit;

(2) place used in conjunction with the operations described in clause (1), including, but not limited to, storage facilities for food-related utensils, equipment, and materials; or

(3) farmers' market.

(d) "Nonprofit charitable organization" means an organization that was organized under the Minnesota nonprofit corporation act and is operating for charitable purposes.

Sec. 2. Minnesota Statutes 1988, section 31.50, subdivision 2, is amended to read:

Subd. 2. [DONATION; DISTRESSED FOOD.] A food manufacturer, distributor, processor or a person who donates or collects distressed food to or for a nonprofit charitable organization as defined in section 309.50, subdivision 4, for distribution at no charge to the elderly or needy, or who directly distributes distressed food to the elderly or needy at no charge, shall not be liable for any injury, including but not limited to injury resulting from the ingesting of the distressed food, unless the injury is caused by the gross negligence, recklessness or intentional misconduct of the food manufacturer, processor, distributor or person.

Sec. 3. Minnesota Statutes 1988, section 31.50, subdivision 3, is amended to read:

Subd. 3. [DISTRIBUTION.] A food bank or nonprofit charitable organization as defined in section 309.50, subdivision 4, which in good faith collects or receives distressed food and distributes it at no charge to the elderly or needy, at no charge, food which is fit for human consumption at the time it is distributed, shall not be liable for any injury, including but not limited to injury resulting from the ingesting of the distressed food, unless the injury is caused by the gross negligence, recklessness or intentional misconduct of the food bank or nonprofit charitable organization.

Sec. 4. Minnesota Statutes 1988, section 31.50, is amended by adding a subdivision to read:

Subd. 5. [OTHER FOOD DONATION.] A food facility that donates, to a food bank or other nonprofit charitable organization, food which is:

(1) fit for human consumption at the time of donation; and

(2) distributed by the food bank or nonprofit charitable organization to the elderly or needy at no charge;

shall not be liable for any injury, including, but not limited to, liability resulting from ingestion of the food, unless the injury is caused by the gross negligence, recklessness, or intentional misconduct of the food facility.

Sec. 5. Minnesota Statutes 1988, section 38.013, is amended to read:

38.013 [TORT LIABILITY.]

The provisions of chapter 466, regarding tort liability apply to county agricultural societies organized under this chapter, except that no person who serves without compensation as a member of the board of a county agricultural society created or organized under chapter 38 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 member of the board and did not constitute willful or reckless misconduct.

This subdivision does not apply to:

(1) an action or proceeding brought by the attorney general for a breach of a fiduciary duty as a director;

(2) a cause of action to the extent it is based on federal law; or

(3) a cause of action based on the board member's express contractual obligation.

Nothing in this subdivision shall be construed to limit the liability of a member of the board for physical injury to the person of another or for wrongful death which is personally and directly caused by the board member.

For purposes of this subdivision the term "compensation" means any thing of value received for services rendered, except:

(1) reimbursement for expenses actually incurred;

(2) a per diem in an amount not to exceed the per diem authorized for state advisory councils and committees pursuant to section 15.059, subdivision 3; or

(3) payment by the county agricultural society of insurance premiums on behalf of a member of the board."

Page 2, delete section 2 and insert:

"Sec. 7. Minnesota Statutes 1988, section 169.48, is amended to read:

169.48 [VEHICLE LIGHTING.]

Every vehicle upon a highway within this state, at any time from sunset to sunrise and at any other time when visibility is impaired by weather, smoke, fog or other conditions or there is not sufficient light to render clearly discernible persons and vehicles on the highway at a distance of 500 feet ahead, shall display lighted lamps and illuminating devices, as hereinafter, respectively, required for different classes of vehicles, subject to exceptions with respect to parked vehicles and law enforcement vehicles, as hereinafter stated. In addition to the other requirements of this paragraph, every school bus transporting children upon a highway within this state, at any time from a half hour before sunrise to a half hour after sunset, shall display lighted lamps and illuminating devices as required by this paragraph, except that the operator shall use the lower most distribution of light specified in section 169.60 unless conditions warrant otherwise.

When requirement is hereinafter declared as to the distance from which certain lamps and devices shall render objects visible or within which such lamps or devices shall be visible, these provisions shall apply during the time stated in this section upon a straight level unlighted highway under normal atmospheric conditions unless a different time or condition is expressly stated and unless otherwise specified the location of lamps and devices shall refer to the center of such lamps or devices. Parking lamps shall not be used in lieu of head lamps to satisfy the requirements of this section.

Sec. 8. [169.541] [LIGHTING EXEMPTIONS; LAW ENFORCEMENT VEHICLES; STANDARDS.]

Subdivision 1. [EXEMPTION.] Sections 84.87, 84.928, 169.48 to 169.65, and 361.15, relating to lighting of vehicles and watercraft, do not apply to a licensed peace officer, as defined in section 626.84, subdivision 1, paragraph (c), while operating a motor vehicle or watercraft owned, leased, or otherwise the property of the state or a political subdivision, in the performance of the officer's law enforcement duties if the officer's conduct is consistent with the standards adopted under subdivision 2, and if the officer reasonably believes that operating the vehicle without lights is necessary under the circumstances to investigate a criminal violation or suspected criminal violation of state laws, rules, or orders or local laws, ordinances, or regulations.

Subd. 2. [POST BOARD STANDARDS.] The peace officers standards and training board shall adopt standards governing situations in which licensed peace officers as defined in section 626.84, subdivision 1, paragraph (c), may operate a vehicle or watercraft

without lights as provided in subdivision 1. The board shall report to the legislature on the standards by January 1, 1991.

Subd. 3. [TORT LIABILITY.] When authorized under subdivision 1, the fact that a motor vehicle or watercraft was operated without lights by a licensed peace officer is an act or omission, or performance or failure to perform, as applied in sections 3.736, subdivision 3, clauses (a) and (b); and 466.03, subdivisions 5 and 6."

Page 3, after line 2, insert:

"Sec. 10. Minnesota Statutes 1988, section 361.15, is amended to read:

361.15 [LIGHTS.]

Subdivision 1. Except as provided in section 8, each watercraft using the waters of this state, when underway or in use at any time between sunset and sunrise, shall carry and display the lights specified by the commissioner for such watercraft.

Sec. 11. Minnesota Statutes 1988, section 466.08, is amended to read:

466.08 [COMPROMISE OF CLAIMS.]

Notwithstanding sections 466.03 and 466.06, the governing body of any municipality, the administrator of a self-insurance pool, or the authorized representative of a private insurance carrier may compromise, adjust and settle tort claims against the municipality for damages under section 466.02 and may, subject to procedural requirements imposed by law or charter, appropriate money for the payment of amounts agreed upon. When the amount of a settlement exceeds ~~\$2,500~~ \$10,000, the settlement shall not be effective until approved by the district court."

Page 7, line 1, delete "2, and 4 to 13" and insert "to 6, and 12 to 21"

Page 7, line 3, delete "3" and insert "9"

Page 7, line 4, after the period insert "Section 11 is effective August 1, 1990, and applies to claims settled on or after that date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon insert "limiting the liability of food donors;"

Page 1, line 3, after the semicolon insert "providing vehicle and watercraft lighting exemptions for law enforcement vehicles;"

Page 1, line 19, after "sections" insert "31.50, subdivisions 1, 2, 3, and by adding a subdivision; 38.013;"

Page 1, line 20, delete "256B.042, subdivision 5" and insert "169.48"

Page 1, line 21, after the first semicolon insert "361.15; 466.08;"

Page 1, line 24, after "3;" insert "proposing coding for new law in Minnesota Statutes, chapter 169;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2031, A bill for an act relating to health; requiring the commissioner of health to purchase vaccine for resale to medical providers at discounted prices; declaring the goal of the legislature to achieve full funding for the WIC program by 1993; establishing additional responsibilities of the commissioner of health relating to the WIC program; requiring the commissioner of human services to seek federal approval to eliminate eligibility redeterminations for certain pregnant women and infants; expanding eligibility for the children's health plan to include certain pregnant women and children up to age six; increasing medical assistance income limits for pregnant women and children up to age seven; increasing payment rates for prenatal care and delivery services; requiring a plan to improve utilization rates for prenatal care and preventive care for children; expanding the prenatal care media outreach campaign; requiring the boards of medical examiners and nursing to report on complaints relating to obstetrics, gynecology, prenatal care, and delivery; appropriating money; amending Minnesota Statutes 1988, sections 214.07, subdivision 1, and by adding a subdivision; and 256.936, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 145.894; 256.936, subdivision 1; 256B.04, subdivision 17; and 256B.057, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Page 1, line 32, delete "15" and insert "17"

Page 2, after line 6, insert:

"Sec. 3. [62A.62] [DEMONSTRATION PROJECT.]

Subdivision 1. [ESTABLISHMENT.] The commissioner shall establish demonstration projects to allow health insurers regulated under this chapter and nonprofit health service plan corporations regulated under chapter 62C to extend coverage for health and services to individuals or groups currently unable to afford such coverage. For purposes of this section, the commissioner may waive compliance with minimum benefits required under chapter 62A, and any applicable rules if there is reasonable evidence that the rules prohibit the operation of the demonstration project. The commissioner shall provide for public comment before any statute or rule is waived.

Subd. 2. [APPLICATION AND APPROVAL.] An insurer or health service plan corporation electing to participate in a demonstration project shall apply to the commissioner for approval on a form developed by the commissioner. The application shall include at least the following:

(1) a statement identifying the population that the project is designed to serve;

(2) a description of the proposed project including a statement projecting a schedule of costs and benefits for the enrollee;

(3) reference to the sections of Minnesota Statutes and department of commerce rules for which waiver is requested;

(4) evidence that application of the requirements of applicable Minnesota Statutes and department of commerce rules would, unless waived, prohibit the operation of the demonstration project;

(5) an estimate of the number of years needed to adequately demonstrate the project's effects; and

(6) other information the commissioner may reasonably require.

Subd. 3. [COMMISSIONER'S REVIEW OF APPLICATION FOR DEMONSTRATION PROJECT.] The commissioner shall approve, deny, or refer back to the insurer or health service plan corporation for modification, the application for a demonstration project within 60 days of receipt from the insurer or health service plan corporation.

Subd. 4. [LENGTH OF PROJECT.] The commissioner may approve an application for a demonstration project for a maximum of six years, with an option to renew.

Subd. 5. [REPORT REQUIRED.] Each insurer or health service plan corporation for which a demonstration project is approved shall annually file a report with the commissioner summarizing the project's experience at the same time it files its annual report. The report shall be on a form developed by the commissioner and shall be separate from the annual report.

Subd. 6. [APPROVAL MAY BE RESCINDED.] The commissioner may rescind approval of a demonstration project if the commissioner finds that the project's operation is contrary to the information contained in the approved application."

Pages 6 and 7, delete sections 7 and 8 and insert:

"Sec. 8. Minnesota Statutes 1989 Supplement, section 256.936, subdivision 1, is amended to read:

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 who are one year of age or older but less than 18 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. The period of eligibility for children extends from the first day of the month in which the child's first birthday occurs birth to the last day of the month in which the child becomes 18 years old. For purposes of this subdivision, a woman is considered pregnant for 60 days postpartum.

(b) "Covered services" means children's health services.

(c) "Children's health services" means the health services reimbursed under chapter 256B, with the exception of inpatient hospital services, special education services, private duty nursing services, orthodontic services, medical transportation services, personal care assistant and case management services, hospice care services, nursing home or intermediate care facilities services, and chemical dependency services.

(d) "Eligible providers" means those health care providers who provide children's health services to medical assistance recipients 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.

(e) "Commissioner" means the commissioner of human services.

(f) "Gross family income" for farm and nonfarm self-employed means income calculated using as the baseline the adjusted gross income reported on the applicant's federal income tax form for the previous year and adding back in reported depreciation, carryover loss, and net operating loss amounts that apply to the business in which the family is currently engaged. Applicants shall report the most recent financial situation of the family if it has changed from the period of time covered by the federal income tax form. The report may be in the form of percentage increase or decrease.

Sec. 9. Minnesota Statutes 1989 Supplement, section 256.936, subdivision 4, is amended to read:

Subd. 4. [ENROLLMENT FEE.] An annual enrollment fee of \$25, not to exceed \$150 per family, is required from eligible persons, who have gross family incomes that are equal to or less than 185 percent of the federal poverty guidelines, for children's health services. An annual enrollment fee of \$50, not to exceed \$300 per family, is required from eligible persons, who have gross family incomes that exceed 185 percent of the federal poverty guidelines, for children's health services. Enrollment fees are dedicated to the commissioner for the children's health plan program. The commissioner shall make an annual redetermination of continued eligibility and identify people who may become eligible for medical assistance."

Page 10, after line 9, insert:

"Sec. 16. [CONSUMER AWARENESS CAMPAIGN.]

The department of commerce shall establish a consumer awareness campaign to inform the public of cost effective strategies for the purchase of affordable health insurance. The department of commerce may accept public and private funds to establish and promote this consumer awareness campaign."

Page 10, line 14, delete the first comma and insert "and"

Page 10, line 14, delete everything after "care program"

Page 10, line 15, delete "children's health plan"

Page 10, line 16, delete "7, 8, 10, and 13" and insert "11 and 14"

Page 10, line 19, delete "9" and insert "10"

Page 10, after line 23, insert:

“(c) \$ is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1991, for start-up and administrative costs related to expansion of the children’s health plan.

“(d) \$ is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1991, for marketing and promotional efforts under section 256.936, subdivision 2.

“(e) \$ is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1991, to pay for the cost of medical services related to expansion of the children’s health plan.

Sec. 18. [EFFECTIVE DATE.]

Sections 8 and 9 are effective August 1, 1990. Section 17, paragraphs (c) and (d), are effective the day following final enactment. Section 17, paragraph (e), is effective July 1, 1990.”

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 2, after the semicolon insert “allowing demonstration projects to provide health coverage to persons who currently can’t afford it;”

Page 1, line 13, delete “certain” and delete “up to age six” and insert “from birth” and after the semicolon insert “adjusting enrollment fees;”

Page 1, line 23, after the first semicolon insert “requiring a consumer awareness program on affordable health insurance;”

Page 1, lines 25 and 26, delete “and 256.936, by adding a subdivision;”

Page 1, line 27, delete “subdivision 1” and insert “subdivisions 1 and 4”

Page 1, line 29, delete “chapter” and insert “chapters 62A and”

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. 2064, A bill for an act relating to railroads; establishing standard for abandonment of tracks; clarifying standard for abandonment of shops, terminals, and stations; amending Minnesota Statutes 1988, sections 219.681; 219.71; and 219.85.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [219.855] [EMPLOYEES; RIGHT TO BE HEARD.]

In any proceeding before the board arising under section 219.681, 219.71, or 219.85, employees of each railroad which is party to the proceeding have the right to appear and present testimony on the issues before the board but do not have standing as parties to the proceeding.”

Amend the title as follows:

Page 1, line 2, after the semicolon delete “establishing standard for” and insert “clarifying a railroad employee’s right to appear at certain hearings conducted by the transportation regulation board;”

Page 1, delete lines 3 to 6 and insert “proposing coding for new law in Minnesota Statutes, chapter 219.”

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. 2099, A bill for an act relating to pet or companion animals; permitting restrictions to be imposed on persons convicted of committing certain crimes; amending Minnesota Statutes 1988, section 343.21, 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.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 2118, A bill for an act relating to health; establishing requirements for rehabilitating or liquidating a health maintenance organization; specifying requirements for a health maintenance organization application for a certificate; establishing protections against conflicts of interest; establishing requirements for a guaranteeing organization; including certain investments as admitted assets; requiring an expedited resolution of disputes about coverage of immediately and urgently needed service; allowing replacement coverage by other health maintenance organizations; allowing appointment of a special examiner; amending Minnesota Statutes 1988, sections 60B.04, subdivision 1; 60B.15; 60B.17, subdivision 2, and by adding a subdivision; 60B.20; 60B.25; 62D.02, subdivision 15; 62D.03, subdivision 4; 62D.04, subdivision 1; 62D.041, subdivision 2; 62D.044; 62D.08, subdivisions 1, 2, and 6; 62D.11, subdivisions 1a, 4, and by adding a subdivision; 62D.121, by adding a subdivision; 62D.17, subdivisions 1 and 4; 62D.18, subdivision 1; 62D.211; Minnesota Statutes 1989 Supplement, sections 62D.121, subdivision 3; 72A.491, by adding a subdivision; Laws 1988, chapter 434, section 24; proposing coding for new law in Minnesota Statutes, chapters 60B; and 62D; repealing Minnesota Statutes 1988, sections 62D.12, subdivision 16; 62D.18, subdivisions 2, 3, and 5.

Reported the same back with the following amendments:

Page 6, line 21, after "the" insert "notice"

Page 16, line 26, after "the" insert "notice"

Page 35, delete section 29

Page 35, line 20, delete "30" and insert "29"

Page 35, line 25, delete "31" and insert "30"

Amend the title as follows:

Page 1, line 22, delete "sections" and insert "section"

Page 1, line 23, delete "72A.491, 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. 2218, A bill for an act relating to privacy of communications; including cordless telephones in the privacy of communications act; amending Minnesota Statutes 1988, section 626A.01, subdivisions 3 and 14.

Reported the same back with the following amendments:

Page 2, after line 9, insert:

"Sec. 3. Minnesota Statutes 1988, section 626A.02, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] (a) It is not unlawful under sections 626A.01 to 626A.23 for an operator of a switchboard, or an officer, employee, or agent of 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 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 is not 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 is not 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 is not unlawful under 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.

(e) It is not a violation of sections 626A.01 to 626A.23 or sections 626A.26 to 626A.34 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 626A.39; 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.

(g) It is not unlawful under sections 626A.01 to 626A.23 for a person not acting under color of law to intercept the radio portion of a cordless telephone communication that is transmitted between the cordless telephone handset and the base unit if the initial interception of the communication was obtained inadvertently.

Sec. 4. Minnesota Statutes 1988, section 626A.02, subdivision 4, is amended to read:

Subd. 4. [PENALTIES.] (a) Except as provided in paragraph (b) or in subdivision 5, whoever violates subdivision 1 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) 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, a cordless telephone communication transmitted between the cordless telephone handset and the base unit, or a paging service communication, and the conduct is not that described in subdivision 5, 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, a cordless telephone communication transmitted between the cordless telephone handset and the base unit, 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."

Amend the title as follows:

Page 1, line 5, after "14" insert "; and 626A.02, subdivisions 2 and 4"

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. 2340, A bill for an act relating to alcoholic beverages; authorizing cities and counties to issue licenses permitting on-sale of alcoholic beverages during certain hours when on-sale is otherwise prohibited; amending Minnesota Statutes 1988, section 340A.504, subdivisions 1 and 6; Minnesota Statutes 1989 Supplement, section 340A.504, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 349.

Reported the same back with the following amendments:

Page 3, line 14, delete "349.5051" and insert "340A.5051"

Page 3, line 20, delete "and to permit the consumption of"

Page 3, line 21, delete everything before "The"

Page 3, line 30, after "employee" insert "servicing or supervising the servicing of alcoholic beverages"

Page 4, line 7, delete the second "or" and insert "for"

Amend the title as follows:

Page 1, line 9, delete "349" and insert "340A"

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.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2351, A bill for an act relating to natural resources; authorizing conservation officers to seek issuance of and to serve search warrants; amending Minnesota Statutes 1989 Supplement, sections 626.05, subdivision 2; and 626.13.

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. 2367, A bill for an act relating to crimes; making it a crime for an alleged or adjudicated juvenile delinquent who is 18 years old to escape from a local juvenile correctional facility; amending Minnesota Statutes 1988, section 609.485, subdivisions 2 and 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 260.015, subdivision 5, is amended to read:

Subd. 5. [DELINQUENT CHILD.] "Delinquent child" means a child:

(a) Who has violated any state or local law, except as provided in section 260.193, subdivision 1, and except for juvenile offenders as described in subdivisions 19 to 23; or

(b) Who has violated a federal law or a law of another state and whose case has been referred to the juvenile court if the violation would be an act of delinquency if committed in this state or a crime or offense if committed by an adult; or

(c) Who has escaped from confinement to a state juvenile correc-

tional facility after being committed to the custody of the commissioner of corrections; or

(d) Who has escaped from confinement to a local juvenile correctional facility after being committed to the facility by the court.

Sec. 2. Minnesota Statutes 1989 Supplement, section 260.125, subdivision 3, is amended to read:

Subd. 3. A prima facie case that the public safety is not served or that the child is not suitable for treatment shall have been established if the child was at least 16 years of age at the time of the alleged offense and:

(1) is alleged by delinquency petition to have committed an aggravated felony against the person and (a) in committing the offense, the child acted with particular cruelty or disregard for the life or safety of another; or (b) the offense involved a high degree of sophistication or planning by the juvenile; or

(2) is alleged by delinquency petition to have committed murder in the first degree; or

(3) is alleged by delinquency petition (a) to have committed the delinquent act of escape from confinement to a state juvenile correctional facility or a local juvenile correctional facility and (b) to have committed an offense as part of, or subsequent to, escape from custody that would be a felony listed in section 609.11, subdivision 9, if committed by an adult; or

(4) has been found by the court, pursuant to an admission in court or after trial, to have committed an offense within the preceding 24 months which would be a felony if committed by an adult, and is alleged by delinquency petition to have committed murder in the second or third degree, manslaughter in the first degree, criminal sexual conduct in the first degree or assault in the first degree; or

(5) has been found by the court, pursuant to an admission in court or after trial, to have committed two offenses, not in the same behavioral incident, within the preceding 24 months which would be felonies if committed by an adult, and is alleged by delinquency petition to have committed manslaughter in the second degree, kidnapping, criminal sexual conduct in the second degree, arson in the first degree, aggravated robbery, or assault in the second degree; or

(6) has been found by the court, pursuant to an admission in court or after trial, to have committed two offenses, not in the same behavioral incident, within the preceding 24 months, one or both of which would be the felony of burglary of a dwelling if committed by

an adult, and the child is alleged by the delinquency petition to have committed another burglary of a dwelling. For purposes of this subdivision, "dwelling" means a building which is, in whole or in part, usually occupied by one or more persons living there at night; or

(7) has previously been found by the court, pursuant to an admission in court or after trial, to have committed three offenses, none in the same behavioral incident, within the preceding 24 months which would be felonies if committed by an adult, and is alleged by delinquency petition to have committed any felony other than those described in clause (2), (4), or (5); or

(8) is alleged by delinquency petition to have committed an aggravated felony against the person, other than a violation of section 609.713, in furtherance of criminal activity by an organized gang; or

(9) has previously been found by the court, pursuant to an admission in court or after trial, to have committed an offense which would be a felony if committed by an adult, and is alleged by delinquency petition to have committed a felony-level violation of chapter 152 involving the unlawful sale or possession of a schedule I or II controlled substance, while in a park zone or a school zone as defined in section 152.01, subdivisions 12a and 14a. This clause does not apply to a juvenile alleged to have unlawfully possessed a controlled substance in a private residence located within the school zone or park zone.

For the purposes of this subdivision, "aggravated felony against the person" means a violation of any of the following provisions: section 609.185; 609.19; 609.195; 609.20, subdivision 1 or 2; 609.221; 609.222; 609.223; 609.245; 609.25; 609.342; 609.343; 609.344, subdivision 1, clause (c) or (d); 609.345, subdivision 1, clause (c) or (d); 609.561; 609.582, subdivision 1, clause (b) or (c); or 609.713.

For the purposes of this subdivision, an "organized gang" means an association of five or more persons, with an established hierarchy, formed to encourage members of the association to perpetrate crimes or to provide support to members of the association who do commit crimes.

Sec. 3. Minnesota Statutes 1988, section 609.485, subdivision 2, is amended to read:

Subd. 2. [ACTS PROHIBITED.] Whoever does any of the following may be sentenced as provided in subdivision 4:

(1) escapes while held in lawful custody on a charge or conviction of a crime, or while held in lawful custody of the commissioner of

corrections on an allegation or adjudication of a delinquent act while 18 years of age;

(2) transfers to another, who is in lawful custody on a charge or conviction of a crime, or introduces into an institution in which the latter is confined, anything usable in making such escape, with intent that it shall be so used;

(3) having another in lawful custody on a charge or conviction of a crime, intentionally permits the other to escape; or

(4) escapes while in a facility designated under section 253B.18, subdivision 1, pursuant to a court commitment order after a finding of not guilty by reason of mental illness or mental deficiency of a crime against the person, as defined in section 253B.02, subdivision 4a. Notwithstanding section 609.17, no person may be charged with or convicted of an attempt to commit a violation of this clause.

Sec. 4. Minnesota Statutes 1988, section 609.485, subdivision 4, is amended to read:

Subd. 4. [SENTENCE.] Except as otherwise provided in subdivision 3a, whoever violates this section may be sentenced as follows:

(1) If the person who escapes is in lawful custody on a charge or conviction of a felony, to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

(2) If the person who escapes is in lawful custody after a finding of not guilty by reason of mental illness or mental deficiency of a crime against the person, as defined in section 253B.02, subdivision 4a, to imprisonment for not more than one year and one day or to payment of a fine of not more than \$3,000, or both.

(3) If such charge or conviction is for a gross misdemeanor, or if the person who escapes is in lawful custody of the commissioner of corrections on an allegation or adjudication of a delinquent act while 18 years of age, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(4) If such charge or conviction is for a misdemeanor, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both.

(5) If the escape was a violation of subdivision 2, clause (1), (2), or (3) and was effected by violence or threat of violence against a person, the sentence may be increased to not more than twice those permitted in clauses (1), (3), and (4).

(6) Unless a concurrent term is specified by the court, a sentence

under this section shall be consecutive to any sentence previously imposed or which may be imposed for any crime or offense for which the person was in custody when the person escaped.

(7) Notwithstanding clause (6), if a person who was committed to the commissioner of corrections under section 260.185 escapes from the custody of the commissioner while 18 years of age, the person's sentence under this section shall commence on the person's 19th birthday or on the person's date of discharge by the commissioner of corrections, whichever occurs first. However, if the person described in this clause is convicted under this section after becoming 19 years old and after having been discharged by the commissioner, the person's sentence shall commence upon imposition by the sentencing court.

(8) Notwithstanding clause (6), if a person who is in lawful custody on an allegation or adjudication of a delinquent act while 18 years of age escapes from a local juvenile correctional facility, the person's sentence under this section begins on the person's 19th birthday or on the person's date of discharge from the jurisdiction of the juvenile court, whichever occurs first. However, if the person described in this clause is convicted after becoming 19 years old and after discharge from the jurisdiction of the juvenile court, the person's sentence begins upon imposition by the sentencing court.

Sec. 5. [EFFECTIVE DATE.]

Sections 3 and 4 are effective August 1, 1990, and apply to crimes committed on or after that date.

Delete the title and insert:

"A bill for an act relating to crimes; providing that it is a prima facie case for reference for prosecution as an adult if a child is alleged to have committed a felony offense as part of, or subsequent to, the delinquent act of escape from confinement to a local juvenile correctional facility; making it a crime for an alleged or adjudicated juvenile delinquent who is 18 years old to escape from a local juvenile correctional facility; amending Minnesota Statutes 1988, sections 260.015, subdivision 5; and 609.485, subdivisions 2 and 4; and Minnesota Statutes 1989 Supplement, section 260.125, subdivision 3."

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. 2372, A bill for an act relating to motor vehicles; establishing and regulating manufacturer's registration plates; amending Minnesota Statutes 1989 Supplement, section 168.27, subdivisions 1, 16, and 17.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1989 Supplement, 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, wholesalers, auctioneers, lessors of new or used motor vehicles, scrap metal processors, used vehicle parts dealers, and salvage pools.

(6) "Commercial building" means a permanent, enclosed building that is on a permanent foundation and connected to local sewer and water facilities or otherwise complying with local sanitary codes, is adapted to commercial use, and conforms to local government zoning requirements. "Commercial building" may include strip office malls or garages if a separate entrance and a separate address are maintained and the dealership is clearly identified as a separate business.

(7) "Commercial office space" means office space occupying all or part of a commercial building.

(8) "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.

(9) "Isolated or occasional sales or leases" means the sale or lease of not more than five motor vehicles in a 12-month period, exclusive of pioneer or classic motor vehicles as defined in section 168.10, subdivisions 1a and 1b, or sales by a licensed auctioneer selling motor vehicles at an auction if, in the ordinary course of the auctioneer's business, the sale of motor vehicles is incidental to the sale of other real or personal property.

(10) "Used motor vehicle" means a motor vehicle for which title has been transferred from the person who first acquired it from the manufacturer, distributor, or dealer. A new motor vehicle will not be considered a used motor vehicle until it has been placed in actual operation and not held for resale by an owner who has been granted a certificate of title on the motor vehicle and has registered the motor vehicle in accordance with this chapter and chapters 168A and 297B, or the laws of the residence of the owner.

(11) "New motor vehicle" means a motor vehicle other than described in paragraph (10).

(12) "Junked vehicle" means a vehicle that is graded and stamped as a "class D" total loss vehicle under section 168A.151.

(13) "Motor vehicle" has the meaning given it in section 168.011, subdivision 4, and also includes a park trailer as defined in section 168.011, subdivision 8.

(14) "Motor vehicle manufacturer" means an individual, firm, partnership, or corporation engaged in the business of manufacturing, assembling, or distributing motor vehicles, that certify to the registrar that in the normal course of business, it manufactures at least 10,000 new vehicles per year.

Sec. 2. Minnesota Statutes 1989 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. This subdivision does not apply to a scrap metal processor, a used vehicle parts dealer, or a vehicle salvage pool. The fee for each of the first four plates is \$75, of which \$60 must be paid to the registrar and

the remaining \$15 is payable as motor vehicle excise tax under section 297B.035. For each additional plate, the dealer shall pay the registrar a fee of \$25 and a motor vehicle excise tax of \$15 annually. 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:

(1) by the motor vehicle dealer or dealer's spouse, or any full-time employee of the motor vehicle dealer for either private or business purposes;

(2) by a part-time employee when the use is directly related to a particular business transaction of the dealer;

(3) 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

(4) 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.

(c) The registrar shall issue to a motor vehicle manufacturer, on the request of the motor vehicle manufacturer and payment of the same fees provided in paragraph (a) for dealers, one or more plates displaying a general distinguishing number, but not to exceed 100 for each manufacturer. Motor vehicles, new or used, owned by the motor vehicle manufacturer and bearing the number plate may be driven on the highways of the state; provided that, with respect to new motor vehicles, the plate may be displayed only on vehicles manufactured, assembled, or distributed by the manufacturer. Vehicles bearing the number plate may be driven:

(1) by a full-time employee of the motor vehicle manufacturer, or the employee's spouse, for either private or business purposes;

(2) by a part-time employee when the use is directly related to a particular business transaction of the manufacturer;

(3) for demonstration purposes by a prospective buyer for a period of 48 hours or in the case of a truck, truck-tractor, or semitrailer for a period of seven days; or

(4) in a promotional event that lasts no longer than four days in which at least three motor vehicles are involved."

Amend the title as follows:

Page 1, line 5, delete ", 16, and 17" and insert "and 16"

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. 2373, A bill for an act relating to traffic regulations; regulating wheel flaps and covered loads; imposing a penalty; amending Minnesota Statutes 1988, sections 169.733; and 169.81, subdivision 5, and by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 169.733, is amended to read:

169.733 [WHEEL FLAPS ON TRUCKS AND TRAILERS.]

Subdivision 1. [VEHICLES GENERALLY.] Every truck, trailer, semitrailer, pole trailer, and rear-end dump truck, excepting rear-end dump farm trucks and military vehicles of the United States, shall be provided with wheel flaps or other suitable protection above and behind the rearmost wheels of the vehicle or combination of vehicles to prevent, as far as practicable, such wheels from throwing dirt, water, or other materials on the windshields of vehicles which follow. Such flaps or protectors shall be at least as wide as the tires they are protecting and shall have a ground clearance of not more than one-fifth of the horizontal distance from the center of the

rearmost axle to the flap under any conditions of loading or operation of the motor vehicle.

Subd. 2. [VEHICLE WITH CONVEYOR BELT.] ~~Provided that in the case of~~ For a dump truck or truck with a rigid box fastened to its frame and having a conveyor belt or chain in the bottom of the vehicle which moves the cargo to the rear end of the vehicle, the flaps shall be mounted as far to the rear of the vehicle as practicable and shall have a ground clearance of not more than 18 inches when the vehicle is loaded.

Subd. 3. [BOTTOM-DUMP VEHICLES.] A bottom-dump cargo vehicle transporting sand, gravel, aggregate, dirt, lime rock, silica, or similar material must be equipped with flaps that are mounted to the rear of the axles, cover the entire width of the vehicle, and have a ground clearance of six inches or less when the vehicle is fully loaded.

Subd. 4. [ALTERNATIVE REQUIREMENTS.] If the motor vehicle is so designed and constructed that the above requirements are accomplished by means of body construction or other means of enclosure, then no such protectors or flaps shall be required.

Subd. 5. [EXTENDED FLAPS.] If the rear wheels are not covered at the top by fenders, body or other parts of the vehicle, the flap or other protective means shall be extended at least to a point directly above the center of the rearmost axle.

Subd. 6. [LAMPS OR WIRING.] Lamps or wiring shall not be attached to fender flaps.

Sec. 2. Minnesota Statutes 1988, section 169.81, subdivision 5, is amended to read:

Subd. 5. [MANNER OF LOADING.] No vehicle shall be driven or moved on any highway unless such vehicle is so constructed, loaded, or the load securely covered as to prevent any of its load from dropping, sifting, leaking, blowing, or otherwise escaping therefrom, except that sand may be dropped for the purpose of securing traction, or water or other substances may be sprinkled on a roadway in cleaning or maintaining such roadway. This subdivision shall not apply to motor vehicles operated by a farmer or the farmer's agent when transporting produce the farmer has produced such as small grains, shelled corn, soybeans, or other farm produce of a size and density not likely to cause injury to persons or damage to property on escaping in small amounts from a vehicle. Dropping of farm produce not exempted by this subdivision from a vehicle operated by a farmer or a farmer's agent is chargeable as a petty misdemeanor.

Sec. 3. Minnesota Statutes 1988, section 169.81, is amended by adding a subdivision to read:

Subd. 5b. [SECURING OF LOADS; EXCEPTIONS.] (a) The driver of a vehicle transporting sand, gravel, aggregate, dirt, lime rock, silica, or similar material shall ensure that the cargo compartment of the vehicle is securely covered if:

(1) the vertical distance from the top of an exterior wall of the cargo compartment to the load, when measured downward along the inside surface of the wall, is less than six inches; or

(2) the horizontal distance from the top of an exterior wall of the cargo compartment to the load is less than two feet.

(b) The driver shall not operate or allow to be operated a vehicle to transport sand, gravel, aggregate, dirt, lime rock, silica, or similar material in or on any part of the vehicle other than in the cargo container. The driver shall clean the vehicle of loose sand, gravel, aggregate, dirt, lime rock, silica, or similar material before the vehicle is moved on a road, street, or highway following loading or unloading.

(c) A driver of a vehicle used to transport garbage, rubbish, trash, debris, or similar material is not required to cover the transported material as long as (1) the vehicle is being operated at a speed less than 30 miles per hour, (2) the vehicle is not being operated on an interstate highway, and (3) no part of the load escapes from the vehicle. A driver shall immediately retrieve material that escapes from the vehicle, when safe to do so."

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. 2382, A bill for an act relating to forestry; implementing a statewide program to encourage maintenance and expansion of community and urban forests; assigning responsibilities to various state agencies and municipalities.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [17.86] [URBAN FOREST PROMOTION AND DEVELOPMENT.]

Subdivision 1. [OVERALL.] The following course of action is intended as a basis for prompt action to the maximum extent practical within the limits of state, local, and commercial resources. The assignment of a basic responsibility to a particular agency is not intended to confer exclusive responsibility or authority unless specifically stated, for joint action is intended as the key to a successful program.

Subd. 2. [RESEARCH.] The University of Minnesota and its extension service in cooperation with the commissioner of agriculture shall institute a continuing research program on tree varieties most suitable for growth within the state; and the proper placement of individual trees and groups of trees in new or existing commercial, industrial, and residential settings to maximize energy saving benefits. The University of Minnesota and the commissioner shall work closely with nurseries and other suppliers of trees to assure a constant and reliable supply of the desirable varieties is available for planting.

Subd. 3. [INFORMATION.] The University of Minnesota extension service, in cooperation with the commissioners of agriculture, education, natural resources, and public service, shall serve as the principal agency for publishing and circulating information derived from research under subdivision 2 among the various municipalities and individual property owners in the state. Where practical, the extension service and department of public service shall secure the advice and assistance of various energy utilities interested and concerned with conservation. The commissioner of agriculture shall establish an information source for requests for nursery stock, to match needs of municipalities with stocks of trees available for planting from private and governmental sources.

Subd. 4. [TRANSPORTATION PLANTINGS.] The commissioner of transportation shall utilize information on varieties and placement of trees to provide maximum forestation in rest areas and other areas controlled by the department. The commissioner of transportation shall consider the use of trees in conjunction with solid noise walls along urban freeways to the maximum extent practical.

Subd. 5. [SCHOOL ARBOR DAY ACTIVITIES.] The commissioners of education, agriculture, and natural resources, with the state arbor month committee and its individual public and private members, shall jointly work to expand and strengthen programs available to all levels of schools in forestry education and shall encourage reinstatement of Arbor Day activities. Information on desirable shade tree varieties and efficient spacing and location of

shade trees shall be made available for use in related adult education courses.

Subd. 6. [MUNICIPAL ACTION.] A city of the first or second class shall, by ordinance, require the use of properly placed trees in new subdivisions and plantings on lands dedicated to parks and open spaces. Cities of the third and fourth class may adopt such ordinances. Counties may assist and encourage the smaller cities in tree planting programs. A municipality may contract on a long-term basis with nurseries and shade tree wholesalers to assure continued availability of nursery stock of the desirable shade tree varieties."

Amend the title as follows:

Page 1, line 5, before the period insert " ; proposing coding for new law in Minnesota Statutes, chapter 17"

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2457, A bill for an act relating to public financing; allocating authority to issue tax exempt revenue bonds; amending Minnesota Statutes 1988, sections 474A.02, subdivisions 6, 8, and by adding a subdivision; 474A.03; 474A.061, subdivision 3, and by adding subdivisions; 474A.081, as amended; 474A.091, subdivisions 1, 4, and 5; 474A.131, subdivision 2; and 474A.14; Minnesota Statutes Second 1989 Supplement, sections 474A.061, subdivisions 1 and 4; and 474A.091, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 1988, section 474A.091, subdivision 4a; Minnesota Statutes Second 1989 Supplement, section 474A.061, subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 16, insert:

"Section 1. Minnesota Statutes 1989 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) interest income on obligations of the state of Minnesota or a political or governmental subdivision, municipality, or government agency or instrumentality of the state of Minnesota exempt from federal income taxes, if the obligations are residential rental bonds and are found to not be in compliance with the requirements of section 7, subdivision 1, and

(iii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, except the portion of the exempt-interest dividends derived from interest income on obligations of the state of Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalities, but only if the portion of the exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends that are paid by the regulated investment company as defined in section 851(a) of the Internal Revenue Code, or the fund of the regulated investment company as defined in section 851(h) of the Internal Revenue Code, making the payment; and

(2) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a deduction under section 63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code; 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.”

Page 5, line 26, delete “earnings”

Page 5, after line 27, insert:

“Sec. 8. [474A.048] [SINGLE FAMILY MORTGAGE BONDS; LIMITATIONS.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section the following terms have the meaning given them.

(b) "City" means a city as defined in section 462C.02, subdivision 6.

(c) "Existing housing" means single family housing that (i) has been previously occupied prior to the first day of the origination period; or (ii) has been available for occupancy for at least 12 months but has not been previously occupied prior to the first day of the origination period.

(d) "Metropolitan area" means the Minneapolis-St. Paul metropolitan statistical area as defined by the United States Department of Commerce's Bureau of the Census.

(e) "New housing" means single family housing that has not been previously occupied and has become initially available within 60 days or less of the first day of the origination period.

(f) "Origination period" means the period that loans financed with the proceeds of qualified mortgage revenue bonds are available for the purchase of single family housing. The origination period begins when financing actually becomes available to the borrowers for loans.

(g) "Redevelopment area" means a compact and contiguous area within which the city finds by resolution that 70 percent of the parcels in the area are occupied by buildings, streets, utilities, or other improvements and more than 25 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance.

(h) "Single family housing" means dwelling units eligible to be financed from the proceeds of qualified mortgage revenue bonds under federal law.

(i) "Structurally substandard" means containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light, 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.

Subd. 2. [LIMITATION; ORIGINATION PERIOD.] During the first ten months of an origination period, the Minnesota housing finance agency or a city may make loans financed with proceeds of mortgage bonds for the purchase of existing housing. Loans financed with the proceeds of mortgage bonds for new housing in the metropolitan area may be made during the first ten months of an origination period only if at least one of the following conditions is met:

(1) the new housing is located in a redevelopment area and is replacing a structurally substandard structure or structures;

(2) the new housing is located on a parcel purchased by the city or conveyed to the city under section 282.01, subdivision 1; or

(3) the new housing is part of a housing affordability initiative, other than those financed with the proceeds from the sale of bonds, in which federal, state, or local assistance is used to substantially improve the terms of the financing or to substantially write down the purchase price of the new housing.

Upon expiration of the first ten-month period, the agency or a city may make loans financed with the proceeds of mortgage bonds for the purchase of new and existing housing.

Subd. 3. [REDEVELOPMENT AREA.] A city must submit to the Minnesota housing finance agency the resolution adopted by the governing body of the city finding an area to be a redevelopment area and a map of the redevelopment area.

Subd. 4. [LIMITATION; COMMITMENTS AND LOANS TO BUILDERS AND DEVELOPERS.] The Minnesota housing finance agency or a city may not make available, provide set asides, or commit to make available proceeds of mortgage bonds for the exclusive use of builders or developers for loans to eligible purchasers for new housing except for new housing described in subdivision 2, clauses (1) to (3). This prohibition is in effect for the total origination period.

Subd. 5. [REPORTING REQUIREMENT.] The Minnesota housing finance agency and any city that provides loans for new housing financed with the proceeds of mortgage bonds shall report to the chairs of the appropriate housing related standing committees or divisions of the state senate and house of representatives by January 1 of each year detailing new housing activity financed with the proceeds of mortgage bonds, including a description of affordable housing initiatives, the number of loans, the average purchase price, and average borrower income."

Page 7, line 13, delete "greater of the" and after "limits" insert "except in the Minneapolis-St. Paul metropolitan statistical area as determined by the United States Department of Commerce where the adjusted income limits of home buyers may not exceed the greater of the agency's income limits"

Page 7, line 14, delete "greater of the state or area" and insert "county"

Page 7, lines 22 and 23, delete "100 percent of the median city

purchase price” and insert “90 percent of the safe harbor limitation for existing housing”

Page 7, line 27, after the semicolon insert “and”

Page 7, delete lines 28 to 36

Page 8, delete lines 1 to 15 and insert:

“(4) the housing program meets the requirements of section 8.”

Page 9, line 15, after the period insert “The commissioner shall allocate the requested amount to the city or cities subject to the limitations under this paragraph.”

Pages 12 and 13, delete section 13

Page 22, line 28, delete “section” and insert “sections 474.081, subdivisions 1, 2 and 4, and”

Page 22, delete lines 33 to 35 and insert:

“Section 1 is effective for taxable years beginning after December 31, 1989. Sections 2 to 5, 8 to 21, and 23 are effective January 1, 1991. Sections 6, 7, and 22 are effective the day after final enactment.”

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 3, after the semicolon insert “restricting loans from proceeds of mortgage revenue bonds under certain circumstances;”

Page 1, lines 6 and 7, delete “474A.081, as amended;”

Page 1, line 8, before “Minnesota” insert “Minnesota Statutes 1989 Supplement, section 290.01, subdivision 19a;”

Page 1, line 13, delete “section” and insert “sections 474A.081, subdivisions 1, 2, and 4; and”

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2480, A bill for an act relating to taxation; making technical corrections and administrative changes to sales and use, motor vehicle excise, income, franchise, insurance, petroleum products, pull-tab and tipboard taxes, firefighter state aids, and property tax refunds; including lottery prizes as refunds in the revenue recapture act; providing for posting of certain tax delinquencies; requiring a social security number on certain probate applications; imposing a tax on untaxed pull-tabs and tipboards; recodifying license inquiry provisions; providing for payment and settlement of state elections campaign funds to political party state committees; transferring certain powers and duties; amending Minnesota Statutes 1988, sections 60A.198, by adding a subdivision; 69.771, subdivision 3; 69.772, subdivision 2a; 69.774, subdivision 1; 168A.30, subdivision 1; 270A.03, subdivision 7; 290.17, subdivision 5; 290.39, subdivision 5; 290.49, subdivision 3; 290.92, subdivisions 12 and 23; 290.93, subdivision 1; 290A.03, subdivision 3; 290A.04, subdivision 1; 296.06, subdivision 2; 297A.01, subdivision 8; 297A.14, subdivision 1; 297A.25, subdivision 31; 297A.255, by adding a subdivision; 297B.01, subdivision 8; 297B.035, subdivision 1; 299F21, subdivision 1; 349.212, by adding a subdivision; and 524.3-301; Minnesota Statutes 1989 Supplement, sections 69.021, subdivision 6; 168A.10, subdivision 1; 270.73, subdivision 1; 270B.07, by adding a subdivision; and 290.39, subdivision 4; Minnesota Statutes Second 1989 Supplement, sections 10A.31, subdivision 5; 60A.15, subdivision 1; 290.17, subdivision 2; 290A.04, subdivisions 2h and 2i; 297A.01, subdivision 3; 349.212, subdivision 4; and Laws 1989, chapter 28, section 24; repealing Minnesota Statutes 1988, sections 290.23, subdivision 15; 290.612; and 297A.431.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

SALES AND USE, MOTOR VEHICLE EXCISE, AND PETROLEUM PRODUCTS TAXES

Section 1. Minnesota Statutes 1989 Supplement, section 168A.10, subdivision 1, is amended to read:

Subdivision 1. If an owner transfers interest in a vehicle other than by the creation of a security interest, the owner shall at the time of the delivery of the vehicle execute an assignment and warranty of title to the transferee and shall state the actual selling price in the space provided therefor on the certificate. With respect

to motor vehicles subject to the provisions of section 325E.15, the transferor shall also, in the space provided therefor on the certificate, state the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the transferor to be different from the true mileage. The transferor shall cause the certificate and assignment to be delivered to the transferee immediately.

Sec. 2. Minnesota Statutes 1988, section 296.06, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS FOR ISSUANCE.] A distributor's license shall be issued to any responsible person qualifying as a distributor who makes application therefor, and who shall pay to the commissioner at the time thereof and annually thereafter a license fee of \$10, and who shall further comply with the following conditions:

(1) A written application shall be made in a manner approved by the commissioner, who shall require the applicant or licensee to deposit with the state treasurer securities of the United States government or the state of Minnesota or to execute and file a bond, with a corporate surety approved by the commissioner, to the state of Minnesota in an amount to be determined by the commissioner and in a form to be fixed by the commissioner and approved by the attorney general, and which shall be conditioned for the payment when due of all excise taxes, inspection fees, penalties, and accrued interest arising in the ordinary course of business or by reason of any delinquent money which may be due the state of Minnesota; the bond shall cover all places of business within the state where petroleum products are received by the licensee; and the applicant or licensee shall designate and maintain an agent in this state upon whom service may be had for all purposes of this section.

(2) An initial applicant for a distributor's license shall furnish a bond in a minimum sum of \$3,000 for the first year;

(3) The commissioner, on reaching the opinion that the bond given by a licensee is inadequate in amount to fully protect the state, shall require an additional bond in such amount as the commissioner deems sufficient;

(4) A licensee who desires to be exempt from depositing securities or furnishing such bond, as hereinbefore provided shall furnish an itemized financial statement showing the assets and the liabilities of the applicant and if it shall appear to the commissioner, from the financial statement or otherwise, that the applicant is financially responsible, then the commissioner may exempt such applicant from depositing such securities or furnishing such bond until the commissioner otherwise orders.

(5) The premium on any bond required under clauses (1) and (2), and on any additional bond required under clause (3), shall be paid by the commissioner out of a bond premium fund required to be set up from an appropriation by the legislature from whatever funds are available. All of said bonds required during each license period shall be purchased by the commissioner of administration from the lowest responsible bidder after advertising for competitive bids in the manner prescribed by Laws 1939, chapter 431, article II, as amended. The commissioner of administration shall call for bids within a reasonable period prior to the commencement of license period.

(6) Each license period shall be for one year ending each June 30.

(7) (6) Upon application to the commissioner and compliance by the applicant with the provisions of this subdivision, the commissioner also shall issue a distributor's license to (a) any person engaged in this state in the bulk storage of petroleum products and the distribution thereof by tank car or tank truck or both, and (b) any person holding an unrevoked license as a distributor since January 1, 1947, and (c) any person holding a license and performing a function under the motor fuel tax law of an adjoining state equivalent to that of a distributor under this act, who desires to ship or deliver petroleum products from that state to persons in this state not licensed as distributors in this state and who agrees to assume with respect to all petroleum products so shipped or delivered the liabilities of a distributor receiving petroleum products in this state, provided, however, that any such license shall be issued only for the purpose of permitting such person to receive in this state the petroleum products so shipped or delivered. Except as herein provided, all persons licensed as distributors under this clause shall have the same rights and privileges and be subject to the same duties, requirements and penalties as other licensed distributors.

Sec. 3. Minnesota Statutes 1988, section 297A.01, subdivision 8, is amended to read:

Subd. 8. "Sales price" means the total consideration valued in money, for a retail sale whether paid in money or otherwise, excluding therefrom any amount allowed as credit for tangible personal property taken in trade for resale, without deduction for the cost of the property sold, cost of materials used, labor or service cost, interest, or discount allowed after the sale is consummated, the cost of transportation incurred prior to the time of sale, any amount for which credit is given to the purchaser by the seller, or any other expense whatsoever. A deduction may be made for charges for services that are part of the sale, including charges up to 15 percent in lieu of tips, if the consideration for such charges is separately stated, but no deduction shall be allowed for charges for services that are part of a sale as defined in subdivision 3, clauses (b) to (f) (1). A deduction may also be made for interest, financing, or carrying

charges, charges for labor or services used in installing or applying the property sold or transportation charges if the transportation occurs after the retail sale of the property only if the consideration for such charges is separately stated. There shall not be included in "sales price" cash discounts allowed and taken on sales or the amount refunded either in cash or in credit for property returned by purchasers.

Sec. 4. Minnesota Statutes 1988, section 297A.14, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION.] For the privilege of using, storing or consuming in Minnesota tangible personal property, ~~tickets or admissions to places of amusement and athletic events, electricity, gas, and local exchange telephone service~~ or taxable services purchased for use, storage or consumption in this state, a use tax is imposed on every person in this state at the rate of tax imposed under section 297A.02 on the sales price of sales at retail of the items, unless the tax imposed by section 297A.02 was paid on the sales price.

Sec. 5. Minnesota Statutes 1988, section 297A.25, subdivision 31, is amended to read:

Subd. 31. [SALES BY GOVERNMENT TAXABLE.] This section shall not be construed to exempt the gross receipts from sales of tangible personal property or taxable services purchased from the United States or any of its agencies or instrumentalities, or the state of Minnesota, its agencies, instrumentalities or political subdivisions by ultimate consumers, and such purchases are hereby declared to be subject to tax, except as they may be otherwise exempted.

Sec. 6. Minnesota Statutes 1988, section 297A.255, is amended by adding a subdivision to read:

Subd. 5. There is specifically exempted from the provisions of this chapter the purchase or use of aircraft registered in the state of Minnesota by a corporation or partnership when the transfer constitutes a transfer within the meaning of section 351 or 721 of the Internal Revenue Code of 1986, as amended through December 31, 1989.

Sec. 7. Minnesota Statutes 1988, section 297B.035, subdivision 1, is amended to read:

Subdivision 1. Except as provided in this section, motor vehicles purchased for resale in the ordinary course of business or used by any motor vehicle dealer, as defined in section 168.011, subdivision 21, who is licensed under section 168.27, subdivision 2 or 3, which

bear dealer plates as authorized by section 168.27, subdivision 16, shall be exempt from the provisions of this chapter.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective July 1, 1990.

ARTICLE 2

INCOME AND FRANCHISE TAXES AND PROPERTY TAX REFUNDS

Section 1. Minnesota Statutes Second 1989 Supplement, section 10A.31, subdivision 5, is amended to read:

Subd. 5. In each calendar year the money in the general account 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.

In each calendar year the money in each party account shall be allocated as follows:

(1) 14 percent for the offices of governor and lieutenant governor together;

(2) 2.4 percent for the office of attorney general;

(3) 1.2 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) ten percent for the state committee of a political party; money allocated to each state committee under this clause must be deposited in a separate account and must be spent for only those items enumerated in section 10A.275; money allocated to a state committee under this clause must be paid to the committee by the state treasurer as notified by the state ethical practices board as it is received in the account on a monthly basis, with payment on the 15th day of the calendar month following the month in which the ~~tax~~ returns were ~~received~~ processed by the department of revenue, provided that these distributions would be equal to 90 percent of the amount of money indicated in the department of revenue's weekly unedited reports of income tax returns for that and property tax refund returns processed in the month, as notified by the department of revenue to the state ethical practices board. The amounts paid to each state committee are subject to final annual biennial adjustment and settlement as indicated according to the at the time of each certification by required of the commissioner of revenue under subdivision 6 subdivisions 7 and 10. If the total amount of total payments received before September 15 by a state committee for the period reflected on a certification by the department of revenue is greater than different from the amount certified by the commissioner of revenue on September 15, the total amount of payments distributed between September 1 and December 31 that should have been received during the period according to the certification, each subsequent monthly payment must be reduced by increased or decreased to the fullest extent possible until the amount of the overpayment is recovered or the underpayment is distributed.

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, money 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) in the following year. Money 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.

Sec. 2. Minnesota Statutes Second 1989 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.

Severance pay shall be considered income from labor or personal or professional services.

(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, 1987, 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 an amount equal to the gain on the sale of the stock multiplied by the ratio that was used to compute the amount of S corporation income assignable to Minnesota in the tax year preceding the year of sale.

Gain on the sale of goodwill or income from a covenant not to compete that is connected with a business operating all or partially in Minnesota is allocated to this state to the extent that the income from the business in the year preceding the year of sale was assignable to Minnesota under subdivision 3.

(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, the Minnesota state lottery, 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. 3. Minnesota Statutes 1988, section 290.17, subdivision 5, is amended to read:

Subd. 5. [SPECIAL RULES.] Notwithstanding subdivisions 3 and 4, all income from the operation of the following types of businesses must be allocated as follows:

(a) All income from the operation of a farm is assigned to this state if the farm is located within this state and no such income is assigned to this state if the farm is located without this state.

(b) ~~Income from a trade or business consisting principally of the performance of personal or professional services is assigned to this state if, and to the extent that, the services are performed within this state.~~

(e) For athletic teams when the visiting team does not share in the gate receipts, all of the team's income is assigned to the state in which the team's operation is based.

Sec. 4. Minnesota Statutes 1989 Supplement, section 290.39, subdivision 4, is amended to read:

Subd. 4. [VOTER REGISTRATION FORM.] The commissioner shall insert securely in each individual income tax return form or instruction booklet distributed ~~in an even-numbered~~ for an odd-numbered year a voter registration form, returnable to the secretary of state, designed according to rules adopted by the secretary of state. This requirement applies to forms and booklets supplied to post offices, banks, and other outlets, as well as to those mailed directly to taxpayers.

Sec. 5. Minnesota Statutes 1988, section 290.39, subdivision 5, is amended 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. The requesting partnership must file a composite return in the form prescribed by the commissioner of revenue. The filing of a composite return is considered a request to use the composite return filing method.~~

(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 noncomposite 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.

(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. 6. Minnesota Statutes 1988, section 290.49, subdivision 3, is amended to read:

Subd. 3. [OMISSION IN EXCESS OF 25 PERCENT.] If the taxpayer omits from gross income an amount properly includable therein which is in excess of 25 percent of the amount of gross income stated 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 6½ years after the return was filed.

For purposes of this subdivision, the term "gross income" shall mean gross income as defined in section ~~290.37, subdivision 1, clause (e)~~ 290.01, subdivision 20.

Sec. 7. Minnesota Statutes 1988, section 290.92, subdivision 12, is amended to read:

Subd. 12. [WITHHELD AMOUNT, CREDIT AGAINST TAX.] The amount deducted and withheld as tax under subdivision 2a or, 3, 4b, or 4c or section 290.923, subdivision 2, during any calendar year upon the wages, partnership income, or "S" corporation income of any individual or person receiving royalty payments shall be allowed as a credit to the recipient of the income against the taxes imposed by this chapter or by chapter 298, for a taxable year beginning in such calendar year. If more than one taxable year begins in such calendar year, such amount shall be allowed as a credit against the taxes for the last taxable year so beginning.

Sec. 8. Minnesota Statutes 1988, section 290.92, subdivision 23, is amended to read:

Subd. 23. [WITHHOLDING BY EMPLOYER OF DELINQUENT TAXES.] (1) The commissioner may, within five years after the date of assessment of the tax, give notice to any employer deriving income which has a taxable situs in this state regardless of whether the income is exempt from taxation, that an employee of that employer is delinquent in a certain amount with respect to any state taxes, including penalties, interest and costs. The commissioner can proceed under this subdivision only if the tax is uncontested or if the time for appeal of the tax has expired. The commissioner shall not proceed under this subdivision until the expiration of 30 days after mailing to the taxpayer, at the taxpayer's last known address, a written notice of (a) the amount of taxes, interest, and penalties due from the taxpayer and demand for their payment, and (b) the commissioner's intention to require additional withholding by the taxpayer's employer pursuant to this subdivision. The effect of the notice shall expire 180 days after it has been mailed to the taxpayer provided that the notice may be renewed by mailing a new notice

which is in accordance with this subdivision. The renewed notice shall have the effect of reinstating the priority of the original claim. The notice to the taxpayer shall be in substantially the same form as that provided in section 571.41. The notice shall further inform the taxpayer of the wage exemptions contained in section 550.37, subdivision 14. If no statement of exemption is received by the commissioner within 30 days from the mailing of the notice, the commissioner may proceed under this subdivision. The notice to the taxpayer's employer may be served by mail or by delivery by an employee of the department of revenue and shall be in substantially the same form as provided in section 571.495. Upon receipt of notice, the employer shall withhold from compensation due or to become due to the employee, the total amount shown by the notice, subject to the provisions of section 571.55. The employer shall continue to withhold each pay period until the total amount shown by the notice is paid in full. Upon receipt of notice by the employer, the claim of the state of Minnesota shall have priority over any subsequent garnishments or wage assignments. The commissioner may arrange between the employer and the employee for withholding a portion of the total amount due the employee each pay period, until the total amount shown by the notice plus accrued interest has been withheld.

The "compensation due" any employee is defined in accordance with the provisions of section 571.55. The maximum withholding allowed under this subdivision for any one pay period shall be decreased by any amounts payable pursuant to a garnishment action with respect to which the employer was served prior to being served with the notice of delinquency and any amounts covered by any irrevocable and previously effective assignment of wages; the employer shall give notice to the department of the amounts and the facts relating to such assignments within ten days after the service of the notice of delinquency on the form provided by the department of revenue as noted in this subdivision. In crediting amounts withheld against delinquent taxes of an employee, the department shall apply amounts withheld in the following order: penalties, interest, tax, and costs.

(2) If the employee ceases to be employed by the employer before the full amount set forth in a notice of delinquency plus accrued interest has been withheld, the employer shall immediately notify the commissioner in writing of the termination date of the employee and the total amount withheld. No employer may discharge any employee by reason of the fact that the commissioner has proceeded under this subdivision. If an employer discharges an employee in violation of this provision, the employee shall have the same remedy as provided in section 571.61, subdivision 2.

(3) The employer shall, by the date prescribed in subdivision 6, remit to the commissioner, on a form and in the manner prescribed by the commissioner, the amount withheld during the calendar

quarter under this subdivision. Should any employer, after notice, willfully fail to withhold in accordance with the notice and this subdivision, or willfully fail to remit any amount withheld as required by this subdivision, the employer shall be liable for the total amount set forth in the notice together with accrued interest which may be collected by any means provided by law relating to taxation. ~~No amount required to be paid by an employer by reason of the employer's failure to remit under this subdivision, may be deducted from the gross income of the employer, under sections 290.09, subdivision 4 or 290.01, subdivisions 20 to 20f.~~ Any amount collected from the employer for failure to withhold or for failure to remit under this subdivision shall be credited to the employee's account in the following manner: penalties, interest, tax, and costs.

(4) Clauses (1), (2) and (3), except provisions imposing a liability on the employer for failure to withhold or remit, shall apply to cases in which the employer is the United States or any instrumentality thereof or this state or any municipality or other subordinate unit thereof.

(5) The commissioner shall refund to the employee excess amounts withheld from the employee under this subdivision. If any excess results from payments by the employer because of willful failure to withhold or remit as prescribed in clause (3) above, the excess attributable to the employer's payment shall be refunded to the employer.

(6) Employers required to withhold delinquent taxes, penalties, interest and costs under this subdivision shall not be required to compute any additional interest, costs or other charges to be withheld.

(7) The collection remedy provided to the commissioner by this subdivision shall have the same legal effect as if it were a levy made pursuant to section 270.70.

Sec. 9. Minnesota Statutes 1988, section 290.93, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT OF DECLARATION.] (1) Every individual shall, at the time prescribed in subdivision 5, make and file with the commissioner a declaration of estimated tax for the taxable year if

the gross income (for purposes of this subdivision and subdivision 5 as defined in section ~~290.37, subdivision 1, clause (e)~~ 290.01, subdivision 20) for the taxable year can reasonably be expected to exceed the gross income amounts set forth in section 290.37, subdivision 1 pertaining to the requirements for making a return.

(2) If the individual is an infant or incompetent person, the declaration shall be made by the individual's guardian.

(3) Notwithstanding the provisions of this section, no declaration is required if the estimated tax (as defined in subdivision 3) is less than \$500.

Sec. 10. Minnesota Statutes 1988, 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) a lump sum distribution under section 402(e)(3) of the Internal Revenue Code;

(xi) contributions made by the claimant to an individual retirement account, including a qualified voluntary employee contribution; simplified employee pension plan; self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal Revenue Code; and

(xii) nontaxable scholarship or fellowship grants.

In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback.

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, sections 101(a), 102, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(c) surplus food or other relief in kind supplied by a governmental agency;

(d) relief granted under this chapter; or

(e) child support payments received under a temporary or final decree of dissolution or legal separation.

(3) The sum of the following amounts ~~shall~~ may be subtracted from income:

(a) for the claimant's first dependent, the exemption amount multiplied by 1.4;

(b) for the claimant's second dependent, the exemption amount multiplied by 1.3;

(c) for the claimant's third dependent, the exemption amount multiplied by 1.2;

(d) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;

(e) for the claimant's fifth dependent, the exemption amount; and

(f) if the claimant or claimant's spouse was disabled or attained the age of 65 prior to June 1 of the year for which the taxes were levied or rent paid, the exemption amount.

For purposes of this subdivision, the "exemption amount" means the exemption amount under section 151(d) of the Internal Revenue Code of 1986, as amended through December 31, 1987, for the taxable year for which the income is reported.

Sec. 11. Minnesota Statutes 1988, section 290A.04, subdivision 1, is amended to read:

Subdivision 1. A refund shall be allowed each claimant in the amount that property taxes payable or rent constituting property taxes exceed the percentage of the household income of the claimant specified in subdivision 2 in the year for which the taxes were levied or in the year in which the rent was paid as specified in subdivision 2. If the amount of property taxes payable or rent constituting property taxes is equal to or less than the percentage of the household income of the claimant specified in subdivision 2 in the year for which the taxes were levied or in the year in which the rent was paid, the claimant shall not be eligible for a state refund pursuant to this section. ~~For purposes of claiming this refund, a claimant who owns a homestead part of the year and rents part of the year may add the rent constituting property taxes to the qualifying tax on the homestead.~~

Sec. 12. Minnesota Statutes Second 1989 Supplement, section 290A.04, subdivision 2h, is amended to read:

Subd. 2h. (a) If the gross property taxes payable on a homestead increase more than ten percent over the net property taxes payable in the prior year on the same property that is owned by the same owner in both years, and the amount of that increase is \$40 or more for taxes payable in 1990 and 1991, \$60 or more for taxes payable in 1992, \$80 or more for taxes payable in 1993, and \$100 or more for taxes payable in 1994, a claimant who is a homeowner shall be allowed an additional refund equal to the sum of (1) 75 percent of the first \$250 of the amount of the increase over ten percent for taxes payable in 1990 and 1991, 75 percent of the first \$275 of the amount of the increase over ten percent for taxes payable in 1992, 75 percent of the first \$300 of the amount of the increase over ten percent for taxes payable in 1993, and 75 percent of the first \$325 of the amount of the increase over ten percent for taxes payable in 1994, and (2) 90 percent of the amount of the increase over ten percent plus \$250 for taxes payable in 1990 and 1991, 90 percent of the amount of the increase over ten percent plus \$275 for taxes payable in 1992, 90 percent of the amount of the increase over ten percent plus \$300 for taxes payable in 1993, and 90 percent of the amount of the increase

over ten percent plus \$325 for taxes payable in 1994. This subdivision shall not apply to any increase in the net gross property taxes payable attributable to improvements made to the homestead after the assessment date for the current year's taxes.

(b) For purposes of this subdivision, the following terms have the meanings given:

(1) "Net property taxes payable" means property taxes payable after reductions made under sections 273.13, subdivisions 22 and 23; 273.132; 273.135; 273.1391; and 273.42, subdivision 2, and any other state paid property tax credits and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivision 2 and this subdivision.

(2) "Gross property taxes" means net property taxes payable determined without regard to the refund allowed under this subdivision.

(c) In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

On or before December 1, 1990, and December 1 of each of the following three years, the commissioner shall estimate the cost of making the payments provided by this subdivision for taxes payable in the following year. Notwithstanding the open appropriation provision of section 290A.23, if the estimated total refund claims exceed the following amounts for the taxes payable year designated, the commissioner shall decrease the percentages of the excess taxes the state will pay and increase the dollar amount of tax increase which must occur before a taxpayer qualifies for a refund.

Taxes payable in:	Appropriation limit
1991	\$7,000,000
1992	\$6,500,000
1993	\$6,000,000
1994	\$5,500,000

The commissioner shall make the adjustments so that half of the estimated savings come from decreasing the percentages of the excess taxes the state will pay and half of the estimated savings come from increasing the dollar amount of the tax increase which must occur before a taxpayer qualifies for a refund. The determinations of the revised percentages and thresholds by the commissioner are not rules subject to chapter 14.

Sec. 13. Minnesota Statutes Second 1989 Supplement, section 290A.04, subdivision 2i, is amended to read:

Subd. 2i. If the net property taxes payable in 1990 on a seasonal residential and recreational property, not devoted to commercial use, increase more than ten percent over the net property taxes payable in 1989 and if the amount is \$40 or more, one claimant individual who is an owner of the property in both years is allowed a refund equal to 75 percent of the first \$250 of the excess of the increase over ten percent. This subdivision does not apply to the portion of an increase in taxes payable that are attributable to improvements to the property.

The individual claiming the refund can use only one contiguous seasonal residential and recreational property in computing the refund and is allowed only one refund. For the purposes of this subdivision, a husband and wife are treated as one individual.

In addition to the other proofs required by this chapter, each claimant individual claiming a refund under this subdivision shall file with the application a copy of the property tax statement for property taxes payable in 1989 and 1990 and any other documents required by the commissioner.

Sec. 14. Laws 1989, chapter 28, section 24, is amended to read:

Sec. 24. [FEDERAL CHANGES.]

The changes made by sections 1002, 1004, 1006, 1008, 1009, 1011, 1014, 1018, 3041, 6002, 6026, and ~~6286~~ 6282 of the Technical and Miscellaneous Revenue Act of 1988, Public Law Number 100-647, which affect the computation of Minnesota gross income as defined in Minnesota Statutes, section 290.01, subdivision 20; lump sum distributions as allowed by Minnesota Statutes, section 290.032; accounting provision applied under Minnesota Statutes, section 290.07; contribution deduction allowed by Minnesota Statutes, sections 290.089 and 290.21; depreciation, amortization, and expensing provisions allowed under Minnesota Statutes, section 290.09; the recognition rules for distributions and reorganization rules provided by Minnesota Statutes, sections 290.13 to 290.139; and the grantor trust and reversionary interest rule exceptions and limitations under Minnesota Statutes, sections 290.23 and 290.25, for years beginning before January 1, 1987, shall be in effect at the same time they become effective for federal income tax purposes.

The additional statute of limitations to file amended returns allowing contributions to institutions of higher education and allowing an election to claim losses on deposits in certain insolvent financial institutions under provisions of sections 6001 and 1009 of the Technical and Miscellaneous Revenue Act of 1988, shall apply to

Minnesota for the same period as the federal period applies plus an additional six months.

The waiver of the estimated tax penalties provided by section 1019 of the Technical and Miscellaneous Revenue Act of 1988, shall also apply to Minnesota to the extent the underpayment was created or increased by any provisions of the changes due to applying the federal law changes.

Sec. 15. [REPEALER.]

Minnesota Statutes 1988, section 290.23, subdivision 15, is repealed.

Sec. 16. [EFFECTIVE DATE.]

Section 1 is effective on the day following final enactment. Sections 3, 5, and 15 are effective for taxable years beginning after December 31, 1989. Sections 2 and 7 are effective for taxable years beginning after December 31, 1988. Section 10 is effective for claims based on rent paid in 1989 and subsequent years and claims based on property taxes payable in 1990 and subsequent years. Sections 11 and 12 are effective beginning for property taxes payable in 1990. Section 13 is effective beginning for property taxes paid in 1990.

ARTICLE 3

INSURANCE TAXES

Section 1. Minnesota Statutes Second 1989 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. Except as provided in paragraph (b), installments must be based on a sum equal to two percent of the premiums described in paragraph (c).

(b) For town and farmers' mutual insurance companies and mutual property and casualty insurance companies other than those (i) writing life insurance, or (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 the following percentages of the premiums described in paragraph (c):

(1) for premiums paid after December 31, 1988, and before January 1, 1992, one percent; and

(2) for premiums paid after December 31, 1991, one-half of one percent.

(c) Installments under paragraph (a) or (b) 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.

(d) Failure of a company to make payments of at least one-third of either (1) the total tax paid during the previous calendar year or (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, unless the total tax for the current tax year is \$500 or less.

Sec. 2. Minnesota Statutes 1988, section 60A.198, is amended by adding a subdivision to read:

Subd. 6. [ALLOCATION OF PREMIUMS ACCORDING TO LOCATION OF SUBJECT MATTER.] If the insurance described in subdivision 4 also covers a subject of insurance residing, located, or to be performed outside this state, for the purposes of this section, a proper pro rata portion of the entire premium payable for all of that insurance must be allocated according to the subjects of insurance residing, located, or to be performed in this state.

Sec. 3. Minnesota Statutes 1989 Supplement, section 69.021, subdivision 6, is amended to read:

Subd. 6. [CALCULATION OF APPORTIONMENT OF AID TO COUNTIES.] With respect to firefighters, one-half of the state aid available shall be distributed to the counties in proportion to their population as shown by the last official statewide federal census. The remaining one-half of the state aid available shall be distributed to the counties in proportion to their net tax capacity, excluding mineral values.

In the case of incorporated or municipal fire departments furnishing fire protection to cities, towns or townships in other counties as evidenced by valid fire service contracts filed with the commissioner of commerce and county auditor the distribution to the respective counties shall be adjusted proportionately to take into consideration the crossover fire protection service. Necessary adjustments shall be made to subsequent apportionments.

The state aid available in respect to peace officers shall not exceed the amount of tax collected and shall be distributed to the counties

in proportion to the total number of active peace officers, as defined in section 69.011, subdivision 1, clause (g), in each county who are employed either by municipalities maintaining police departments or by the county. Any necessary adjustments shall be made to subsequent apportionments.

Sec. 4. Minnesota Statutes 1988, section 69.771, subdivision 3, is amended to read:

Subd. 3. [REMEDY FOR NONCOMPLIANCE; DETERMINATION.] Any municipality in which there exists a firefighters' relief association as specified in subdivision 1 which does not comply with the applicable provisions of sections 69.771 to 69.776 or the provisions of any applicable special law relating to the funding or financing of the association shall not qualify initially to receive, or be entitled subsequently to retain, fire state aid pursuant to sections 69.011 to 69.051 until the reason for disqualification is remedied, whereupon the municipality or relief association, if otherwise qualified, shall be entitled to again receive fire state aid for the year occurring immediately subsequent to the year in which the disqualification is remedied. The ~~commissioner of commerce~~ state auditor shall determine if a municipality to which a firefighters' relief association is directly associated or a firefighters' relief association fails to comply with the provisions of sections 69.771 to 69.776 or the funding or financing provisions of any applicable special law based upon the information contained in the annual financial report of the firefighters' relief association required pursuant to section 69.051.

Sec. 5. Minnesota Statutes 1988, section 69.772, subdivision 2a, is amended to read:

Subd. 2a. [DETERMINATION OF ACCRUED LIABILITY FOR RECIPIENTS OF INSTALLMENT PAYMENTS.] Each firefighters' relief association which pays a lump sum service pension in installment payments to a retired firefighter pursuant to section 424A.02, subdivision 8, shall determine the accrued liability of the special fund of the firefighters' relief association relative to each retired member receiving a lump sum service pension in installment payments calculated individually as the sum of each future installment payment discounted at an interest rate of five percent, compounded annually, from the date the installment payment is scheduled to be paid to December 31. If the bylaws of the relief association provide for the payment of interest on unpaid installments, the amount of interest, projected to December 31, shall be added to the accrued liability attributable to each retired member. The sum of the accrued liability attributable to each retired member of the relief association receiving a lump sum service pension in installment payments shall be the total additional accrued liability of the special fund of the relief association as of December 31, and shall be added to the accrued liability of the special fund of the relief association calculated pursuant to subdivision 2 for purposes of

calculating the financial requirements of the relief association and the minimum obligation of the municipality pursuant to subdivision 3.

To the extent that the ~~commissioner of commerce~~ state auditor deems it to be necessary or practical, the ~~commissioner~~ state auditor may specify and issue procedures, forms or mathematical tables for use in performing the calculations required pursuant to this subdivision.

Sec. 6. Minnesota Statutes 1988, section 69.774, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZED INCLUSION IN FIRE STATE AID PROGRAM; COVERED NONPROFIT CORPORATIONS.] This section shall apply to any independent nonprofit firefighting corporation incorporated or organized pursuant to chapter 317 which operates exclusively for firefighting purposes, which is composed of volunteer firefighters, which has a duly established separate subsidiary incorporated firefighters' relief association which provides retirement coverage for or pays a service pension to a retired firefighter or a retirement benefit to a surviving dependent of either an active or a retired firefighter, and which operates subject to the service pension minimum requirements for entitlement to and maximums for a service pension contained in section 424A.02, or a special law modifying those requirements or maximums. Notwithstanding any law to the contrary, a municipality contracting with an independent nonprofit firefighting corporation shall be included in the distribution of fire state aid to the appropriate county auditor by the ~~commissioner of commerce~~ state auditor only if the independent nonprofit firefighting corporation complies with the provisions of this section.

Sec. 7. Minnesota Statutes 1988, section 299F.21, subdivision 1, is amended to read:

Subdivision 1. [ESTIMATED INSTALLMENT PAYMENTS.] On or before April 15, June 15, and December 15 of each year, every licensed insurance company, including reciprocals or interinsurance exchanges, doing business in the state, excepting farmers' mutual fire insurance companies and township mutual fire insurance companies, shall pay to the commissioner of revenue installments equal to one-third of, a tax upon its fire premiums or assessments or both, based on a sum equal to one-half of one percent of the estimated fire premiums and assessments, less return premiums and dividends, on all direct business received by it in this state, or by its agents for it, in cash or otherwise, during the year, including premiums on policies covering fire risks only on automobiles, whether written under floater form or otherwise. In the case of a mutual company or reciprocal exchange the dividends or savings paid or credited to members in this state shall be construed to be return premiums. The

money so received into the state treasury shall be credited to the general fund. A company that fails to make payments of at least one-third of either (1) the total tax paid during the previous calendar year or (2) 80 percent of the actual tax for the current calendar year is subject to the penalty and interest provided in this chapter, unless the total tax for the current tax year is \$500 or less.

Sec. 8. [EFFECTIVE DATE.]

Sections 1, 2, and 7 are effective for tax years beginning after December 31, 1990. Sections 3, 4, 5, and 6 are effective the day after final enactment.

ARTICLE 4

MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 1988, section 270A.03, subdivision 7, is amended to read:

Subd. 7. "Refund" means an individual income tax refund, pursuant to chapter 290, or a property tax credit or refund, pursuant to chapter 290A.

For purposes of this chapter, lottery prizes, as set forth in section 349A.08, subdivision 8, shall be treated as refunds.

Sec. 2. Minnesota Statutes 1989 Supplement, section 270.73, subdivision 1, is amended to read:

Subdivision 1. [POSTING, NOTICE.] Pursuant to the authority to disclose under section 270B.12, subdivision 4, the commissioner shall, by the 15th of each month, submit to the commissioner of public safety a list of all taxpayers who are required to withhold or collect the tax imposed by section 290.92 or 297A.02 or a local option tax administered and collected by the commissioner of revenue and who are 30 days or more delinquent in either filing a tax return or paying the tax.

The commissioner of revenue is under no obligation to list a taxpayer whose business is inactive. At least ten days before notifying the commissioner of public safety, the commissioner of revenue shall notify the taxpayer of the intended action.

The commissioner of public safety shall post the list in the same manner as provided in section 340A.318, subdivision 3. The list will prominently show the date of posting. If a taxpayer previously listed cures the delinquency by filing all returns and paying all taxes, the commissioner shall notify the commissioner of public safety within two business days that the delinquency was cured.

Sec. 3. Minnesota Statutes 1989 Supplement, section 270B.07, is amended by adding a subdivision to read:

Subd. 5. [INQUIRIES RELATED TO APPLICATIONS FOR LIQUOR LICENSES.] The commissioner may disclose and certify to a requesting county or municipality whether or not an applicant for a license to be issued under section 340A.403 or sections 340A.404 to 340A.406 is liable for state or local taxes or assessments that were not paid when they became due. The commissioner shall not disclose or certify that the license applicant is liable for unpaid state or local taxes or assessments if an administrative or court action which questions the amount or validity of the unpaid taxes or assessments has been commenced, or if the appeal period to contest the taxes or assessments has not yet expired.

Sec. 4. Minnesota Statutes Second 1989 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. The rate of the tax is two percent of the ideal gross of the pull-tab or tipboard deal. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the licensed distributor is imposed on the retail sales price less the tax imposed by this subdivision. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A 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 customer, to a common or contract carrier for delivery to the customer, or when received by the customer's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of the sale.

The tax imposed by this subdivision is imposed on all sales of pull-tabs and tipboards, except the following:

- (1) sales to the governing body of an Indian tribal organization for use on an Indian reservation;**
- (2) sales to distributors licensed under this chapter;**
- (3) sales to distributors licensed under the laws of another state or of a Province of Canada, as long as all statutory and regulatory requirements are met in the other state or province; and**
- (4) sales of promotional tickets as defined in section 349.12.**

(c) Pull-tabs and tipboards sold to an organization that sells pull-tabs and tipboards under the exemption from licensing in section 349.214, subdivision 2, paragraph (b), are exempt from the tax imposed by this subdivision. A distributor must require an organization conducting exempt gambling to show proof of its exempt status before making a tax-exempt sale of pull-tabs or tipboards to such an organization. A distributor shall identify, on all reports submitted to the commissioner, all sales of pull-tabs and tipboards that are exempt from tax under this subdivision.

Sec. 5. Minnesota Statutes 1988, section 349.212, is amended by adding a subdivision to read:

Subd. 7. [UNTAXED PULL-TABS AND TIPBOARDS.] In addition to penalties or criminal sanctions imposed by this chapter, any person, organization, or business entity possessing a pull-tab or tipboard upon which the tax imposed by subdivision 4 has not been paid is liable for a tax of six percent of the ideal gross of each pull-tab or tipboard. The tax on a partial deal shall be assessed as if it were a full deal.

The tax shall be assessed by the commissioner. An assessment shall be considered a jeopardy assessment or jeopardy collection as provided in section 270.70. The commissioner shall assess the tax based on personal knowledge or information available to the commissioner. The commissioner shall mail to the taxpayer at the taxpayer's last known address, or serve in person, a written notice of the amount of tax, demand its immediate payment, and, if payment is not immediately made, collect the tax by any method described in chapter 270, except that the commissioner need not await the expiration of the times specified in chapter 270. The tax assessed by the commissioner is presumed to be valid and correctly determined and assessed. The burden is upon the taxpayer to show its incorrectness or invalidity.

Sec. 6. Minnesota Statutes 1988, section 524.3-301, is amended to read:

524.3-301 [INFORMAL PROBATE OR APPOINTMENT PROCEEDINGS; APPLICATION; CONTENTS.]

An informal probate proceeding is an informal proceeding for the probate of decedent's will with or without an application for informal appointment. An informal appointment proceeding is an informal proceeding for appointment of a personal representative in testate or intestate estates. These proceedings may be combined in a single proceeding. Applications for informal probate or informal appointment shall be directed to the registrar, and verified by the applicant, in accordance with section 524.1-310, to be accurate and complete to the best of applicant's knowledge and belief as to the following information:

(1) Every application for informal probate of a will or for informal appointment of a personal representative, other than a special or successor representative, shall contain the following:

(i) a statement of the interest of the applicant;

(ii) the name, social security number, birthdate, and date of death of the decedent, and the county and state of the decedent's domicile at the time of death, and the names and addresses of the spouse, children, heirs, and devisees and the ages of any who are minors so far as known or ascertainable with reasonable diligence by the applicant;

(iii) if the decedent was not domiciled in the state at the time of death, a statement showing venue;

(iv) a statement identifying and indicating the address of any personal representative of the decedent appointed in this state or elsewhere whose appointment has not been terminated;

(v) a statement indicating whether the applicant has received a demand for notice, or is aware of any demand for notice of any probate or appointment proceeding concerning the decedent that may have been filed in this state or elsewhere.

(2) An application for informal probate of a will shall state the following in addition to the statements required by (1):

(i) that the original of the decedent's last will is in the possession of the court, or accompanies the application, or that an authenticated copy of a will probated in another jurisdiction accompanies the application;

(ii) that the applicant, to the best of the applicant's knowledge, believes the will to have been validly executed;

(iii) that after the exercise of reasonable diligence, the applicant is unaware of any instrument revoking the will, and that the applicant believes that the instrument which is the subject of the application is the decedent's last will;

(iv) that the time limit for informal probate as provided in this article has not expired either because three years or less have passed since the decedent's death, or, if more than three years from death have passed, that circumstances as described by section 524.3-108 authorizing tardy probate have occurred.

(3) An application for informal appointment of a personal representative to administer an estate under a will shall describe the will by date of execution and state the time and place of probate or the

pending application or petition for probate. The application for appointment shall adopt the statements in the application or petition for probate and state the name, address and priority for appointment of the person whose appointment is sought.

(4) An application for informal appointment of an administrator in intestacy shall state in addition to the statements required by (1):

(i) that after the exercise of reasonable diligence, the applicant is unaware of any unrevoked testamentary instrument relating to property having a situs in this state under section 524.1-301, or, a statement why any such instrument of which the applicant may be aware is not being probated;

(ii) the priority of the person whose appointment is sought and the names of any other persons having a prior or equal right to the appointment under section 524.3-203.

(5) An application for appointment of a personal representative to succeed a personal representative appointed under a different testacy status shall refer to the order in the most recent testacy proceeding, state the name and address of the person whose appointment is sought and of the person whose appointment will be terminated if the application is granted, and describe the priority of the applicant.

(6) An application for appointment of a personal representative to succeed a personal representative who has tendered a resignation as provided in section 524.3-610(c), or whose appointment has been terminated by death or removal, shall adopt the statements in the application or petition which led to the appointment of the person being succeeded except as specifically changed or corrected, state the name and address of the person who seeks appointment as successor, and describe the priority of the applicant.

Sec. 7. [REPEALER.]

Minnesota Statutes 1988, sections 290.612; and 297A.431, are repealed.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment.

ARTICLE 5

PROPERTY TAXES AND AIDS

Section 1. Minnesota Statutes 1988, section 116K.04, subdivision 4, is amended to read:

Subd. 4. The commissioner shall:

- (1) Appoint the state demographer, who shall be compensated in accordance with section 43A.18, subdivision 3. The state demographer shall be professionally competent in the field of demography and shall possess demonstrated ability, based upon past performance;
- (2) Continuously gather and develop demographic data within the state;
- (3) Design and test methods of research and data collection;
- (4) Periodically prepare population projections for designated regions and for the state and may periodically prepare projections for each county, or other political or geographic division as necessary to carry out the purposes of this section;
- (5) Review, comment, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies or nongovernmental persons, institutions or commissions;
- (6) Serve as the state liaison with the federal bureau of census, and coordinate the activities of the state planning agency with federal demographic activities to the fullest extent possible, and shall aid the legislature in preparing a census data plan and form for each decennial census;
- (7) Compile an annual study of population estimates on the basis of county, regional or other political or geographic divisions as necessary to carry out the purposes of this subdivision and section 116K.05;
- (8) On or before January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;
- (9) Cause to be prepared maps of all counties in the state, all municipalities with a population of 10,000 or more, and any other municipalities as deemed necessary for census purposes, according to scale and detail recommended by the federal bureau of the census, with the maps of cities showing boundaries of precincts; and
- (10) Prepare an estimate of population and of the number of households for each governmental subdivision for which the metropolitan council does not prepare an annual estimate, and shall communicate the estimates to the governing body of each governmental subdivision by May 1 of each year.

(11) Prepare an estimate of population and number of households for an area annexed by a governmental subdivision subject to levy limits under sections 275.50 to 275.56 if a municipal board order exists for the annexation and if the population in the annexed area is equal to either (i) at least 50 people or (ii) at least ten percent of the population of a governmental subdivision or unorganized territory is being annexed. The estimate shall be of the population as of the date, within the 12-month period after the annexation occurs, for which a population estimate for the governmental subdivision is made by either the state demographer under clause (10) or by the metropolitan council.

Sec. 2. Minnesota Statutes 1989 Supplement, section 168.013, subdivision 5, is amended to read:

Subd. 5. [CERTAIN VEHICLES SUBJECT TO PERSONAL PROPERTY TAX.] Motor vehicles not subject to taxation as provided in section 168.012, but subject to taxation as personal property within the state under section 273.36 or 273.37, subdivision 1, shall be assessed and valued at $33\frac{1}{3}$ percent of the market value thereof, have a tax capacity as provided in section 273.13, subdivision 24, provided, that if the person against whom any tax has been levied on the ad valorem basis because of any motor vehicle shall, during the calendar year for which such tax is levied, be also taxed under the provisions of this chapter, then and in that event, upon proper showing, the commissioner of revenue shall grant to the person against whom said ad valorem tax was levied, such reduction or abatement of net tax capacity or taxes as was occasioned by the so-called ad valorem tax imposed, and provided further that, if said ad valorem tax upon any motor vehicle has been assessed against a dealer in new and unused motor vehicles, and the tax imposed by this chapter for the required period is thereafter paid by the owner, then and in that event, upon proper showing, the commissioner of revenue, upon the application of said dealer, shall grant to such dealer against whom said ad valorem tax was levied such reduction or abatement of net tax capacity or taxes as was occasioned by the so-called ad valorem tax imposed. If such motor vehicle be registered and taxed under this chapter for a fractional part of the calendar year only, then such ad valorem tax shall be reduced in the percentage which such fractional part of the years bears to a full year.

Sec. 3. Minnesota Statutes 1989 Supplement, section 272.16, is amended to read:

272.16 [TRANSFER OF SPECIFIC PART.]

Subdivision 1. [TRANSFER OF SPECIFIC PART.] When any part less than the whole of any parcel of land, as charged in the tax lists, is conveyed, the county auditor shall transfer the same whenever the seller and purchaser agree, in a writing signed by them, or person-

ally appear before the county auditor and agree, upon the amount of the net tax capacity to be transferred therewith; but, If the seller and purchaser do not so agree, the county auditor shall make such a division of the net tax capacity as may appear that appears just to the auditor just. If the county auditor is satisfied that the proportion of the net tax capacity so agreed to be transferred is greater than the proportional value of the land to be transferred therewith, and that such the agreement was made by collusion of the parties, and with a view fraudulently to evade payment of taxes assessed on the entire parcel, the auditor may refuse to make such the transfer; and, When any such transfer has already been procured by fraudulent agreement, the auditor shall cancel the same it, and the land so transferred shall be charged with taxes in the same manner as though the transfer had not been made.

Subd. 2. [SPECIFIC PART CONVEYED AFTER EXECUTION OF A LENDER'S LIEN.] Notwithstanding the provisions of sections 272.12, 272.121, and 272.162, a lender that acquires, through execution of a lien, any part less than the whole of any parcel of land, as charged in the tax lists, may convey that part upon payment of the proper proportion of taxes due and owing on that part. The county auditor shall determine the proper proportion of taxes to be paid. The lender shall be required to provide the county auditor with instruments that document the lender's lien and the acquisition of the part.

Sec. 4. Minnesota Statutes 1989 Supplement, section 273.01, is amended to read:

273.01 [LISTING AND ASSESSMENT, TIME.]

All real property subject to taxation shall be listed and at least one-fourth of the parcels listed shall be appraised each year with reference to their value on January 2 preceding the assessment so that each parcel shall be reappraised at maximum intervals of four years. All real property becoming taxable in any year shall be listed with reference to its value on January 2 of that year. Except as provided in this section and section 274.01, subdivision 1, all real property assessments shall be completed two weeks prior to the date scheduled for the local board of review or equalization. No changes in valuation or classification which are intended to correct errors in judgment by the county assessor may be made by the county assessor after the board of review or the county board of equalization has adjourned; however, corrections of errors that are merely clerical in nature or changes which extend homestead treatment to property are permitted after adjournment until the tax extension date for that assessment year. Any changes made by the assessor after this time adjournment must be fully documented and maintained in a file in the assessor's office and shall be available for review by any person. A copy of any changes made during this period shall be sent to the county board no later than December 31 of the

assessment year. In the event a valuation and classification is not placed on any real property by the dates scheduled for the local board of review or equalization the valuation and classification determined in the preceding assessment shall be continued in effect and the provisions of section 273.13 shall, in such case, not be applicable, except with respect to real estate which has been constructed since the previous assessment. Real property containing iron ore, the fee to which is owned by the state of Minnesota, shall, if leased by the state after January 2 in any year, be subject to assessment for that year on the value of any iron ore removed under said lease prior to January 2 of the following year. Personal property subject to taxation shall be listed and assessed annually with reference to its value on January 2; and, if acquired on that day, shall be listed by or for the person acquiring it.

Sec. 5. Minnesota Statutes 1989 Supplement, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 6, 8, and 9 or section 273.17, subdivision 1, all property shall be valued at its market value. The market value as determined pursuant to this section shall be stated such that any amount under \$100 is rounded up to \$100 and any amount exceeding \$100 shall be rounded to the nearest \$100. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall the assessor adopt as a criterion of value the price for which such property would sell at a forced sale, or in the aggregate with all the property in the town or district; but the assessor shall value each article or description of property by itself, and at such sum or price as the assessor believes the same to be fairly worth in money. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment valuation of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, ~~the net tax capacity~~ of that lot or any single contiguous lot fronting on the same street shall be eligible for ~~reassessment~~ revaluation. All property, or the use thereof, which is taxable under section 272.01, subdivision 2, or 273.19, shall be valued at the market value of such

property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 6. Minnesota Statutes Second 1989 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 has a class rate of 3.6 percent of market value.

(b) Class 4b includes:

(1) residential real estate containing less than four units, other than seasonal residential, and recreational;

(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;

(4) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b).

Class 4b property has a class rate of 3.0 percent of market value.

(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; and

(3) a qualified low-income building that (i) receives a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1988; or (ii) meets the requirements of that section. Classification pursuant to this clause is limited to buildings the construction or rehabilitation of which began after May 1, 1988, and to a term of 15 years.

For all properties described in clauses (1), (2), and (3) and in paragraph (d), the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents. The land on which these structures are situated has the class rate given in paragraph (b) if the structure contains fewer than four units, and the class rate given in paragraph (a) if the structure contains four or more units.

(4) a parcel of land, not to exceed one acre, and its improvements or a parcel of unimproved land, not to exceed one acre, if it is owned by a neighborhood real estate trust and at least 60 percent of the dwelling units, if any, on all land owned by the trust are leased to or occupied by lower income families or individuals. This clause does not apply to any portion of the land or improvements used for nonresidential purposes. For purposes of this clause, a lower income family is a family with an income that does not exceed 65 percent of the median family income for the area, and a lower income individual is an individual whose income does not exceed 65 percent of the median individual income for the area, as determined by the United States Secretary of Housing and Urban Development. For purposes of this clause, "neighborhood real estate trust" means an entity which is certified by the governing body of the municipality in which it is located to have the following characteristics: (a) it is a nonprofit corporation organized under chapter 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

(5) except as provided in subdivision 22, paragraph (c), real property devoted to temporary and seasonal residential occupancy for recreation purposes, including real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than 225 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 225 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property classified in this clause and clause (6) also includes the remainder of class 1c resorts; and

(6) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization; provided that the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment and the property is not used for residential purposes on either a temporary or permanent basis. For purposes of this clause, a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through December 31, 1988. 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 has a class rate of 2.4 percent of market value.

(d) Class 4d property includes 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 is classified under this clause for 15 years from the date of the completion of the original construction or for the original term of the loan.

The class rates in paragraph (c), clauses (1), (2), and (3) and this clause apply to the properties described in them, only in proportion to occupancy of the structure by elderly or handicapped persons or low and moderate income families as defined in the applicable laws unless construction of the structure had been commenced prior to January 1, 1984; or the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or financing of the project had been approved by a federal or state agency prior to June 30, 1983. Classification under this clause is only available to property of a nonprofit or limited dividend entity.

Class 4d property has a class rate of 1.7 percent of market value for taxes payable in 1990, and two percent of market value for taxes payable thereafter.

(e) Residential rental property that would otherwise be assessed as class 4 property under paragraph (a); paragraph (b), clauses (1) and (2); or paragraph (c), clause (1), (2), (3), or (4); ~~or paragraph (d)~~, is assessed at the class rate applicable to it under Minnesota Statutes 1988, section 273.13, if it is found to be a substandard building under section 273.1316. Residential rental property that would otherwise be assessed as class 4 property under paragraph (d) is assessed at 2.4 percent of market value if it is found to be a substandard building under section 273.1316.

Sec. 7. Minnesota Statutes Second 1989 Supplement, section 273.1391, subdivision 2, is amended to read:

Subd. 2. For taxes payable in 1990 and subsequent years, 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 tax on qualified property located in the school district that does not meet the qualifications of

section 273.134, provided that the amount of said reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10. 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 tax, but not to exceed the maximums specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10.

(c) The maximum reduction of the tax up to the taconite breakpoint is \$200.10 for taxes payable in 1985. This maximum amount shall increase by \$15 multiplied by the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

For the purposes of this subdivision, "homestead credit equivalency percentage" means one minus the ratio of the net tax capacity percentage to the gross tax capacity percentage applicable to the first \$68,000 of the market value of residential homesteads, and "effective tax rate" means tax divided by the market value of a property, and the "base year effective tax rate" means the payable 1988 tax on a property with an identical market value to that of the property receiving the credit in the current year after application of the credits payable under Minnesota Statutes 1988, section 273.13, subdivisions 22 and 23, and this section, divided by the market value of the property.

Sec. 8. Minnesota Statutes Second 1989 Supplement, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of tax capacity rates.

(c) "Gross tax capacity" means the product of the gross class rates and estimated market values. "Total gross tax capacity" means the gross tax capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's gross tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the gross tax capacity of transmission lines deducted from a local government's total gross tax capacity under section 273.425. Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of the appropriate net class rates for the year in which the aid is payable, except that for class 3 utility real and personal property the class rate applied shall be 5.38 percent, and estimated market values for the assessment two years prior to that in which aid is payable. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. For purposes of determining the net tax capacity of property referred to in clauses (1) and (2), the net tax capacity shall be multiplied by the ratio of the highest class rate for class 3a property for taxes payable in the year in which the aid is payable to the highest class rate for class 3a property in the prior year. Net tax capacity cannot be less than zero.

(e) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. The equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(f) "Local tax rate" means the quotient derived by dividing the gross taxes levied within a unique taxing jurisdiction for taxes payable in 1989 by the gross tax capacity of the unique taxing jurisdiction for taxes payable in 1989. For computation of the local

tax rate for aid payable in 1991 and subsequent years, gross taxes for taxes payable in 1989 exclude equalized levies as defined in subdivision 2a. For purposes of computation of the local tax rate only, gross taxes shall not be adjusted by inflation or household growth.

(g) For purposes of calculating the homestead and agricultural credit aid authorized pursuant to subdivision 2, the "subtraction factor" is the product of (i) a unique taxing jurisdiction's local tax rate; (ii) its total net tax capacity; and (iii) 0.9767.

(h) For purposes of calculating and allocating homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties" or "gross taxes" means the total gross taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction before reduction by any credits for taxes payable in 1989. Gross taxes are before any reduction for disparity reduction aid. Gross taxes levied cannot be less than zero.

For homestead and agricultural credit aid payable in 1991 and subsequent years, "gross taxes" or "gross taxes levied on all properties" shall mean gross taxes payable in 1989, excluding taxes defined as "equalized levies" actual amounts levied for the purposes listed in subdivision 2a, multiplied by the cost-of-living adjustment factor and the household adjustment factor.

(i) "Human services aids" means:

(1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;

(2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(3) general assistance medical care under section 256D.03, subdivision 6;

(4) general assistance under section 256D.03, subdivision 2;

(5) work readiness under section 256D.03, subdivision 2;

(6) emergency assistance under section 256.871, subdivision 6;

(7) Minnesota supplemental aid under section 256D.36, subdivision 1;

(8) preadmission screening and alternative care grants under section 256B.091;

(9) work readiness services under section 256D.051;

(10) case management services under section 256.736, subdivision 13;

(11) general assistance claims processing, medical transportation and related costs; and

(12) medical assistance, medical transportation and related costs.

(j) "Adjustment factor" means one plus the percentage change in (1) the ratio of estimated market value of residential ~~homesteads~~ property to the estimated market value of all taxable property within the city or township containing the unique taxing jurisdiction based on the assessment one year prior to the year in which the aid is payable when compared to the same ratio based on the assessment two years prior to the year in which the aid is payable. If the market value of farm homesteads exceeds the market value of residential homesteads in the city or township containing the unique taxing jurisdiction for the assessment two years prior to the year in which the aid is payable, "adjusted adjustment factor" means one plus the percentage change in the ratio of the estimated market value of farm ~~homesteads~~ property to the estimated market value of all taxable property within the city or township containing the unique taxing jurisdiction based on the assessment one year prior to the year in which the aid is payable when compared to the same ratio based on the assessment two years prior to the year in which the aid is payable. The adjustment factor cannot be less than one. Estimates of market value for the assessment one year prior to the year in which the aid is paid will be made on the basis of the abstract submitted pursuant to section 270.11. Discrepancies between the estimate and actual market values will not result in increased or decreased aid in the year in which the estimates are used to compute aid.

(k) "Cost-of-living adjustment factor" means one plus the percentage, if any, by which:

(1) the consumer price index for the calendar year preceding that in which aid is payable, exceeds

(2) the consumer price index for calendar year 1989.

(l) "Consumer price index for any calendar year" means the average of the consumer price index as of the close of the 12-month period ending on May 31 of such calendar year.

(m) "Consumer price index" means the last consumer price index for all-urban consumers published by the department of labor. For purposes of the preceding sentence, the revision of the consumer price index which is most consistent with the consumer price index for calendar year 1989 shall be used.

(n) "Household adjustment factor" means the number of households for the most recent year preceding that in which the aids are payable divided by the 1988 number of households. The household adjustment factor cannot be less than one.

Sec. 9. Minnesota Statutes Second 1989 Supplement, section 273.1398, subdivision 2, is amended to read:

Subd. 2. [HOMESTEAD AND AGRICULTURAL CREDIT AID.]

(a) Initial homestead and agricultural credit aid for each unique taxing jurisdiction equals the total gross taxes levied on all properties, minus the unique taxing jurisdiction's subtraction factor. The commissioner of revenue may, in computing the amount of the homestead and agricultural credit aid paid in 1990, adjust the gross tax capacity, net tax capacity, and gross taxes of a taxing jurisdiction for taxes payable in 1989 to reflect auditor's errors in computing taxes payable for 1989 in unique taxing jurisdictions within independent school district Nos. 720 and 792. Homestead and agricultural credit aid cannot be less than zero.

(b)(1) The homestead and agricultural credit aid is allocated to each local government levying taxes in the unique taxing jurisdiction in the proportion that the local government's gross taxes bears to the total gross taxes levied within the unique taxing jurisdiction.

(2) The 1990 homestead and agricultural credit aid so determined for school districts for purposes of general education levies pursuant to section 124A.23, subdivisions 2 and 2a, and transportation levies pursuant to section 275.125, subdivisions 5 and 5c, shall be multiplied by the ratio of the adjusted gross tax capacity based upon the 1988 adjusted gross tax capacity to the estimated 1987 adjusted gross tax capacity based upon the 1987 adjusted assessed value.

(3) If a local government's total tax capacity rate for all funds for taxes payable in 1989 varies within the area in which it exercises taxing authority, the local government's allocated homestead and agricultural credit aid must be further allocated between the part of its levy in respect to which the tax capacity rate is constant throughout the area in which it exercises taxing authority and the part of its levy in respect to which the tax capacity rate varies throughout the area in which it exercises taxing authority.

(c) The calendar year 1990 homestead and agricultural credit aid shall be adjusted by the adjustment factor.

(d) Payments under this subdivision to counties in 1990 and subsequent years shall be reduced by the amount provided in section 477A.012, subdivisions 3, paragraph (d), and 4, paragraph (d).

(e) Payments under this subdivision to cities and towns shall be annually reduced by the amount of the homestead and agricultural credit aid adjustment, if any, determined for 1990 under section 477A.013, subdivision 6.

Sec. 10. Minnesota Statutes Second 1989 Supplement, section 273.1398, subdivision 5a, is amended to read:

Subd. 5a. [AID ADJUSTMENT FOR COUNTY HUMAN SERVICES AID.] (a) There shall be transferred to the human services aid account from the payment to a county under subdivision 2 an amount representing a county's human services aid increase as calculated in subdivision 5b, paragraphs (a) to (c). The amount calculated for each county shall be deducted from the first payment to the county under this section in 1991 and subsequent years. If the deduction exceeds the amount of the first payment, the balance shall be subtracted from the second payment. The amount of the payments under subdivision 2 shall not be less than zero as a result of this adjustment.

Sec. 11. Minnesota Statutes Second 1989 Supplement, section 273.1398, subdivision 6, is amended to read:

Subd. 6. [PAYMENT.] The commissioner shall certify the aids provided in subdivisions 2, 2b, 3, and 5 before December 1, 1989, and October 1 thereafter of the year preceding the distribution year to the county auditor of the affected local government and pay them and the credit reimbursements to local governments other than school districts at the times provided in section 477A.015 for payment of local government aid to taxing jurisdictions. Aids and credit reimbursements to school districts must be certified to the commissioner of education and paid under section 273.1392. Except for education districts and secondary cooperatives that receive revenue according to section 124.2721 or 124.575, payment shall not be made to any taxing jurisdiction that has ceased to levy a property tax nor shall homestead and agricultural credit aid be payable on the part of a levy to which homestead and agricultural credit aid was separately allocated under subdivision 2, paragraph (b), clause (2), which is no longer levied.

Sec. 12. Minnesota Statutes 1988, 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 or classification which are intended to correct errors in judgment by the county assessor may be made by the county assessor after the board of review or the county board of equalization has adjourned; however, corrections of errors that are merely clerical in nature or changes which extend homestead treatment to property are permitted after the board of review or the county board of equalization has adjourned. This restriction does not apply to corrections of errors that are merely clerical or administrative in nature adjournment until the tax extension date for that assessment year. The changes must be fully documented and maintained in the assessor's office and must be available for review by any person. A copy of the changes made during this period must be sent to the county board no later than December 31 of the assessment year.

(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. 13. Minnesota Statutes Second 1989 Supplement, section 274.14, is amended to read:

274.14 [LENGTH OF SESSION; RECORD.]

The county board of equalization or the special board of equalization appointed by it shall meet during the last two weeks in June that contain ten meeting days, excluding Saturday and Sunday. No action taken by the county board of review after June 30 is valid, except for corrections permitted in sections 273.01 and 274.01. The county auditor shall keep an accurate record of the proceedings and orders of the board. The record must be published like other proceedings of county commissioners. A copy of the published record must be sent to the commissioner of revenue, with the abstract of assessment required by section 274.16.

Sec. 14. Minnesota Statutes Second 1989 Supplement, section 274.175, is amended to read:

274.175 [VALUES FINALIZED.]

The assessments recorded by the county assessor and the county auditor under sections 273.124, subdivision 9; 274.16; 274.17; or other law for real and personal property are final on July 1 of the assessment year, except for property added to the assessment rolls under section 272.02, subdivision 4, or deleted because of tax forfeiture pursuant to chapter 281. No changes in value may be made after July 1 of the assessment year, except for corrections permitted in sections 273.01 and 274.01.

Sec. 15. Minnesota Statutes Second 1989 Supplement, section 275.07, subdivision 3, is amended to read:

Subd. 3. The county auditor shall adjust each local government's levy certified under subdivision 1 by the amount of homestead and agricultural credit aid certified by section 273.1398, subdivision 2, reduced by the amount under section 273.1398, subdivision 5a, and equalization aid certified by section 477A.013, subdivision 5. ~~If a local government's homestead and agricultural credit aid was further allocated between portions of its levy pursuant to section 273.1398, subdivision 2, paragraph (b)(2), the levy or fund to which the homestead and agricultural credit aid was allocated is the levy or fund which must be adjusted.~~

Sec. 16. Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1989 payable in 1990 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) for taxes levied in 1990, payable in 1991 and subsequent years, pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. The aggregate amounts levied under this clause for the costs of purchase or delivery of social services and income maintenance programs, other than those identified in section 273.1398, subdivision 1, paragraph (i), are subject to a maximum increase over the amount levied for the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties. For purposes of this clause, "income maintenance programs" include income maintenance programs in section 273.1398, subdivision 1, paragraph (i), to the extent the county provides benefits under those programs over the statutory mandated standards. Effective with taxes levied in 1990, the portion of this special levy for human service programs identified in section 273.1398, subdivision 1, paragraph (i), is eliminated;

(b) pay the costs of principal and interest on bonded indebtedness except on bonded indebtedness issued under section 471.981, subdivisions 4 to 4c, or to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(c) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency; and to pay the cost for certificates of indebtedness issued pursuant to sections 298.28 and 298.282;

(d) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(e) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(f) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(g) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(h) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(i) to compensate the state for the cost of a reassessment ordered by the commissioner of revenue pursuant to section 270.16;

(j) pay the debt service on tax increment financing revenue bonds to the extent that revenue to pay the bonds or to maintain reserves for the bonds is insufficient as a result of the provisions of Laws 1988, chapter 719, article 5;

(k) pay the cost of hospital care under section 261.21;

(l) pay the unreimbursed costs incurred in the previous year to satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, provided that an appeal for the unreimbursed costs under this clause was approved by the commissioner of revenue under section 275.51, subdivision 3;

(m) pay the expenses reasonably and necessarily incurred in preparing for or repairing the effects of natural disaster including the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from natural causes such as earthquake, fire, flood, wind storm, wave action, oil spill, water contamination, air contamination, or drought in accordance with standards formulated by the emergency services division of the state department of public safety, provided that an appeal for the expenses incurred under this clause were approved by the commissioner of revenue under section 275.51, subdivision 3;

(n) pay a portion of the losses in tax receipts to a city due to tax abatements or court actions in the year preceding the current levy year, provided that an appeal for the tax losses was approved by the commissioner of revenue under section 275.51, subdivision 3. This special levy is limited to the amount of the losses times the ratio of the nonspecial levies to total levies for taxes payable in the year the abatements were granted. County governments are not authorized to claim this special levy;

(o) pay the operating cost of regional library services authorized under section 134.34, subject to a maximum increase over the previous year of the greater of (1) 103 percent multiplied by one plus the percentage increase determined for the governmental subdivision under section 275.51, subdivision 3h, clause (b), or (2) six percent. If a governmental subdivision elected to include some or all of its levy for libraries within its adjusted levy limit base in the prior year, but elects to claim the levy as a special levy in the current levy year, the allowable increase is determined by applying the greater percentage determined under clause (1) or (2) to the total amount

levied for libraries in the prior levy year. After levy year 1989, the increase must not be determined using a base amount other than the amount that could have been levied as a special levy in the prior year. In no event shall the special levy be less than the minimum levy required under sections 134.33 and 134.34, subdivisions 1 and 2;

(p) pay the amount of the county building fund levy permitted under section 373.40, subdivision 6;

(q) pay the county's share of the costs levied in 1989, 1990, and 1991 for the Minnesota cooperative soil survey under Minnesota Statutes 1988, section 40.07, subdivision 15;

(r) for taxes levied in 1989, payable in 1990 only, pay the cost incurred for the minimum share required by counties levying for the first time under section 134.34 as required under section 134.341. For taxes levied in 1990, and thereafter, counties levying under this provision must levy under clause (o), and their allowable increase must be determined with reference to the amount levied in 1989 under this paragraph;

(s) for taxes levied in 1989, payable in 1990 only, provide an amount equal to 50 percent of the estimated amount of the reduction in aids to a county under sections 273.1398, subdivision 2, paragraph (d), and 477A.012, subdivision 3, for aids payable in 1990;

(t) for taxes levied in 1990 only by a county in the eighth judicial district, provide an amount equal to the amount of the levy, if any, that is required under Laws 1989, chapter 335, article 3, section 54, subdivision 8;

(u) for taxes levied in 1989, payable in 1990 only, pay the costs not reimbursed by the state or federal government:

(i) for the costs of purchase or delivery of social services. The aggregate amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties.

(ii) for payments made to or on behalf of recipients of aid under any public assistance program authorized by law. The aggregate amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent and must be used only for the public assistance programs; and.

If the amount levied under this paragraph (u) in 1989 is less than the actual expenditures needed for these programs for 1990, the

difference between the actual expenditures and the amount levied may be levied in 1990 as a special levy. If the amount levied in 1989 is greater than the actual expenditures needed for these programs for 1990, the difference between the amount levied and the actual expenditures shall be deducted from the 1990 levy limit, payable in 1991; and

(v) pay an amount of up to 25 percent of the money sought for distribution and approved under section 115A.557, subdivision 3, paragraph (b), clause (3).

~~If the amount levied in 1989 is less than the actual expenditures needed for these programs for 1990, the difference between the actual expenditures and the amount levied may be levied in 1990 as a special levy. If the amount levied in 1989 is greater than the actual expenditures needed for these programs for 1990, the difference between the amount levied and the actual expenditures shall be deducted from the 1990 levy limit, payable in 1991.~~

Sec. 17. Minnesota Statutes Second 1989 Supplement, section 275.51, subdivision 3f, is amended to read:

Subd. 3f. [LEVY LIMIT BASE.] (a) The property tax levy limit base for governmental subdivisions for taxes levied in 1988 shall be equal to the total actual levy for taxes payable in 1988 with additions and subtractions as specified in paragraphs (b) and (c).

(b) The amounts to be added to the actual 1988 levy are (1) the amount of local government aid the governmental subdivision was certified to receive in 1988 under sections 477A.011 to 477A.014, (2) its 1988 taconite aids under sections 298.28 and 298.282, and (3) its 1988 wetlands and native prairie reimbursements under Minnesota Statutes 1986, sections 273.115, subdivision 3, and 273.116, subdivision 3.

(c) The amounts to be subtracted from the actual 1988 levy are (1) any special levies claimed for taxes payable in 1988 pursuant to Laws 1987, chapter 268, article 5, section 12, subdivision 4, clauses (1), (2), (3), and (4); and (2) for a governmental subdivision participating in a regional library system receiving grants from the department of education under section 134.34, the amount levied for taxes payable in 1988 for the operating costs of a public library service.

(d) For taxes levied in 1989 and subsequent years, a governmental subdivision's levy limit base is equal to its adjusted levy limit base for the preceding year, provided that for taxes levied in 1989, the amount of the administrative reimbursement aid received in 1988 shall be added to the base.

(e) For taxes levied by a county in 1989, the levy limit base determined under paragraph (d) shall be reduced by an amount equal to 90 percent of the cost of public defender services for felonies and gross misdemeanors and the costs of law clerks in the county that are assumed by the state during calendar year 1990, less 103 percent of one-half the amount of fees collected by the courts in the county during calendar year 1988. For taxes levied in 1990, the levy limit base determined under paragraph (d) shall first be increased by the product of (1) the amount deducted under this paragraph for taxes levied in 1989 and (2) the adjustments under subdivision 3h, paragraphs (a) and (b) for taxes levied in 1989, and then shall be reduced by an amount equal to the cost of public defender services for felonies and gross misdemeanors and the cost of law clerks in the county that are assumed by the state during calendar year 1991, less the amount of fees collected by the courts in the county during calendar year 1989, computed at the rate of \$30 for civil and probate filings and \$20 for marriage dissolutions.

(f) For taxes levied in 1989 only, by a county that is located in the eighth judicial district, the levy limit base determined under paragraphs (d) and (e) shall be further reduced by an amount equal to 90 percent of the cost of operation of the trial courts in the county during calendar year 1990 that are assumed by the state and for which an appropriation is provided, less 103 percent of the sum of (1) the remaining one-half of the amount of fees and (2) 100 percent of the amount of fines collected by the courts in the county during calendar year 1988. For taxes levied in 1990 only by those counties, the levy limit base determined under paragraphs (d) and (e) shall first be increased by the product of (1) the amount deducted under this paragraph for taxes levied in 1989 and (2) the adjustments under subdivision 3h, paragraphs (a) and (b) for taxes levied in 1989, and then shall be further reduced by an amount equal to the cost of operation of the trial courts in the county during the first six months of calendar year 1991 that are assumed by the state less 50 percent of the amount of fines collected by the courts during calendar year 1989.

(g) By October 15, 1989, the board of public defense shall determine and certify to the commissioner of revenue the pro rata share for each county of the state-financed public defense services described in paragraph (e) during the six-month period beginning July 1, 1990. By October 15, 1989, the supreme court shall determine and certify to the department of revenue for each county the pro rata share for each county of the cost of providing law clerks during the three-month period beginning October 1, 1990, plus, for each county located in the eighth judicial district, the cost of operation of the trial courts during calendar year 1990.

By July 15, 1990, the board of public defense shall determine and certify to the department of revenue the pro rata share for each county of the state-financed public defense services described in

paragraph (e) during calendar year 1991. By July 15, 1990, the supreme court shall determine and certify to the department of revenue for each county the pro rata share for each county of the cost of providing law clerks during calendar year 1991 plus, for each county located in the eighth judicial district, the cost of operation of the trial courts during the first six months of 1991.

(h) For taxes levied in a county in 1991, the levy limit base shall be reduced by an amount equal to the cost in the county of court reporters, judicial officers, and district court referees and the expenses of law clerks and court reporters as authorized in sections 484.545, subdivision 3, and 486.05, subdivisions 1 and 1a, as certified by the supreme court pursuant to section 477A.012, subdivision 4.

(i) If a governmental subdivision received an adjustment to its levy limit base for taxes levied in 1988 under section 275.51, subdivision 3j, its levy limit base for taxes levied in 1989 must be reduced by the lesser of (1) the adjustment under section 275.51, subdivision 3j, or (2) the difference between its (i) levy limit for taxes levied in 1988 and its (ii) total actual levy for taxes levied in 1988 minus any special levies claimed for taxes levied in 1988 under section 275.50, subdivision 5.

Sec. 18. Minnesota Statutes Second 1989 Supplement, section 275.51, subdivision 3h, is amended to read:

Subd. 3h. [ADJUSTED LEVY LIMIT BASE.] For taxes levied in 1989 and thereafter, the adjusted levy limit base is equal to the levy limit base computed pursuant to subdivision 3f, increased by:

(a) three percent for taxes levied in 1989 and subsequent years;

(b) a percentage equal to (1) one-half of the greater of the percentage increases in population or in number of households, if any, for cities and towns and (2) the lesser of the percentage increase in population or the number of households, if any, for counties, using figures derived pursuant to subdivision 6;

(c) the amount of a permanent increase in the levy limit base approved at a general or special election held during the 12-month period ending ~~September 30~~ four working days after December 20 of the levy year under section ~~275.58~~, subdivisions 1 and 2;

(d) for levy year 1989, for a county which incurred costs since October 1978, for the litigation of federal land claims under United States Code, title 18, section 1162; United States Code, title 25, section 331; and United States Code, title 28, section 1360; an amount of up to the actual costs incurred by the county for this purpose. This adjustment shall not exceed \$250,000;

(e) for levy year 1989, an amount of \$1,724,000 for Ramsey county for implementing the local government pay equity act under sections 471.991 to 471.999. Furthermore, in levy years 1990 and 1991, an additional amount of \$862,000 shall be added to Ramsey county's adjusted levy limit base under this clause for each of the two years; and

(f) for levy year 1989, an amount equal to the decrease in a county's 50 percent share of the powerline taxes extended between taxes payable years 1988 and 1989 under section 273.42, subdivision 1. The adjustment shall be determined by the department of revenue.

For taxes levied in 1989, the adjusted levy limit base is reduced by an amount equal to the estimated amount of the reduction in aids to a county under sections 273.1398, subdivision 2, paragraph (d), and 477A.012, subdivision 3, for aids payable in 1990.

Sec. 19. Minnesota Statutes Second 1989 Supplement, section 275.51, subdivision 6, is amended to read:

Subd. 6. [POPULATION AND HOUSEHOLD ESTIMATES.] For the purpose of determining the amount of tax that a governmental subdivision may levy in accordance with limitation established by this chapter, the population or the number of households of the governmental subdivision shall be that established by the last federal census, by a census taken pursuant to section 275.14, or by an estimate made by the metropolitan council, or by the state demographer made pursuant to section 116K.04, subdivision 4, whichever is the most recent as to the stated date of count or estimate, for the calendar year preceding the current levy year. If the area included in a governmental subdivision has increased due to annexation in the 12 months prior to the most recent population estimate for the calendar year preceding the current levy year and the adjusted levy limit base is modified under section 275.54, subdivision 3, the percentage increases in population and households determined in subdivision 3h are to be based on the change in population and number of households in the area included in the governmental subdivision before the annexation.

Sec. 20. Minnesota Statutes 1988, section 275.54, is amended to read:

275.54 [CONSOLIDATION AND ANNEXATION OF GOVERNMENTAL SUBDIVISIONS.]

Subdivision 1. If all or part of the area included within two or more governmental subdivisions is consolidated, merged, or otherwise combined to constitute a single governmental subdivision, and differing limitations upon the amount of tax levy per capita apply to the governmental subdivisions from which the consolidated,

merged, or otherwise combined governmental subdivision was formed, the limitation applicable to the surviving entity for purposes of sections 275.50 to 275.56 shall be equal to the highest limitation applicable to any one of the constituent subdivisions prior to the consolidation, merger or other combination.

Subd. 2. If a function or service of one governmental subdivision is transferred to another governmental subdivision, the levy limitations established by Extra Session Laws 1971, chapter 31, shall be adjusted by the commissioner of revenue in such manner so as to fairly and equitably reflect the reduced or increased property tax burdens of such subdivisions resulting from such transfer. The aggregate of the adjusted limitations shall not exceed the aggregate of such limitations prior to adjustment.

Subd. 3. If the area included within the governmental subdivision is increased due to annexation in the 12 months prior to the most recent population estimate for the calendar year preceding the current levy year and the state demographer prepares a population estimate for the annexed area under section 116K.04, subdivision 4, paragraph (11), the governmental subdivision's adjusted levy limit base under section 275.51, subdivision 3h, will be adjusted in the following manner:

(a) A percentage will be calculated equal to the percentage increase in population in the governmental subdivision due to annexation determined by dividing the population of the annexed area by the population of the governmental subdivision excluding the annexed area, using population estimates for the calendar year preceding the current levy year.

(b) The governmental subdivision's adjusted levy limit base under section 275.51, subdivision 3h, after giving effect to paragraphs (a) and (b) but before any other paragraphs in section 275.51, subdivision 3h, shall be increased by the percentage calculated in paragraph (a).

For purposes of section 275.51, subdivision 3f, the term "adjusted levy limit base" includes the adjustment made under this subdivision for the preceding year.

Sec. 21. Minnesota Statutes 1988, section 287.21, subdivision 2, is amended to read:

Subd. 2. The proceeds of the taxes levied and collected under sections 287.21 to 287.36 ~~on or after July 1, 1985~~, shall be credited apportioned, 97 percent to the county revenue general fund of the state, and three percent to the county revenue fund.

Sec. 22. Minnesota Statutes Second 1989 Supplement, section 287.29, subdivision 1, is amended to read:

Subdivision 1. On or before the tenth day of each month, the county treasurer shall determine and pay to the commissioner of revenue for deposit in the state treasury and credit to the general fund the state's portion of the receipts from the sale of documentary stamps during the preceding month. The county treasurer shall provide any related reports requested by the commissioner of revenue.

Sec. 23. Minnesota Statutes 1989 Supplement, section 469.177, subdivision 1a, is amended to read:

Subd. 1a. [ORIGINAL TAX CAPACITY RATE.] At the time of the initial certification of the original net tax capacity for a tax increment financing district, the county auditor shall certify the original tax capacity rate that applies to the district. The original tax capacity rate is the sum of all the tax capacity rates that apply to a property in the district ~~for the taxes payable in the calendar year in which the initial certification of.~~ The tax capacity rate to be certified is the rate in effect for the same taxes payable year applicable to the tax capacity values certified as the district's original net tax capacity is requested under subdivision 1. If the total tax capacity rate applicable to properties in the tax increment financing district varies, the tax capacity rate must be computed by determining the average total tax capacity rate in the district, weighted on the basis of net tax capacity. The resulting tax capacity rate is the original tax capacity rate for the life of the district.

Sec. 24. Minnesota Statutes Second 1989 Supplement, section 473F.08, subdivision 8a, is amended to read:

Subd. 8a. [FISCAL DISPARITIES ADJUSTMENT.] In any year in which the highest class rate for class 3a property changes from the rate in the previous year, the following adjustments shall be made to the procedures described in sections 473F.06 to 473F.08.

(1) An initial contribution tax capacity shall be determined for each municipality based on the previous year's class rates.

(2) Each jurisdiction's distribution tax capacity shall be determined based upon the areawide tax base determined by summing the tax capacities computed under clause (1) for all municipalities and apportioning the resulting sum pursuant to section 473F.07, subdivision 5.

(3) Each jurisdiction's distribution levy shall be determined by applying the procedures described in subdivision 3, clause (a), to the distribution tax capacity determined pursuant to clause (2).

(4) Each municipality's final contribution tax capacity shall be determined equal to its initial contribution tax capacity multiplied by the ratio of the new highest class rate for class 3a property to the previous year's highest class rate for class 3a property.

(5) For the purposes of computing education aids and any other state aids requiring the addition of the fiscal disparities distribution tax capacity to the local tax capacity, each municipality's final distribution tax capacity shall be determined equal to its initial distribution tax capacity multiplied by the ratio of the new highest class rate for class 3a property to the previous year's highest class rate for class 3a property.

(6) The areawide tax capacity rate shall be determined by dividing the sum of the amounts determined in clause (3) by the sum of the values determined in clause (4).

(6) (7) The final contribution tax capacity determined in clause (4) shall also be used to determine the portion of each commercial/industrial property's tax capacity subject to the areawide tax capacity rate pursuant to subdivision 6.

Sec. 25. Minnesota Statutes 1989 Supplement, section 477A.011, subdivision 15, is amended to read:

Subd. 15. [CITY REVENUE.] "City revenue" equals the sum of (i) the city's aid payable under section 477A.013, except for aid payable under section 477A.013, subdivision 5, in the year prior to that for which aids are being calculated, and (ii) its levy for taxes payable in the year prior to that for which aids are being calculated.

Sec. 26. Minnesota Statutes 1988, section 477A.011, is amended by adding a subdivision to read:

Subd. 26. [LEVY.] "Levy" means the levy as defined in section 275.07, subdivision 1, including the fiscal disparities distribution levy.

Sec. 27. Minnesota Statutes Second 1989 Supplement, section 477A.012, subdivision 3, is amended to read:

Subd. 3. [AID OFFSET FOR COURT COSTS.] (a) There shall be deducted from the payment to a county under this section an amount representing the cost to the state for assumption of the cost of district court administration and operation of the trial court information system in the county and, in the case of Hennepin and Ramsey counties, of public defense services in juvenile and misdemeanor cases in the county. The amount of the deduction shall be computed as provided in this subdivision.

(b) By October 15, 1989, the board of public defense shall determine and certify to the department of revenue the cost of the state-financed public defense services in juvenile and misdemeanor cases for Hennepin and Ramsey counties during the fiscal year beginning the following July 1. By October 15, 1989, the supreme court shall determine and certify to the department of revenue for each county, except counties located in the eighth judicial district, the pro rata estimated share for each county of district court administration and trial court information system costs during the fiscal year beginning on the following July 1.

(c) One-half of the amount computed under paragraph (b) for each county shall be deducted from each payment to the county under section 477A.015 in 1990 and each subsequent year.

(d) If the amount computed under paragraph (b) plus, if applicable, the amount deducted under paragraph (c), exceeds the amount payable to a county under subdivision 1, the excess shall be deducted from the aid payable to the county under section 273.1398, subdivision 2.

(e) By July 15, 1990, the board of public defense and the supreme court shall determine and certify to the department of revenue the final actual budgeted amounts for the activities described in paragraph (b). If the amount certified under paragraph (b) is greater than the amount certified under this paragraph, the excess shall be ~~deducted from~~ added to the aid payable to the county in 1991 and each subsequent year under this section. If the amount certified under paragraph (b) is less than the amount certified under this paragraph, the difference shall be ~~added to~~ subtracted from the aid payable to the county in 1991 and each subsequent year under this section.

Sec. 28. Minnesota Statutes Second 1989 Supplement, section 477A.013, subdivision 3, is amended to read:

Subd. 3. [CITY AID DISTRIBUTION.] In 1989, a city whose initial aid is greater than \$0 will receive the following aid increases in addition to an amount equal to the local government aid it received in 1988 under Minnesota Statutes 1987 Supplement, section 477A.013:

(1) for a city whose expenditure/unlimited aid ratio is at least 1.5, two percent of city revenue;

(2) for a city whose expenditure/unlimited aid ratio is at least 1.4 but less than 1.5, 2.5 percent of city revenue;

(3) for a city whose expenditure/unlimited aid ratio is at least 1.3 but less than 1.4, three percent of city revenue;

(4) for a city whose expenditure/unlimited aid ratio is at least 1.2 but less than 1.3, four percent of city revenue;

(5) for a city whose expenditure/unlimited aid ratio is at least 1.1 but less than 1.2, five percent of city revenue;

(6) for a city whose expenditure/unlimited aid ratio is at least 1.05 but less than 1.1, six percent of city revenue;

(7) for a city whose expenditure/unlimited aid ratio is at least 1.0 but less than 1.05, seven percent of city revenue;

(8) for a city whose expenditure/unlimited aid ratio is at least .95 but less than 1.0, 7.5 percent of city revenue;

(9) for a city whose expenditure/unlimited aid ratio is at least .75 but less than .95, 8.5 percent of city revenue; and

(10) for a city whose expenditure/unlimited aid ratio is less than .75, nine percent of city revenue.

In 1990, a city whose initial aid is greater than \$0 will receive an amount equal to the aid it received under this section in the year prior to that for which aids are being calculated plus an aid increase equal to 50 percent of the rates listed in clauses (1) to (10) multiplied by city revenue.

In 1991 and subsequent years, a city whose initial aid is greater than \$0 will receive an amount equal to the aid it received under this section in the year prior to that for which aids are being calculated plus an aid increase equal to 25 percent of the rates listed in clauses (1) to (10) multiplied by city revenue.

A city's aid increase under this subdivision is limited to the lesser of (1) 20 percent of its levy for taxes payable in the year prior to that for which aids are being calculated after the adjustments provided in section 273.1398, subdivision 2, or (2) its initial aid amount, or (3) 15 percent of the total amount received under this section in the previous year, provided that no city will receive an increase that is less than two percent of its 1989 local government aid for aids payable in 1990.

A city whose initial aid is \$0 will receive in 1990 an amount equal to 102 percent of the local government aid it received in 1989 under Minnesota Statutes 1988, section 477A.013. A city whose initial aid is \$0 will receive in 1991 and subsequent years an amount equal to the aid it received in the previous year under this section. For purposes of this subdivision, the term "local government aid" includes equalization aid for aids payable in 1991 and thereafter.

Sec. 29. Laws 1989, First Special Session, chapter 1, article 3, section 35, is amended to read:

Sec. 35. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and is intended to confirm and clarify the original intent of the legislature in the taxation and equalization of state-assessed public utility property.

Sections 2 ~~and~~ 7, and 23 are effective for taxes payable in 1991 and thereafter.

Sections 3, 5, 8, 11, 12, ~~23~~, 26, and 28 are effective for taxes payable in 1990 and thereafter.

Section 4 is effective January 1, 1989.

Sections 6, 9, 21, 29 to 32, and 34 are effective the day following final enactment.

Section 10 is effective for taxes levied in 1989, payable in 1990 and thereafter, provided that cooperatives that qualified under Minnesota Statutes, section 273.124, subdivision 6, on January 2, 1989, shall meet the board membership requirements of paragraph (a) by December 1, 1989, and shall meet the requirements of section 501(c)(3) or 501(c)(4) status under the Internal Revenue Code in the first paragraph and in paragraph (e) by January 1, 1990, and that the notice and filing requirements of paragraphs (f) and (g) shall apply only to leasehold cooperatives created later than 60 days after the date of enactment of this act.

Sections 13, 19, and 20 are effective January 1, 1991.

Section 14, paragraph (i), clauses (1) to (12), are effective for aids paid in 1991 and thereafter. The rest of section 14 and sections 15, 17, 18, and 22 are effective for aids paid in 1990 and thereafter, except as otherwise provided in those sections.

Section 16 is effective for aids payable in 1991 and thereafter.

Sections 24 and 25 are effective for mortgage registration and deed taxes collected after November 30, 1990.

Section 27 is effective for taconite produced in 1989, proceeds distributed in 1990, and thereafter.

Section 33 is effective July 1, 1991.

Sec. 30. Laws 1989, First Special Session chapter 1, article 9, section 86, is amended to read:

Sec. 86. [EFFECTIVE DATES.]

Section 5 is effective for school district referenda held after July 15, 1990, for property taxes levied in 1990, payable in 1991, and thereafter.

Sections 1 to 4, 6 to 8, 10 to 12, 17, 19 to 21, 26 to 30, 41 to 46, 48, 50 to 52, 51, and 66 to 77 are effective for taxes levied in 1990, payable in 1991, and thereafter.

The part of section 9 changing the meeting date of the state board of equalization is effective for taxes levied in 1990, payable in 1991, and thereafter. The rest of section 9 and sections 13 to 16, 22 to 25, 78, and 82, 84, and 85 are effective the day following final enactment.

Section 18 is effective for sales after January 1, 1990.

Sections 31 to 38 and 40 are effective for taxes levied in 1990, payable in 1991, and thereafter, except as otherwise provided.

Sections 39, 47, 49, 52, 54 to 64, 79, and 80 are effective for property taxes levied in 1989, payable in 1990, and thereafter.

Section 53 is effective for property taxes levied in 1989, payable in 1990, and thereafter, except that the provision requiring certification of aids by September 1, is effective for taxes levied in 1990, payable in 1991, and thereafter.

Sections 65 and 81 are effective July 1, 1990.

Section 83 is effective only for taxes levied in 1989, payable in 1990.

Sec. 31. [REPEALER.]

Minnesota Statutes 1988, section 272.70, is repealed.

Sec. 32. [EFFECTIVE DATE.]

Sections 1, 4, 12 to 14, and 29 to 31 are effective the day following final enactment.

Sections 2, 5, 7 to 9, 11, 15, 16, 18, 23 to 26, and 28 are effective for taxes levied in 1989 and thereafter, payable in 1990 and thereafter, except as otherwise provided.

Section 10 is effective January 1, 1991.

Sections 6, 17, 19, and 20 are effective for taxes levied in 1990 and thereafter, payable in 1991 and thereafter.

Sections 21 and 22 are effective for deed taxes collected after November 30, 1990.

Section 27 is effective for aid paid in 1991 and thereafter.

ARTICLE 6

PROPERTY TAX SYSTEM CONVERSIONS

Section 1. Minnesota Statutes 1989 Supplement, section 38.18, is amended to read:

38.18 [COUNTY FAIRGROUNDS, IMPROVEMENT AIDED.]

Any town, statutory city, or school district in this state, now or hereafter having a net tax capacity market value of all its taxable property, exclusive of money and credits, of more than \$25,000,000 \$105,000,000, and having a county fair located within its corporate limits, is hereby authorized to aid in defraying part of the expense of improving any such fairground, by appropriating and paying over to the treasurer of the county owning the fairground such sum of money, not exceeding \$10,000, for each of the political subdivisions, as the governing body of the town, statutory city, or school district may, by resolution, determine to be for the best interest of the political subdivision, the sums so appropriated to be used solely for the purpose of aiding in the improvement of the fairground in such manner as the county board of the county shall determine to be for the best interest of the county.

Sec. 2. Minnesota Statutes 1989 Supplement, section 50.14, subdivision 4, is amended to read:

Subd. 4. Class three shall be:

(a) The bonds, certificates of indebtedness, or other interest bearing obligations, payable out of a levy of ad valorem taxes, of any county, city, town, or any school district, drainage district, or other district, or of any board of any municipality, or of any public authority, created pursuant to law for public purposes in Minnesota, without regard to any debt limits other than those in section 475.53;

(b) The bonds, certificates of indebtedness or other interest bearing obligations, payable out of a levy of ad valorem taxes, of any county, city, town, or school, drainage or other district, or public authority, created pursuant to law for public purposes in any state of

the United States other than Minnesota, provided that the total bonded indebtedness of the county, municipality, district or authority, after deducting the amount of all sinking funds and of all revenue bonds or certificates (including among revenue bonds and certificates those which pledge the full faith and credit of the issuer, if the net revenues applicable to the payment of the bonds or certificates during the three fiscal years immediately preceding the date of purchase exceeded by at least five percent the amount required to pay principal and interest on those bonds or certificates during that period), shall not exceed ten percent of its net tax capacity assessed value; and provided further that if the county, municipality, district or authority is of any state other than Iowa, Wisconsin, North Dakota, or South Dakota, it contains at least 3,500 inhabitants;

(c) The bonds, certificates or other interest bearing obligations, payable out of special revenues, of any county, city, town, or school, drainage, or other district, or public authority, created pursuant to law for public purposes in any state of the United States, provided that:

(aa) If the county, municipality, district or authority is of any state other than Minnesota, it contains at least 3,500 inhabitants;

(bb) The obligations were issued to finance the purpose of construction of or addition to a public enterprise furnishing water, sewer, lighting, power, gas, or road facilities, from which revenue is to be derived;

(cc) The governing body or other legally constituted authority has covenanted or is required by law to establish and maintain rates to yield sufficient revenue for the payment of operating expenses, maintenance expenses, and principal and interest on the revenue obligations and to pledge that revenue irrevocably for those purposes;

(dd) At the date of investment the public enterprise has been in operation for at least three years; and

(ee) During the preceding three fiscal years its annual net earnings, after payment of operating expenses and maintenance expenses, have been on the average at least 1-1/4 times the average annual interest, principal and sinking fund requirements on the revenue obligations during the period from the end of its most recent fiscal year to the final maturity of the obligations; and

(d) The bonds or other interest bearing obligations, payable from revenues other than ad valorem taxes as contemplated in clause (a), validly issued by any state or insular possession of the United States, or by any agency, instrumentality, municipality, or governmental or public subdivision, district, corporation, commission,

board, council, or authority of whatsoever kind, created for public purposes by or pursuant to the laws of any state, provided that the bonds or other interest bearing obligations are at the time of purchase rated among the highest three quality categories, not applicable to bonds or other interest bearing obligations in default as to principal, used by a nationally recognized rating agency for rating the quality of similar bonds or other interest bearing obligations, and are not rated lower by any other such agency.

Sec. 3. Minnesota Statutes 1989 Supplement, section 110.70, is amended to read:

110.70 [APPLICATION.]

Nothing in sections 110.55 to 110.69 shall amend, alter, supersede, or otherwise change the provisions set forth in section 110.13. The provisions of sections 110.55 to 110.69 shall in no manner apply to public waters of an area of more than 10,000 acres, situated wholly or partially within counties now or hereafter having a population of more than 450,000 and a net tax capacity market value of more than ~~\$450,000,000~~ \$1,860,000,000, including money and credits, and in which is situated a city of the first class within a distance of 20 miles from the body of public water; and, as to such public waters, nothing contained in sections 110.55 to 110.69 shall be construed to authorize the diversion of any water from any stream, river, or lake located in any county adjoining or abutting in part upon the county wherein a major portion of such public waters is located.

Sec. 4. Minnesota Statutes 1989 Supplement, section 118.12, is amended to read:

118.12 [INVESTMENT OF TOWN FUNDS.]

When the town board of any town in this state, by a unanimous resolution, deem it advisable, such town board may invest such amount of funds in such town treasury as will not, in the opinion of such board, be needed by such town during the fiscal year, in any of the bonds of any county, city, town, school district, drainage or other district created pursuant to law for public purposes in Minnesota, Iowa, Wisconsin, and North and South Dakota, or in bonds of the United States of America, or in the bonds of any city, county, town, school district, drainage or other district created pursuant to law for public purposes in the United States, containing at least 3,500 inhabitants, provided that the total bonded indebtedness of any such municipality or district shall not exceed ten percent of its net tax capacity assessed value, if not located in Minnesota, or 2.5 percent of its taxable market value, if located in Minnesota.

Sec. 5. Minnesota Statutes 1989 Supplement, section 163.04, subdivision 3, is amended to read:

Subd. 3. [EXPENDITURES ON BRIDGES WITHIN CERTAIN CITIES.] When the council of any statutory city or city of the third or fourth class may determine that it is necessary to build or improve any bridge or bridges, including approaches thereto, and any dam or retaining works connected therewith, upon or forming a part of streets or highways either wholly or partly within its limits, the county board shall appropriate one-half of the money as may be necessary therefor from the county road and bridge fund, not exceeding during any year one-half the amount of taxes paid into the county road and bridge fund during the preceding year, on property within the corporate limits of the city. The appropriation shall be made upon the petition of the council, which petition shall be filed by the council with the county board prior to the fixing by the board of the annual county tax levy. The county board shall determine the plans and specifications, shall let all necessary contracts, shall have charge of construction, and upon its request, warrants in payment thereof shall be issued by the county auditor, from time to time, as the construction work proceeds. Any unpaid balance may be paid or advanced by the city. On petition of the council, the appropriations of the county board, during not to exceed three successive years, may be made to apply on the construction of the same items and to repay any money advanced by the city in the construction thereof. None of the provisions of this section shall be construed to be mandatory as applied to any city whose ~~net tax capacity~~ market value exceeds \$500 \$2,100 per capita of its population.

Sec. 6. Minnesota Statutes 1989 Supplement, section 163.06, subdivision 6, is amended to read:

Subd. 6. [EXPENDITURE IN CERTAIN COUNTIES.] In any county having not less than 95 nor more than 105 full and fractional townships, and having a ~~net tax capacity~~ market value of not less than ~~\$3,000,000~~ \$12,000,000 nor more than ~~\$5,000,000~~ \$21,000,000, exclusive of money and credits, the county board, by resolution, may expend the funds provided in subdivision 4 in any organized or unorganized township or portion thereof in such county.

Sec. 7. Minnesota Statutes 1989 Supplement, section 165.10, subdivision 1, is amended to read:

Subdivision 1. [CERTAIN COUNTIES MAY ISSUE AND SELL.] The county board of any county having no outstanding road and bridge bonds may issue and sell county road bonds in an amount not exceeding ~~one-half of one 0.12089~~ percent of the ~~net tax capacity~~ market value of the taxable property within the county exclusive of money and credits, for the purpose of constructing, reconstructing, improving, or maintaining any bridge or bridges on any highway under its jurisdiction, without submitting the matter to a vote of the electors of the county.

Sec. 8. Minnesota Statutes 1989 Supplement, section 365.025, subdivision 4, is amended to read:

Subd. 4. [**BIG BUYS MAJOR PURCHASES: NOTICE, PETITION, ELECTION.**] Before buying anything under subdivision 2 that costs more than ~~one~~ 0.24177 percent of the net tax capacity market value of the town, the town must follow this subdivision.

The town must publish in its official newspaper the board's resolution to pay for the property over time. Then a petition for an election on the contract may be filed with the clerk. The petition must be filed within ten days after the resolution is published. To require the election the petition must be signed by a number of voters equal to ten percent of the voters at the last regular town election. The contract then must be approved by a majority of those voting on the question. The question may be voted on at a regular or special election.

Sec. 9. Minnesota Statutes 1989 Supplement, section 368.01, subdivision 23, is amended to read:

Subd. 23. [**FINANCING PURCHASE OF CERTAIN EQUIPMENT.**] The town board of supervisors may issue certificates of indebtedness within existing debt limits for the purpose of purchasing fire or police equipment or ambulance equipment or street construction or maintenance equipment. Such certificates shall be payable in not more than five years and shall be issued on such terms and in such manner as the board may determine. If the amount of the certificates to be issued to finance any such purchase exceeds ~~one~~ 0.24177 percent of the net tax capacity market value of the town, excluding money and credits, they shall not be issued for at least ten days after publication in the official newspaper of a town board resolution determining to issue them; and if before the end of that time, a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular town election is filed with the clerk, such certificates shall not be issued until the proposition of their issuance has been approved by a majority of the votes cast on the question at a regular or special election. A tax levy shall be made for the payment of the principal and interest on such certificates as in the case of bonds.

Sec. 10. Minnesota Statutes 1989 Supplement, section 368.44, is amended to read:

368.44 [DISSOLUTION OF CERTAIN TOWNS; GROUNDS.]

When the voters residing within a duly organized town in any county in this state having more than 85 congressional townships of land and having a net tax capacity market value of not less than ~~\$5,000,000~~ \$21,000,000 nor more than ~~\$12,000,000~~ \$50,000,000 have failed to elect any town officials for more than three years

continuously, or the town has failed and omitted to exercise any of the powers and functions of a town, as provided by law, which facts, or any of them, may be found and determined by the resolution of the county board of the county in which the town is located, according to the official records in the office of the auditor of the county, the county board by resolution duly adopted may declare any such town, naming it, duly dissolved and no longer entitled to exercise any of the powers or functions of a town.

Sec. 11. Minnesota Statutes 1989 Supplement, section 368.47, is amended to read:

368.47 [TOWNS MAY BE DISSOLVED.]

When the voters residing within a town in this state have failed to elect any town officials for more than ten years continuously, or the town has failed and omitted for a period of ten years to exercise any of the powers and functions of a town, as provided by law, or when the net tax capacity market value of any town drops to less than \$40,000 \$165,000, or when the tax delinquency of any such town, exclusive of taxes that are delinquent or unpaid by reason of taxes being contested in proceedings for the enforcement of taxes, amounts to ~~50~~ 12 percent of its net tax capacity market value, or where the state or federal government has acquired title to 50 percent of the real estate of such town, which facts, or any of them, may be found and determined by the resolution of the county board of the county in which the town is located, according to the official records in the office of the county auditor, the county board by resolution may declare any such town, naming it, duly dissolved and no longer entitled to exercise any of the powers or functions of a town. In counties having a population according to the 1930 federal census of not more than 16,000 nor less than 15,000 and having not more than 77 nor less than 75 full or fractional congressional townships, and in counties having a population according to the 1930 federal census of not more than 28,000 nor less than 27,000 and having not more than 91 nor less than 90 full or fractional congressional townships, and in counties having a population according to the 1930 federal census of not more than 210,000 nor less than 200,000 and having not more than 202 nor less than 200 full or fractional congressional townships, before any such dissolution shall become effective the voters of the town shall express their approval or disapproval of such dissolution. The clerk of the town shall, upon a petition signed by a majority of the registered voters of the town, filed with the clerk at least 60 days before any regular or special town election thereof, give notice at the same time and in the same manner of such election that the question of dissolution of such town will be submitted for determination at such election. At such election when so petitioned for the question shall be voted upon by a separate ballot, the terms of which shall be either "for dissolution" or "against dissolution," which ballot shall be deposited in a separate ballot box to be provided and the result of such voting shall be

duly canvassed, certified, and returned in the same manner and at the same time as other facts and returns of the election. If a majority of the votes cast at the election shall be for dissolution, such town shall be dissolved; and, if a majority of the votes cast at the election shall be against dissolution, the town shall not be dissolved.

When a town is dissolved under the provisions of sections 368.47 to 368.49 the county shall acquire title to any telephone company or any other business being conducted by such town and such business shall be operated by the board of county commissioners until such time as a sale thereof can be made; provided that the subscribers or patrons of such businesses shall have the first opportunity of purchase. If such dissolved town has any outstanding indebtedness chargeable to such business, the auditor of the county wherein such dissolved town is located shall levy a tax against the property situated in the dissolved town for the purpose of paying the indebtedness as it becomes due.

Sec. 12. Minnesota Statutes 1989 Supplement, section 370.01, is amended to read:

370.01 [CHANGE OF BOUNDARIES; CREATION OF NEW COUNTIES.]

The boundaries of counties may be changed by taking territory from a county and attaching it to an adjoining county, and new counties may be established out of territory of one or more existing counties. A new county shall contain at least 400 square miles, have at least 2,000 inhabitants, and have a net tax capacity market value of at least ~~\$4,000,000~~ \$17,000,000. An existing county shall not be reduced in area below 400 square miles, have less than 2,000 inhabitants, or have a net tax capacity market value of less than ~~\$4,000,000~~ \$17,000,000.

In existing counties having an area of more than 3,500 and less than 6,000 square miles, boundaries may be changed and new counties established having a net tax capacity market value of at least ~~\$2,500,000~~ \$10,000,000.

No change in the boundaries of any county having an area of more than 2,500 square miles, whether by the creation of a new county, or otherwise, shall detach from the existing county any territory within 12 miles of the county seat.

Sec. 13. Minnesota Statutes Second 1989 Supplement, section 373.40, subdivision 1, is amended to read:

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 five years or more to qualify. "Capital improvement" does not include light rail transit or any activity related to it or a recreation or sports facility building (such as, but not limited to, a gymnasium, ice arena, racquet sports facility, swimming pool, exercise room or health spa), unless the building is part of an outdoor park facility and is incidental to the primary purpose of outdoor recreation.

(c) "Commissioner" means the commissioner of trade and economic development.

(d) "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.

(e) "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).

(f) "Tax capacity" means total taxable ~~tax capacity~~ market value, but does not include captured ~~tax capacity~~ market value.

Sec. 14. Minnesota Statutes 1989 Supplement, section 383.06, is amended to read:

383.06 [PAYMENT OF WARRANTS; ACCOUNTS; HOW KEPT; CERTIFICATES OF INDEBTEDNESS TO RETIRE OUTSTANDING WARRANTS.]

The county treasurer shall pay warrants only from the fund from which they are legally payable. Payments under any special contract shall be kept separate under the name of such contract, and under the general title of the fund from which such payment may be legally

made. The treasurer need not keep a specific appropriations account separately, but shall keep a general appropriations account.

In any county having a net tax capacity market value of not less than \$150,000,000 \$620,000,000, exclusive of money and credits, the county board may, by resolution, issue and sell as many certificates of indebtedness as may be needed in anticipation of the collection of taxes levied for any fund named in the tax levy for the purpose of raising money for such fund, but the certificates outstanding for any such separate funds shall not at any time exceed 50 percent of the amount of taxes previously levied for such fund remaining uncollected, and no certificate shall be issued to become due and payable later than December 31 of the year succeeding the year in which the tax levy was made, and the certificates shall not be sold for less than par and accrued interest and shall not bear a greater rate of interest than six percent per annum. No such certificates shall be issued prior to the beginning of the fiscal year for which the taxes so anticipated were intended, except that when taxes shall have been levied for the purpose of paying a deficit in any such fund carried over from any previous year or years certificates of indebtedness in anticipation of collection of the taxes levied for such deficit may be issued at any time after such levy shall have been finally made and certified to the county auditor. Each certificate shall state upon its face for which fund the proceeds thereof shall be used, the total amount of certificates so issued, and the whole amount embraced in the levy for that particular purpose. They shall be numbered consecutively, be in denominations of \$100 or a multiple thereof, may have interest coupons attached, shall be otherwise of such form and terms, and may be made payable at such place, as will best aid in their negotiation, and the proceeds of the tax assessed and collected on account of the fund and the full faith and credit of the county shall be irrevocably pledged for the redemption and payment of the certificates so issued. Such certificates shall be payable primarily from the moneys derived from the levy for the years against which such certificates were issued, but shall constitute unlimited general obligations of the county. Moneys derived from the sale of such certificates shall be credited to the fund or funds the taxes for which are so anticipated.

Sec. 15. Minnesota Statutes 1989 Supplement, section 385.31, is amended to read:

385.31 [PAYMENT OF COUNTY ORDERS OR WARRANTS.]

When any order or warrant drawn on the treasurer is presented for payment, if there is money in the treasury for that purpose, the county treasurer shall redeem the same, and write across the entire face thereof the word "redeemed," the date of the redemption, and the treasurer's official signature. If there is not sufficient funds in the proper accounts to pay such orders they shall be numbered and registered in their order of presentation, and proper endorsement

thereof shall be made on such orders and they shall be entitled to payment in like order. Such orders shall bear interest at not to exceed the rate of six percent per annum from such date of presentment. The treasurer, as soon as there is sufficient money in the treasury, shall appropriate and set apart a sum sufficient for the payment of the orders so presented and registered, and, if entitled to interest, issue to the original holder a notice that interest will cease in 30 days from the date of such notice; and, if orders thus entitled to priority of payment are not then presented, the next in order of registry may be paid until such orders are presented. No interest shall be paid on any order, except upon a warrant drawn by the county auditor for that purpose, giving the number and the date of the order on account of which the interest warrant is drawn. In any county in this state now or hereafter having a net tax capacity market value of all taxable property, exclusive of money and credits, of not less than ~~\$250,000,000~~ \$1,033,000,000, the county treasurer, in order to save payment of interest on county warrants drawn upon a fund in which there shall be temporarily insufficient money in the treasury to redeem the same, may borrow temporarily from any other fund in the county treasury in which there is a sufficient balance to care for the needs of such fund and allow a temporary loan or transfer to any other fund, and may pay such warrants out of such funds. Any such money so transferred and used in redeeming such county warrants shall be returned to the fund from which drawn as soon as money shall come in to the credit of such fund on which any such warrant was drawn and paid as aforesaid. Any county operating on a cash basis may use a combined form of warrant or order and check, which, when signed by the chair of the county board and by the auditor, is an order or warrant for the payment of the claim, and, when countersigned by the county treasurer, is a check for the payment of the amount thereof.

Sec. 16. Minnesota Statutes 1989 Supplement, section 386.34, is amended to read:

386.34 [DEPUTIES, SALARIES.]

The county board of each county having a population of less than 75,000, may by written order to be filed in the office of the county auditor allow one deputy county recorder in such county compensation for services as such deputy, to be fixed by the board and specified in said order. In each county containing less than 15 full and fractional congressional townships, and having more than 16,000 and less than 19,000 inhabitants according to the 1940 federal census, and having a net tax capacity market value of less than ~~\$7,000,000~~ \$29,000,000, exclusive of moneys and credits, the county board may by written order to be filed in the office of the county auditor allow one deputy county recorder in such county compensation for services as such deputy not exceeding \$1,800 per year.

Sec. 17. Minnesota Statutes 1989 Supplement, section 412.081, subdivision 1, is amended to read:

Subdivision 1. [ELECTION, ASSESSMENT DISTRICTS.] Any statutory city hereafter organized shall be constituted an election and assessment district separate from the town in which it lies immediately upon incorporation, except that if the incorporation occurs between March 15 and July 1 the town assessor shall assess the property in the city that year and the city assessor shall not assume duties until the following year. Where the town assessor makes the assessment, the city shall pay such proportion of the cost of the assessment as its net tax capacity bears to the assessed valuation net tax capacity of the town, including the city.

Sec. 18. Minnesota Statutes 1989 Supplement, section 412.221, subdivision 2, is amended to read:

Subd. 2. [CONTRACTS.] The council shall have power to make such contracts as may be deemed necessary or desirable to make effective any power possessed by the council. The city may purchase personal property through a conditional sales contract and real property through a contract for deed under which contracts the seller is confined to the remedy of recovery of the property in case of nonpayment of all or part of the purchase price, which shall be payable over a period of not to exceed five years. When the contract price of property to be purchased by contract for deed or conditional sales contract exceeds one 0.24177 percent of the net tax capacity market value of the city, the city may not enter into such a contract for at least ten days after publication in the official newspaper of a council resolution determining to purchase property by such a contract; and, if before the end of that time a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular city election is filed with the clerk, the city may not enter into such a contract until the proposition has been approved by a majority of the votes cast on the question at a regular or special election.

Sec. 19. Minnesota Statutes 1989 Supplement, section 430.102, subdivision 2, is amended to read:

Subd. 2. [COUNCIL APPROVAL; SPECIAL TAX LEVY LIMITATION.] The council shall receive and consider the estimate required in subdivision 1 and the items of cost after notice and hearing before it or its appropriate committee as it considers necessary or expedient, and shall approve the estimate, with necessary amendments. The amounts of each item of cost estimated are then appropriated to operate, maintain, and improve the pedestrian mall during the next fiscal year. The amount of the special tax to be charged under subdivision 1, clause (3), must not, however, exceed 50 cents per \$100 0.12089 percent of net tax capacity market value of taxable property in the district. The council shall make any necessary adjustment in

costs of operating and maintaining the district to keep the amount of the tax within this limitation.

Sec. 20. Minnesota Statutes 1989 Supplement, section 465.04, is amended to read:

465.04 [ACCEPTANCE OF GIFTS.]

Cities of the second, third, or fourth class, having at any time a net tax capacity market value of not more than \$10,000,000 \$41,000,000, exclusive of money and credits, as officially equalized by the commissioner of revenue, either under home rule charter or under the laws of this state, in addition to all other powers possessed by them, hereby are authorized and empowered to receive and accept gifts and donations for the use and benefit of such cities and the inhabitants thereof upon terms and conditions to be approved by the governing bodies of such cities; and such cities are authorized to comply with and perform such terms and conditions, which may include payment to the donor or donors of interest on the value of the gift at not exceeding five percent per annum payable annually or semiannually, during the remainder of the natural life or lives of such donor or donors.

Sec. 21. Minnesota Statutes 1989 Supplement, section 471.24, is amended to read:

471.24 [STATUTORY CITIES AND TOWNS MAY JOIN IN MAINTAINING CEMETERIES.]

Where a statutory city or town owns and maintains an established cemetery or burial ground, either within or without the municipal limits, the statutory city or town may, by mutual agreement with contiguous statutory cities and towns, each having a net tax capacity market value of not less than \$500,000 \$2,000,000, join together in the maintenance of such public cemetery or burial ground for the use of the inhabitants of each of such municipalities; and each such municipality is hereby authorized, by action of its council or governing body, to levy a tax or make an appropriation for the support and maintenance of such cemetery or burial ground; provided, the amount thus levied or appropriated by each municipality shall not exceed a total of \$10,000 in any one year.

Sec. 22. Minnesota Statutes 1989 Supplement, section 471.73, is amended to read:

471.73 [ACCEPTANCE OF PROVISIONS.]

In the case of any city within the class specified in 471.72 having a net tax capacity market value, as defined in section 471.72, in excess of \$9,000,000 \$37,000,000; and in the case of any statutory

city within such class having a net tax capacity market value, as defined in section 471.72, of less than ~~\$1,100,000~~ \$5,000,000; and in the case of any statutory city within such class which is governed by Laws 1933, chapter 211, or Laws 1937, chapter 356; and in the case of any statutory city within such class which is governed by Laws 1929, chapter 208, and has a net tax capacity market value of less than ~~\$20,000,000~~ \$83,000,000; and in the case of any school district within such class having a net tax capacity market value, as defined in section 471.72, of more than ~~\$13,000,000~~ \$54,000,000; and in the case of all towns within said class; sections 471.71 to 471.83 apply only if the governing body of the city or statutory city, the board of the school district, or the town board of the town shall have adopted a resolution determining to issue bonds under the provisions of sections 471.71 to 471.83 or to go upon a cash basis in accordance with the provisions thereof.

Sec. 23. Minnesota Statutes 1989 Supplement, section 475.58, subdivision 2, is amended to read:

Subd. 2. [FUNDING, REFUNDING.] Any city, town or school district whose outstanding gross debt, including all items referred to in section 475.51, subdivision 4, exceed in amount ~~6%~~ 1.75 percent of its net tax capacity market value may issue bonds under this subdivision for the purpose of funding or refunding such indebtedness or any part thereof. A list of the items of indebtedness to be funded or refunded shall be made by the recording officer and treasurer and filed in the office of the recording officer. The initial resolution of the governing body shall refer to this subdivision as authority for the issue, state the amount of bonds to be issued and refer to the list of indebtedness to be funded or refunded. This resolution shall be published once each week for two successive weeks in a legal newspaper published in the municipality or if there be no such newspaper, in a legal newspaper published in the county seat. Such bonds may be issued without the submission of the question of their issue to the electors unless within ten days after the second publication of the resolution a petition requesting such election signed by ten or more voters who are taxpayers of the municipality, shall be filed with the recording officer. In event such petition is filed, no bonds shall be issued hereunder unless authorized by a majority of the electors voting on the question.

Sec. 24. Minnesota Statutes 1989 Supplement, section 475.73, subdivision 1, is amended to read:

Subdivision 1. Obligations sold under the provisions of section 475.60 may be purchased by the state board of investment if the obligations meet the requirements of section 11A.24, subdivision 2, upon the approval of the attorney general as to form and execution of the application therefor, and under rules as the board may specify, and the state board shall have authority to purchase the same to an amount not exceeding ~~15~~ 3.62662 percent of the net tax capacity

market value of the taxable property of the municipality, according to the last preceding assessment. The obligations shall not run for a shorter period than one year; nor for a longer period than 30 years and shall bear interest at a rate to be fixed by the state board but not less than two percent per annum. Forthwith upon the delivery to the state of Minnesota of any obligations issued by virtue thereof, the commissioner of finance shall certify to the respective auditors of the various counties wherein are situated the municipalities issuing the same, the number, denomination, amount, rate of interest and date of maturity of each obligation.

Sec. 25. Minnesota Statutes 1989 Supplement, section 505.173, subdivision 1, is amended to read:

Subdivision 1. [CERTAIN DEFECTS.] In all cases where the plats, or what purports to be plats, of any portion of the lands contained within any additions to or subdivisions of any town or city, situated in any county having less than 15 full and fractional congressional townships, having less than 15,000 inhabitants according to the 1940 federal census, and having an net tax capacity assessed value of more than \$7,500,000 and less than \$8,500,000, exclusive of money and credits which have been executed and filed in an office of any county recorder previous to January 1, 1915, (1) fail to identify or correctly describe the land to be so platted or to show correctly upon their face the tract of land intended or purported to be platted thereby, or (2) are defective by reason of the plat and the description of the land purported to be so platted thereby being inconsistent or incorrect, or (3) there exists a defect in the execution of said plats on the part of the grantors thereof, the governing board or council of the municipality containing land so platted or purported to be so platted may authorize, within two years from April 21, 1951, referring by the record book and page of such plat or plats in the office of the county recorder to the plat or plats to be corrected, the making of one or more plats which shall correctly show on the face thereof and by description of the land intended to be platted, which plat or plats may vary from the original plats in description as to lots and blocks to suit the best purpose and secure the best results. Such plat or plats, in a declaration thereon, shall recite such resolution and shall identify each separate tract of land described therein with such tract of land in the purported plat or plats intended to be corrected thereby, and shall be certified by the proper officers of the municipality as to authorization and by an engineer or surveyor as to correctness, and the signatures of such persons shall be acknowledged in like manner as a deed.

ARTICLE 7

PROCEDURES

Section 1. [289A.01] [APPLICATION OF CHAPTER.]

This chapter applies to taxes administered by or paid to the commissioner under chapters 290, 290A, 291, and 297A.

Sec. 2. [289A.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] Unless the context clearly requires otherwise, the following terms used in this chapter have the following meanings.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of revenue of the state of Minnesota or a person to whom the commissioner has delegated functions.

Subd. 3. [TAXPAYER.] "Taxpayer" means a person subject to, or liable for, a state tax; a person required to file a return with respect to, or to pay, or withhold or collect and remit, a state tax; or a person required to obtain a license or a permit or to keep records under a law imposing a state tax.

Subd. 4. [PERSON.] "Person" means an individual, partnership, corporation, association, governmental unit or agency, or public or private organization of any kind, under a duty to comply with state tax laws because of its character or position.

Subd. 5. [OTHER WORDS.] Unless specifically defined in this chapter, or unless the context clearly indicates otherwise, the words used in this chapter have the same meanings as they are defined in chapters 290, 290A, 291, and 297A.

Sec. 3. [289A.021] [FILING REQUIREMENTS FOR INDIVIDUAL INCOME, FIDUCIARY INCOME, CORPORATE FRANCHISE, AND ENTERTAINMENT TAXES.]

Subdivision 1. (a) A taxpayer must file a return for each taxable year the taxpayer is required to file a return under section 6012 of the Internal Revenue Code of 1986, as amended through December 31, 1989, except that an individual who is not a Minnesota resident for any part of the year is not required to file a Minnesota income tax return if the individual's gross income derived from Minnesota sources under sections 290.081, paragraph (a), and 290.17, is less than the filing requirements for a single individual who is a full year resident of Minnesota.

(b) The decedent's final income tax return, and other income tax returns for prior years where the decedent had gross income in excess of the minimum amount at which an individual is required to file and did not file, must be filed by the decedent's personal representative, if any. If there is no personal representative, the return or returns must be filed by the transferees, as defined in

section 289A.06, subdivision 13, who receive property of the decedent.

(c) The term "gross income," as it is used in this section, has the same meaning given it in section 290.01, subdivision 20.

Subd. 2. [RETURNS FILED BY FIDUCIARIES.] (a) The trustee or other fiduciary of property held in trust must file a return with respect to the taxable net income of the trust or estate if it exceeds an amount determined by the commissioner and if the trust belongs to the class of taxable persons.

(b) The receivers, trustees in bankruptcy, or assignees operating the business or property of a taxpayer must file a return with respect to the taxable net income of the taxpayer if a return is required.

Subd. 3. [CORPORATIONS.] A corporation that is subject to the state's jurisdiction to tax under section 290.014, subdivision 5, must file a return, except that a foreign operating corporation as defined in section 290.01, subdivision 6b, is not required to file a return. The return must be signed by a person designated by the corporation. The commissioner shall adopt rules for the filing of one return on behalf of the members of an affiliated group of corporations that are required to file a combined report. Members of an affiliated group that elect to file one return on behalf of the members of the group under rules adopted by the commissioner may change or rescind the election by filing the form required by the commissioner.

Subd. 4. [EXEMPT ORGANIZATIONS; UNRELATED BUSINESS INCOME.] An exempt organization that is subject to tax on unrelated business income under section 290.05, subdivision 3, must file a return for each taxable year in which the organization is required to file a return under section 6012 of the Internal Revenue Code of 1986, as amended through December 31, 1989, because of the receipt of unrelated business income. If an organization is required to file a return under federal law but has no federal tax liability for the taxable year, the commissioner may provide that the filing requirement under this paragraph is satisfied by filing a copy of the taxpayer's federal return.

Subd. 5. [ANNUAL RETURN; EXCEPTIONS.] A return under this section must cover a 12-month period, except in the following cases:

(1) A return made by or for a taxpayer in existence for less than the whole of a taxable year must cover the part of the taxable year the taxpayer was in existence;

(2) A taxpayer who, in keeping books, regularly computes income

on the basis of an annual period that varies from 52 to 53 weeks and ends always on the same day of the week, and ends always (i) on the date that day of the week last occurs in a calendar month or (ii) on the date that day of the week falls that is nearest to the last day of a calendar month, may compute the taxpayer's net income and taxable net income on the basis of that annual period in accordance with rules prescribed by the commissioner. If the effective date or the applicability of a provision of this chapter or chapter 290 is expressed in terms of taxable years beginning or ending with reference to a named date that is the first or last day of a month, a taxable year must be treated as beginning with the first day of the calendar month beginning nearest to the first day of that taxable year, or as ending with the last day of the calendar month ending nearest to the last day of that taxable year, as the case may be;

(3) A taxpayer who changes from one taxable year to another must make a return for the fractional parts of the year, under section 290.32.

Subd. 6. [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 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 return must be changed if they change their election for federal purposes. In the event taxpayers desire to change their election, the change must be done in the manner and on the form prescribed by the commissioner.

The determination of whether an individual is married shall be made under the provisions of section 7703 of the Internal Revenue Code of 1986, as amended through December 31, 1989.

Subd. 7. [COMPOSITE INCOME TAX RETURNS FOR NONRESIDENT PARTNERS, SHAREHOLDERS, AND BENEFICIARIES.]

(a) The commissioner may allow a partnership with five or more nonresident partners to file a composite return and to pay the tax 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 the nonresident partners electing to be covered by the composite return.

(b) The computation of a partner's tax liability must 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 returns. 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 tax paid for the 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 is a return for purposes of subdivision 1.

(e) This subdivision does not negate the requirement that an individual pay estimated tax if the individual's liability would exceed the requirements set forth in section 289A.026. A composite estimate may, however, be filed in a manner similar to and containing the 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 this subdivision, 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 paragraph. The provisions covering the partnership apply to the corporation and the provisions applying to the partner apply to the shareholder.

(i) Estates and trusts distributing current income only and the nonresident individual beneficiaries of the estates or trusts may make an election under this paragraph. The provisions covering the partnership apply to the estate or trust. The provisions applying to the partner apply to the beneficiary.

Subd. 8. [RETURNS OF ENTERTAINMENT ENTITIES.] An entertainment entity subject to the tax imposed by section 290.9201 shall file an annual return for the calendar year with the commissioner.

Subd. 9. [VERIFICATION.] If a return is prepared for a taxpayer by an individual (or individuals) or a firm (including partnerships, corporations, etc.), the individual or firm responsible for the prepa-

ration must complete the statement of verification provided on the tax return forms in the following manner:

(1) If the individual (or individuals) responsible for the preparation of the return is an individual acting in a personal capacity, the statement of verification must be signed by the individual.

(2) If a firm is responsible for the preparation of the return, the statement of verification must be signed with the firm name. However, if the firm name is stamped or typed, it should be followed by the signature of an individual authorized to sign the verification on behalf of the firm. The firm may authorize an officer, member, or employee to sign the verification.

Verification is not required if the actual preparation of the return is a regular and usual incident of the employment of one regularly and continuously employed full time by the person for whom the return is made (such as a clerk, secretary, bookkeeper, etc.).

Subd. 10. [FILING OF PROPER RETURN.] The return must specifically set forth the items of gross income, deductions, credits against the tax, and any other data necessary for computing the amount of any item required for determining the amount of the net income tax liability. The return must be in the form the commissioner prescribes. The filing of a return required under this section is considered an assessment.

Subd. 11. [INFORMATION INCLUDED IN INCOME TAX RETURN.] The return must state the name of the taxpayer, or taxpayers, if the return is a joint return, and the address of the taxpayer in the same name or names and same address as the taxpayer has used in making the taxpayer's income tax return to the United States, and must state the social security number of the taxpayer, or taxpayers, if a social security number has been issued by the United States with respect to the taxpayers, and must state the amount of the taxable income of the taxpayer as it appears on the federal return for the taxable year to which the Minnesota state return applies. The taxpayer must attach to the taxpayer's Minnesota state income tax return a copy of the federal income tax return that the taxpayer has filed or is about to file for the period.

Subd. 12. [CONFESSION OF JUDGMENT.] The return must contain (1) a written declaration that it is correct and complete, and (2) language prescribed by the commissioner providing a confession of judgment for the amount of the tax shown due to the extent not timely paid.

Subd. 13. [LONG AND SHORT FORMS.] The commissioner shall provide a long form individual income tax return and may provide a short form individual income tax return. The returns shall be in a form that is consistent with the provisions of chapter 290, notwith-

standing any other law to the contrary. The nongame wildlife checkoff provided in section 290.431 and the dependent care credit provided in section 290.067 must be included on the short form.

Subd. 14. [VOTER REGISTRATION FORM.] The commissioner shall insert securely in the individual income tax return form or instruction booklet a voter registration form, returnable to the secretary of state. The form shall be designed according to rules adopted by the secretary of state.

Sec. 4. [289A.0212] [FILING REQUIREMENTS FOR TAXES WITHHELD FROM WAGES FROM COMPENSATION OF ENTERTAINERS AND FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS; AND TAXES WITHHELD BY PARTNERSHIPS AND SMALL BUSINESS CORPORATIONS.]

Subdivision 1. [RETURNS.] (a) An employer who is required to deduct and withhold tax under section 290.92, subdivision 2a or 3, and a person required to deduct and withhold tax under section 290.923, subdivision 2, must file a return with the commissioner for each quarterly period unless otherwise prescribed by the commissioner.

(b) A person or corporation required to make deposits under section 290.9201, subdivision 8, must file an entertainer withholding tax return with the commissioner.

(c) A person required to withhold an amount under section 290.9705, subdivision 1, must file a return.

(d) A partnership required to deduct and withhold tax under section 290.92, subdivision 4b, must file a return.

(e) An S corporation required to deduct and withhold tax under section 290.92, subdivision 4c, must also file a return.

(f) Returns must be filed in the form and contain the information prescribed by the commissioner. Every return must contain a written declaration that it is correct and complete, and a confession of judgment for the amount of tax shown due, to the extent not timely paid.

Subd. 2. [WITHHOLDING STATEMENT TO EMPLOYEE OR PAYEE AND TO COMMISSIONER.] (a) A person required to deduct and withhold from an employee a tax under section 290.92, subdivision 2a or 3, or section 290.923, subdivision 2, or who would have been required to deduct and withhold a tax under section 290.92, subdivision 2a or 3, or persons required to withhold tax under section 290.923, subdivision 2, determined without regard to section 290.92, 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 section 290.92, 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 under section 290.92, subdivision 20, must give every employee or person receiving royalty payments in respect to the remuneration paid by the person to the 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 the 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:

(1) name of the person;

(2) the name of the employee or payee and the employee's or payee's social security account number;

(3) the total amount of wages as that term is defined in section 290.92, subdivision 1(1), and/or the total amount of remuneration subject to withholding under section 290.92, subdivision 20, and the amount of sick pay as required under section 6051(f) of the Internal Revenue Code of 1986, as amended through December 31, 1989; and

(4) the total amount deducted and withheld as tax under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2.

(b) The statement required to be furnished by this paragraph with respect to any remuneration must be furnished at those times, must contain the information required, and must be in the form the commissioner prescribes.

(c) The commissioner may prescribe rules providing for reasonable extensions of time, not in excess of 30 days, to employers or payers required to give the statements to their employees or payees under this subdivision.

(d) A duplicate of any statement made under this subdivision and in accordance with rules prescribed by the commissioner, along with a reconciliation in the form the commissioner prescribes of the statements for the calendar year, including a reconciliation of the quarterly returns required to be filed under subdivision 1, must be filed with the commissioner on or before February 28 of the year after the payments were made.

(e) The employer must submit the statements required to be sent to the commissioner on magnetic media, if the magnetic media was required to satisfy the federal reporting requirements of section

6011(e) of the Internal Revenue Code of 1986, as amended through December 31, 1989, and the regulations issued under it.

Sec. 5. [289A.0214] [FILING REQUIREMENTS FOR ESTATE TAX RETURNS.]

Subdivision 1. [RETURN REQUIRED.] In the case of a decedent who has an interest in property with a situs in Minnesota, the personal representative must submit a Minnesota estate tax return to the commissioner, on a form prescribed by the commissioner, in instances in which a federal estate tax return is required to be filed.

The return must be accompanied by a federal estate tax return, a schedule of the assets in the estate at their date of death values, and must contain a computation of the Minnesota estate tax due. The return must be signed by the personal representative.

Subd. 2. [DOCUMENTS REQUIRED.] The commissioner may designate on the return the documents that are required to be filed together with the return to determine the computation of tax.

Subd. 3. [DEFINITIONS.] For purposes of this section, the definitions contained in section 291.005 apply.

Sec. 6. [289A.0216] [FILING REQUIREMENTS FOR SALES AND USE TAX RETURNS.]

Subdivision 1. [RETURN REQUIRED.] Except as provided in section 289A.023, subdivision 4, for the month in which taxes imposed by sections 297A.01 to 297A.44 are payable, or for which a return is due, a return for the preceding reporting period must be filed with the commissioner in the form the commissioner prescribes. The return must be verified by a written declaration that it is made under the criminal penalties for making a false return, and in addition must contain a confession of judgment for the amount of the tax shown due to the extent not timely paid. A person making sales at retail at two or more places of business may file a consolidated return subject to rules prescribed by the commissioner.

Subd. 2. [LIQUOR SALES.] A person required to collect the tax imposed by section 297A.02, subdivision 3, on sales of intoxicating liquor and nonintoxicating malt liquor, shall report the total sales tax liability, including the sales tax on items other than intoxicating liquor and nonintoxicating malt liquor, on a distinct sales tax return prescribed by the commissioner.

Subd. 3. [WHO MUST FILE RETURN.] For purposes of the sales tax, a return must be filed by a retailer who is required to hold a permit. For the purposes of the use tax, a return must be filed by a retailer required to collect the tax and by a person buying any items,

the storage, use or other consumption of which is subject to the use tax, who has not paid the use tax to a retailer required to collect the tax. The returns must be signed by the person filing the return or by the person's agent duly authorized in writing.

Sec. 7. [289A.0218] [FILING REQUIREMENTS FOR INFORMATION RETURNS AND REPORTS.]

Subdivision 1. [REPORTS BY EXEMPT CORPORATIONS, ORGANIZATIONS, ESTATES, AND TRUSTS.] Corporations, estates, trusts, and organizations exempt from state income and franchise taxes under section 290.05, subdivision 2, must file with the commissioner of revenue an initial report and later annual reports as required by section 290.05, subdivision 4.

Subd. 2. [RETURNS REQUIRED OF BANKS; COMMON TRUST FUNDS.] A bank maintaining a common trust fund must make a return for a taxable year, stating specifically with respect to the fund, the items of gross income and deductions provided by section 290.281, subdivision 1. The return must include the names and addresses of the participants entitled to share the net income if distributed and the amount of the proportionate share of each participant.

Subd. 3. [RETURNS OR REPORTS BY PARTNERSHIPS, FIDUCIARIES, AND S CORPORATIONS.] (a) Partnerships must make a return for each taxable year. The return must conform to the requirements of section 290.31, and must include the names and addresses of the partners entitled to a distributive share in their taxable net income, gain, loss, or credit, and the amount of the distributive share to which each is entitled. The return must contain a written declaration that it is correct and complete. A partnership required to file a return for a partnership taxable year must furnish a copy of the information required to be shown on the return to a person who is a partner at any time during the taxable year, on or before the day on which the return for the taxable year was filed.

(b) The fiduciary of an estate or trust making the return required to be filed under subdivision 1 for a taxable year must give a beneficiary who receives a distribution from the estate or trust with respect to the taxable year or to whom any item with respect to the taxable year is allocated, a statement containing the information required to be shown on the return, on or before the date on which the return was filed.

(c) An S corporation must make a return for a taxable year during which an election under section 290.9725 is in effect, stating specifically the names and addresses of the persons owning stock in the corporation at any time during the taxable year, the number of shares of stock owned by a shareholder at all times during the taxable year, the shareholder's pro rata share of each item of the

corporation for the taxable year, and other information the commissioner requires. An S corporation required to file a return under this paragraph for any taxable year must furnish a copy of the information shown on the return to the person who is a shareholder at any time during the taxable year, on or before the day on which the return for the taxable year was filed.

Subd. 4. [RETURNS 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, 1989, a person, corporation, or cooperative, the state of Minnesota and its political subdivisions, and a 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 289A.0212, subdivision 2, 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, (1) must 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 the return is filed only with the commissioner of internal revenue under the applicable filing and informational reporting requirements of the Internal Revenue Code of 1986, as amended through December 31, 1989) with respect to the payments in excess of the amounts named, giving the names and addresses of the persons to whom the payments were made, the amounts paid to each, and (2) must make a return with respect to the total number of payments and total amount of payments, for each category of income named, which were in excess of the amounts named. This subdivision does 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 must file the returns on magnetic media if magnetic media was used to satisfy the federal reporting requirement under section 6011(e) of the Internal Revenue Code of 1986, as amended through December 31, 1989, unless the person establishes to the satisfaction of the commissioner that compliance with this requirement would be an undue hardship.

Subd. 5. [RETURNS BY BROKERS.] The commissioner may, within 30 days after notice and demand, require a person doing business as a broker to give the commissioner the names and addresses of customers for whom they have transacted business, and the details regarding gross proceeds and other information concern-

ing the transactions as will enable the commissioner to determine whether the income tax due on profits or gains of those customers has been paid. The provisions of section 6045 of the Internal Revenue Code of 1986, as amended through December 31, 1989, which define terms and require that a statement be furnished to the customer apply.

Subd. 6. [RETURNS BY AGENTS.] The commissioner may, within 30 days after notice and demand, require a person acting as agent for another to make a return furnishing the information reasonably necessary to properly assess and collect the tax imposed by chapter 290 upon the person for whom the agent acts.

Subd. 7. [RETURNS FOR REAL PROPERTY HOLDINGS OF ALIENS.] A person or corporation required to make a return under section 6039C (relating to information return on a foreign person holding a United States real property interest) of the Internal Revenue Code of 1986, as amended through December 31, 1989, must make a similar return for the commissioner for foreign persons holding a Minnesota real property interest.

Subd. 8. [RETURNS FOR UNEMPLOYMENT COMPENSATION.] A person who makes payments of unemployment compensation totaling \$10 or more to any individual during a calendar year and who is required to make and file a return under section 6050B of the Internal Revenue Code of 1986, as amended through December 31, 1989, must file a copy of the return with the commissioner.

Subd. 9. [RETURNS FOR PAYMENTS OF REMUNERATION FOR SERVICES AND DIRECT SALES.] A person who is required to make a return under section 6041A (relating to information returns regarding payments of remuneration for services and direct sales) of the Internal Revenue Code of 1986, as amended through December 31, 1989, must file a copy of the return containing the information required under that section with the commissioner. The provisions of that section govern the requirements of a statement that must be given to persons with respect to whom information is required to be given.

Subd. 10. [RETURNS RELATING TO SOCIAL SECURITY BENEFITS.] The appropriate federal official who is required to make a return under section 6050F (relating to social security benefits) of the Internal Revenue Code of 1986, as amended through December 31, 1989, shall file a copy of the return containing the information required under that section with the commissioner.

Subd. 11. [RETURNS BY TRUSTEES.] The trustee of an individual retirement account and the issuer of an endowment contract or an individual retirement annuity who is required to make a report under section 408(i) of the Internal Revenue Code of 1986, as amended through December 31, 1989, must file with the commis-

sioner a copy of that report containing the information required under that subsection. The provisions of that subsection govern when the reports are to be filed and the requirements of a statement that must be given to persons with respect to whom information must be given.

Subd. 12. [STATEMENTS TO PAYEES.] A person making a return under subdivisions 4 to 10 must furnish to a person whose name is set forth in the return a written statement showing the name and address of the person making the return, and the aggregate amount of payments to the person shown on the return.

This written statement must be given to the person on or before January 31 of the year following the calendar year for which the return was made. A duplicate of this written statement, along with a reconciliation of all the statements for the calendar year in the form the commissioner prescribes, must be furnished to the commissioner on or before February 28 of the year following the calendar year for which the return was made.

Subd. 13. [SUPPLYING OF SOCIAL SECURITY NUMBER.] An individual with respect to whom a return, statement, or other document is required under this section to be made by another person must furnish to that person the individual's social security account number. A person required under this section to make a return, statement, or other document with respect to another person who is an individual must request from that individual and must include in the return, statement, or other document, the individual's social security account number. A return of an estate or trust with respect to its liability for tax, and any statement or other document in its support, is considered a return, statement, or other document with respect to the individual beneficiary of the estate or trust; otherwise, a return of an individual with respect to the individual's liability for tax, or any statement or other document in its support, is not considered a return, statement, or other document with respect to another person.

Sec. 8. [289A.023] [DUE DATES FOR FILING OF RETURNS.]

Subdivision 1. [INDIVIDUAL INCOME, FIDUCIARY INCOME, CORPORATE FRANCHISE, AND ENTERTAINMENT TAXES; PARTNERSHIP AND S CORPORATION RETURNS; INFORMATION RETURNS.] The returns required to be made under sections 289A.021 and 289A.0218 must be filed at the following times:

(1) returns made on the basis of the calendar year must be filed on April 15 following the close of the calendar year, except that returns of corporations must be filed on March 15 following the close of the calendar year;

(2) returns made on the basis of the fiscal year must be filed on the

15th day of the fourth month following the close of the fiscal year, except that returns of corporations must be filed on the 15th day of the third month following the close of the fiscal year;

(3) returns for a fractional part of a year must be filed on the 15th day of the fourth month following the end of the month in which falls the last day of the period for which the return is made, except that the returns of corporations must be filed on the 15th day of the third month following the end of the month in which falls the last day of the period for which the return is made;

(4) in the case of a final return of a decedent for a fractional part of a year, the return must be filed on the 15th day of the fourth month following the close of the 12-month period that began with the first day of that fractional part of a year;

(5) in the case of the return of a cooperative association, returns must be filed on or before the 15th day of the ninth month following the close of the taxable year;

(6) if a corporation has been divested from a unitary group and files a return for a fractional part of a year in which it was a member of a unitary business that files a combined report under section 290.34, subdivision 2, the divested corporation's return must be filed on the 15th day of the third month following the close of the common accounting period that includes the fractional year; and

(7) returns of entertainment entities must be filed on April 15 following the close of the calendar year.

Subd. 2. [WITHHOLDING RETURNS, ENTERTAINER WITHHOLDING RETURNS, RETURNS FOR WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, AND WITHHOLDING RETURNS FROM PARTNERSHIPS AND SMALL BUSINESS CORPORATIONS.] Withholding returns are due on or before the last day of the month following the close of the quarterly period. However, if the return shows timely deposits in full payment of the taxes due for that period, the return may be filed on or before the tenth day of the second calendar month following the period. An employer, in preparing a quarterly return, may take credit for monthly deposits previously made for that quarter. Entertainer withholding tax returns are due within 30 days after each performance. Returns for withholding from payments to out-of-state contractors are due within 30 days after the payment to the contractor. Returns for withholding by partnerships are due on or before the due date specified for filing partnership returns. Returns for withholding by small business corporations are due on or before the due date specified for filing corporate franchise tax returns.

Subd. 3. [ESTATE TAX RETURNS.] An estate tax return must be

filed with the commissioner within nine months after the decedent's death.

Subd. 4. [SALES AND USE TAX RETURNS.] Sales and use tax returns must be filed on or before the 20th day of the month following the close of the preceding reporting period. In addition, on or before June 20 of a year, a retailer who has a May liability of \$1,500 or more must file a return with the commissioner for one-half of the estimated June liability, in addition to filing a return for the May liability. On or before August 20 of a year, the retailer must file a return showing the actual June liability.

Subd. 5. [PROPERTY TAX REFUND CLAIMS.] A claim for a refund based on property taxes payable must be filed with the commissioner on or before August 15 of the year in which the property taxes are due and payable. Any claim for refund based on rent paid must be filed on or before August 15 of the year following the year in which the rent was paid.

Sec. 9. [289A.024] [EXTENSIONS FOR FILING RETURNS.]

Subdivision 1. [INDIVIDUAL INCOME, FIDUCIARY INCOME, ENTERTAINMENT TAX, AND INFORMATION RETURNS.] When, in the commissioner's judgment, good cause exists, the commissioner may extend the time for filing individual and fiduciary income tax returns, entertainment tax returns, and information returns for not more than six months. If an extension to file the federal individual or fiduciary income tax return or information return has been granted under section 6081 of the Internal Revenue Code of 1986, as amended through December 31, 1989, the time for filing the state return is extended for that period. The commissioner may require the taxpayer to file a tentative return when the regularly required return is due, and to pay a tax on the basis of the tentative return at the times required for the payment of taxes on the basis of the regularly required return from the taxpayer.

Subd. 2. [CORPORATE FRANCHISE TAXES.] The commissioner may grant an extension of up to seven months for filing the return of a corporation subject to tax under chapter 290 if:

(1) the corporation files a tentative return when the regularly required return is due;

(2) the corporation pays the tax on the basis of the tentative return and the amount of tax, determined without regard to any prepayment of tax, shown on the tentative return, or the amount of tax paid on or before the regular due date of the return, is at least 90 percent of the amount shown on the corporation's regularly required return;

(3) the balance due shown on the regularly required return is paid on or before the extended due date of the return; and

(4) interest on any balance due is paid at the rate specified in section 270.75 from the regular due date of the return until the tax is paid.

Subd. 3. [WITHHOLDING RETURNS.] Where good cause exists, the commissioner may grant an extension of time of not more than 60 days for filing a withholding return.

Subd. 4. [ESTATE TAX RETURNS.] Where good cause exists, the commissioner may extend the time for filing an estate tax return for not more than six months. When an extension to file the federal estate tax return has been granted under section 6081 of the Internal Revenue Code of 1986, as amended through December 31, 1989, the time for filing the estate tax return is extended for that period.

Subd. 5. [SALES AND USE TAX RETURNS.] Where good cause exists, the commissioner may extend the time for filing sales and use tax returns for not more than 60 days.

Subd. 6. [PROPERTY TAX REFUND RETURNS.] Where good cause exists, the commissioner may extend the time for filing claims under chapter 290A for not more than six months.

Sec. 10. [289A.025] [DUE DATES FOR MAKING PAYMENTS OF TAX.]

Subdivision 1. [INDIVIDUAL INCOME, FIDUCIARY INCOME, CORPORATE FRANCHISE, AND ENTERTAINMENT TAXES.] (a) Individual income, fiduciary, and corporate franchise taxes must be paid to the commissioner on or before the date the return must be filed under section 289A.023, subdivision 1, or the extended due date as provided in section 289A.024, unless an earlier date for payment is provided.

Notwithstanding any other law, a taxpayer whose unpaid liability for income or corporate franchise taxes, as reflected upon the return, is \$1 or less need not pay the tax.

(b) Entertainment taxes must be paid on or before the date the return must be filed under section 289A.023, subdivision 1.

Subd. 2. [WITHHOLDING FROM WAGES, ENTERTAINER WITHHOLDING, WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, AND WITHHOLDING BY PARTNERSHIPS AND SMALL BUSINESS CORPORATIONS.] (a) A tax required to be deducted and withheld during the quarterly period

must be paid on or before the last day of the month following the close of the quarterly period, unless an earlier time for payment is provided. A tax required to be deducted and withheld from compensation of an entertainer, and from a payment to an out-of-state contractor must be paid on or before the date the return for such tax must be filed under section 289A.023, subdivision 2. Taxes required to be deducted and withheld by partnerships and S corporations must be paid on or before the date the return must be filed under section 289A.023, subdivision 2.

(b)(1) Unless clause (2) applies, if during any calendar month, other than the last month of the calendar quarter, the aggregate amount of the tax withheld during that quarter under section 290.92, subdivision 2a or 3, or under section 290.923, subdivision 2, exceeds \$500, the employer shall deposit the aggregate amount with the commissioner within 15 days after the close of the calendar month. (2) If at the close of any eighth-monthly period the aggregate amount of undeposited taxes is \$3,000 or more, the employer, or person withholding tax under section 290.92, subdivision 2a or 3, or section 290.923, subdivision 2, shall deposit the undeposited taxes with the commissioner within three banking days after the close of the eighth-monthly period. For purposes of this clause, the term "eighth-monthly period" means the first three days of a calendar month, the fourth day through the seventh day of a calendar month, the eighth day through the 11th day of a calendar month, the 12th day through the 15th day of a calendar month, the 16th day through the 19th day of a calendar month, the 20th day through the 22nd day of a calendar month, the 23rd day through the 25th day of a calendar month, or the part of a calendar month following the 25th day of the month.

(c) The commissioner may prescribe by rule other return periods or deposit requirements. In prescribing the reporting period, the commissioner may classify payors according to the amount of their tax liability and may adopt an appropriate reporting period for the class that the commissioner judges to be consistent with efficient tax collection. In no event will the duration of the reporting period be more than one year.

(d) If less than the correct amount of tax is paid to the commissioner, proper adjustments with respect to both the tax and the amount to be deducted must be made, without interest, in the manner and at the times the commissioner prescribes. If the underpayment cannot be adjusted, the amount of the underpayment will be assessed and collected in the manner and at the times the commissioner prescribes.

Subd. 3. [ESTATE TAX.] Taxes imposed by chapter 291 take effect at and upon the death of the person whose estate is subject to taxation and are due and payable on or before the expiration of nine months from that death.

Subd. 4. [SALES AND USE TAX.] (a) The taxes imposed by chapter 297A are due and payable to the commissioner monthly on or before the 20th day of the month following the month in which the taxable event occurred or following another reporting period as the commissioner prescribes.

(b) A vendor having a liability of \$1,500 or more in May of a year must remit the June liability in the following manner:

(1) On or before June 20 of the year, the vendor must remit the actual May liability and one-half of the estimated June liability to the commissioner.

(2) On or before August 20 of the year, the vendor must pay any additional amount of tax not remitted in June.

(c) When a retailer located outside of a city that imposes a local sales and use tax collects use tax to be remitted to that city, the retailer is not required to remit the tax until the amount collected reaches \$10.

Sec. 11. [289A.026] [PAYMENT OF ESTIMATED TAX BY INDIVIDUALS.]

Subdivision 1. [REQUIREMENTS TO PAY.] An individual must, when prescribed in subdivision 3, paragraph (b), make payments of estimated tax. The term "estimated tax" means the amount the individual estimates is the sum of the taxes imposed by chapter 290 for the taxable year. If the individual is an infant or incompetent person, the payments must be made by the individual's guardian. If joint payments on estimated tax are made but a joint return is not made for the taxable year, the estimated tax for that year may be treated as the estimated tax of either the husband or the wife or may be divided between them.

Notwithstanding the provisions of this section, no payments of estimated tax are required if the estimated tax (as defined in this subdivision), less the credits allowed against the tax, is less than \$500.

Subd. 2. [ADDITIONS TO TAX FOR UNDERPAYMENT.] (a) In the case of any underpayment of estimated tax by an individual, except as provided in subdivision 6 or 7, there must be added to and become a part of the taxes imposed by chapter 290, for the taxable year an amount determined at the rate specified in section 270.75 upon the amount of the underpayment for the period of the underpayment.

(b) For purposes of paragraph (a), the amount of underpayment shall be the excess of

(1) the amount of the installment required to be paid over

(2) the amount, if any, of the installment paid on or before the last day prescribed for the payment.

Subd. 3. [PERIOD OF UNDERPAYMENT.] (a) The period of the underpayment shall run from the date the installment was required to be paid to the earlier of the following dates:

(1) The 15th day of the fourth month following the close of the taxable year.

(2) With respect to any part of the underpayment, the date on which that part is paid. For purposes of this clause, a payment of estimated tax on any installment date is considered a payment of any unpaid required installments in the order in which the installments are required to be paid.

(b) For purposes of this subdivision, there shall be four required installments for a taxable year. The times for payment of installments shall be:

For the following
required installments:

1st
2nd
3rd
4th

The due date is:

April 15
June 15
September 15
January 15 of the following
taxable year

Subd. 4. [NO ADDITION TO TAX WHERE TAX IS SMALL.] No addition to tax is imposed under subdivision 2 for a taxable year if the tax shown on the return for the taxable year (or, if no return is filed, the tax), reduced by the credits allowable is less than \$500.

Subd. 5. [AMOUNT OF REQUIRED INSTALLMENT.] The amount of any installment required to be paid shall be 25 percent of the required annual payment except as provided in clause (3). The term "required annual payment" means the lesser of

(1) 90 percent of the tax shown on the return for the taxable year or 90 percent of the tax for the year if no return is filed, or

(2) The total tax liability shown on the return of the individual for the preceding taxable year, if a return showing a liability for the taxes was filed by the individual for the preceding taxable year of 12 months, or

(3) An amount equal to the applicable percentage of the tax for the taxable year computed by placing on an annualized basis the

taxable income and alternative minimum taxable income for the months in the taxable year ending before the month in which the installment is required to be paid. The applicable percentage of the tax is 22.5 percent in the case of the first installment, 45 percent for the second installment, 67.5 percent for the third installment, and 90 percent for the fourth installment. For purposes of this clause, the taxable income and alternative minimum taxable income shall be placed on an annualized basis by

(i) Multiplying by 12 (or in the case of a taxable year of less than 12 months, the number of months in the taxable year) the taxable income and alternative minimum taxable income computed for the months in the taxable year ending before the month in which the installment is required to be paid.

(ii) Dividing the resulting amount by the number of months in the taxable year ending before the month in which the installment date falls.

Subd. 6. [EXCEPTION TO ADDITION TO TAX.] No addition to the tax shall be imposed under this section for any taxable year if:

(1) the individual did not have liability for tax for the preceding taxable year,

(2) the preceding taxable year was a taxable year of 12 months, and

(3) the individual was a resident of Minnesota throughout the preceding taxable year.

Subd. 7. [WAIVER OF ADDITION TO TAX.] No addition to the tax is imposed under this section with respect to an underpayment to the extent the commissioner determines that the provisions of section 6654(e)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1989, apply.

Subd. 8. [APPLICATION OF SECTION; TAX WITHHELD ON WAGES.] For purposes of this section, the estimated tax must be computed without reduction for the amount that the individual estimates as the individual's credit under section 290.92, subdivision 12 (relating to tax withheld at source on wages), and any other refundable credits allowed against income tax liability, and the amount of those credits for the taxable year is considered a payment of estimated tax, and an equal part of those amounts is considered paid on the installment date, determined under subdivision 3, paragraph (c), for that taxable year, unless the taxpayer establishes the dates on which the amounts were actually withheld, in which case the amounts so withheld are considered payments of estimated tax on the dates on which the amounts were actually withheld.

Subd. 9. [SPECIAL RULE FOR RETURN FILED ON OR BEFORE JANUARY 31.] If, on or before January 31 of the following taxable year, the taxpayer files a return for the taxable year and pays in full the amount computed on the return as payable, then no addition to tax is imposed under subdivision 2 with respect to any underpayment of the fourth required installment for the taxable year.

Subd. 10. [SPECIAL RULE FOR FARMERS AND FISHERMEN.] For purposes of this section, if an individual is a farmer or fisherman as defined in section 6654(f)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1989, for a taxable year, only one installment is required for the taxable year, the due date of which is January 15 of the following taxable year, the amount of which is equal to the required annual payment determined under subdivision 5 by substituting "66 $\frac{2}{3}$ percent" for "90 percent," and subdivision 9 shall be applied by substituting "March 1" for "January 31," and by treating the required installment described as the fourth required installment.

Subd. 11. [FISCAL YEAR TAXPAYER.] The application of this section to taxable years beginning other than January 1, must be made by substituting, for the months named in this section, the months that correspond. This section must be applied to taxable years of less than 12 months, under rules issued by the commissioner.

Subd. 12. [TRUSTS AND ESTATES.] The provisions of this section do not apply to an estate or trust.

Subd. 13. [OVERPAYMENT OF ESTIMATED TAX INSTALLMENT.] If an installment payment of estimated tax exceeds the correct amount of the installment payment, the overpayment must be credited against the unpaid installments, if any.

Sec. 12. [289A.027] [PAYMENT OF ESTIMATED TAX BY CORPORATIONS.]

Subdivision 1. [MINIMUM LIABILITY.] A corporation subject to taxation under chapter 290 (excluding section 290.92) must make payment of estimated tax for the taxable year if its tax liability so computed can reasonably be expected to exceed \$500, or in accordance with rules prescribed by the commissioner for an affiliated group of corporations electing to file one return as permitted under section 289A.021, subdivision 3.

Subd. 2. [AMOUNT AND TIME FOR PAYMENT OF INSTALLMENTS.] The estimated tax payment required under subdivision 1 must be paid in four equal installments on or before the 15th day of the third, sixth, ninth, and 12th month of the taxable year.

Subd. 3. [SHORT TAXABLE YEAR.] (a) A corporation with a short taxable year of less than 12 months, but at least four months, must pay estimated tax in equal installments on or before the 15th day of the third, sixth, ninth, and final month of the short taxable year, to the extent applicable based on the number of months in the short taxable year.

(b) A corporation is not required to make estimated tax payments for a short taxable year unless its tax liability before the first day of the last month of the taxable year can reasonably be expected to exceed \$500.

(c) No payment is required for a short taxable year of less than four months.

Subd. 4. [UNDERPAYMENT OF ESTIMATED TAX.] If there is an underpayment of estimated tax by a corporation, there shall be added to the tax for the taxable year an amount determined at the rate in section 270.75 on the amount of the underpayment (determined under subdivision 5) for the period of the underpayment (determined under subdivision 6). This subdivision does not apply in the first taxable year that a corporation is subject to the tax imposed under section 290.02.

Subd. 5. [AMOUNT OF UNDERPAYMENT.] For purposes of subdivision 4, the amount of the underpayment is the excess of

(1) the required installment, over

(2) the amount, if any, of the installment paid on or before the last date prescribed for payment.

Subd. 6. [PERIOD OF UNDERPAYMENT.] The period of the underpayment runs from the date the installment was required to be paid to the earlier of the following dates:

(1) The 15th day of the third month following the close of the taxable year.

(2) With respect to any part of the underpayment, the date on which that part is paid. For purposes of this clause, a payment of estimated tax shall be credited against unpaid required installments in the order in which those installments are required to be paid.

Subd. 7. [REQUIRED INSTALLMENTS.] (a) Except as otherwise provided in this subdivision, the amount of a required installment is 25 percent of the required annual payment.

(b) Except as otherwise provided in this subdivision, the term "required annual payment" means the lesser of:

(1) 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 that year; or

(2) 100 percent of the tax shown on the return of the corporation for the preceding taxable year provided the return was for a full 12-month period, showed a liability, and was filed by the corporation.

(c) Except for determining the first required installment for any taxable year, paragraph (b), clause (2), does not apply in the case of a large corporation. The term "large corporation" means a corporation or any predecessor corporation that had taxable net income of \$1,000,000 or more for any taxable year during the testing period. The term "testing period" means the three taxable years immediately preceding the taxable year involved. A reduction allowed to a large corporation for the first installment that is allowed by applying paragraph (b), clause (2), must be recaptured by increasing the next required installment by the amount of the reduction.

(d) In the case of a required installment, if the corporation establishes that the annualized income installment is less than the amount determined in paragraph (a), the amount of the required installment is the annualized income installment and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing later required installments to the extent the reductions have not previously been recovered.

(e) The "annualized income installment" is the excess, if any, of:

(1) an amount equal to the applicable percentage of the tax for the taxable year computed by placing on an annualized basis the taxable income:

(i) for the first two months of the taxable year, in the case of the first required installment;

(ii) for the first two months or for the first five months of the taxable year, in the case of the second required installment;

(iii) for the first six months or for the first eight months of the taxable year, in the case of the third required installment; and

(iv) for the first nine months or for the first 11 months of the taxable year, in the case of the fourth required installment, over

(2) the aggregate amount of any prior required installments for the taxable year.

(3) For the purpose of this paragraph, the annualized income shall be computed by placing on an annualized basis the taxable income for the year up to the end of the month preceding the due date for the quarterly payment multiplied by 12 and dividing the resulting amount by the number of months in the taxable year (2, 5, 6, 8, 9, or 11 as the case may be) referred to in clause (1).

(4) The "applicable percentage" used in clause (1) is:

<u>For the following required installments:</u>	<u>The applicable 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>

(f)(1) If this paragraph applies, the amount determined for any installment must be determined in the following manner:

(i) take the taxable income for the months during the taxable year preceding the filing month;

(ii) divide that amount by the base period percentage for the months during the taxable year preceding the filing month;

(iii) determine the tax on the amount determined under item (ii); and

(iv) multiply the tax computed under item (iii) by the base period percentage for the filing month and the months during the taxable year preceding the filing month.

(2) For purposes of this paragraph:

(i) the "base period percentage" for a period of months is the average percent that the taxable income for the corresponding months in each of the three preceding taxable years bears to the taxable income for the three preceding taxable years;

(ii) the term "filing month" means the month in which the installment is required to be paid;

(iii) this paragraph only applies if the base period percentage for any six consecutive months of the taxable year equals or exceeds 70 percent; and

(iv) the commissioner may provide by rule for the determination of the base period percentage in the case of reorganizations, new corporations, and other similar circumstances.

(3) In the case of a required installment determined under this paragraph, if the corporation determines that the installment is less than the amount determined in paragraph (a), the amount of the required installment is the amount determined under this paragraph and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing later required installments to the extent the reductions have not previously been recovered.

Subd. 8. [DEFINITION OF TAX.] The term "tax" as used in this section means the tax imposed by chapter 290.

Subd. 9. [FAILURE TO FILE AN ESTIMATE.] In the case of a corporation that fails to file an estimated tax for a taxable year when one is required, the period of the underpayment runs from the four installment dates in subdivision 2 or 3, whichever applies, to the earlier of the periods in subdivision 6, clauses (1) and (2).

Subd. 10. [PAYMENT ON ACCOUNT.] Payment of the estimated tax or any installment of it shall be considered payment on account of the taxes imposed by chapter 290, for the taxable year.

Subd. 11. [OVERPAYMENT OF ESTIMATED TAX INSTALLMENT.] If the amount of an installment payment of estimated tax exceeds the amount determined to be the correct amount of the installment payment, the overpayment must be credited against the unpaid installments, if any.

Sec. 13. [289A.028] [EXTENSIONS FOR PAYING TAX.]

Subdivision 1. [INDIVIDUAL AND FIDUCIARY INCOME TAX.] Where good cause exists, the commissioner may extend the time for payment of the amount determined as an individual or fiduciary income tax by the taxpayer, or an amount determined as a deficiency, for a period of not more than six months from the date prescribed for the payment of the tax.

Subd. 2. [ESTATE TAX.] Where good cause exists, the commissioner may extend the time for payment of estate tax for a period of not more than six months. If an extension to pay the federal estate tax has been granted under section 6161 of the Internal Revenue Code of 1986, as amended through December 31, 1989, the time for payment of the estate tax without penalty is extended for that period. A taxpayer who owes at least \$5,000 in taxes and who, under section 6161 or 6166 of the Internal Revenue Code of 1986, as amended through December 31, 1989, has been granted an extension for payment of the tax shown on the return, may elect to pay the tax due to the commissioner in equal amounts at the same time as required for federal purposes. A taxpayer electing to pay the tax in installments must notify the commissioner in writing no later than nine months after the death of the person whose estate is subject to

taxation. If the taxpayer fails to pay an installment on time, unless it is shown that the failure is due to reasonable cause, the election is revoked and the entire amount of unpaid tax plus accrued interest is due and payable 90 days after the date on which the installment was payable.

Sec. 14. [289A.029] [LIABILITY FOR PAYMENT OF TAX.]

Subdivision 1. [INDIVIDUAL INCOME, FIDUCIARY INCOME, CORPORATE FRANCHISE, AND ENTERTAINMENT TAXES.] (a) Individual income, fiduciary income, and corporate franchise taxes, and interest and penalties, must be paid by the taxpayer upon whom the tax is imposed, except in the following cases:

(1) The tax due from a decedent for that part of the taxable year in which the decedent died during which the decedent was alive and the taxes, interest, and penalty due for the prior years must be paid by the decedent's personal representative, if any. If there is no personal representative, the taxes, interest, and penalty must be paid by the transferees, as defined in section 289A.06, subdivision 13, to the extent they receive property from the decedent;

(2) The tax due from an infant or other incompetent person must be paid by the person's guardian or other person authorized or permitted by law to act for the person;

(3) The tax due from the estate of a decedent must be paid by the estate's personal representative;

(4) The tax due from a trust, including those within the definition of a corporation, as defined in section 290.01, subdivision 4, must be paid by a trustee; and

(5) The tax due from a taxpayer whose business or property is in charge of a receiver, trustee in bankruptcy, assignee, or other conservator, must be paid by the person in charge of the business or property so far as the tax is due to the income from the business or property.

(b) Entertainment taxes are the joint and several liability of the entertainer and the entertainment entity. The payor is liable to the state for the payment of the tax required to be deducted and withheld under section 290.9201, subdivision 7, and is not liable to the entertainer for the amount of the payment.

Subd. 2. [JOINT INCOME TAX RETURNS.] If a joint income tax return is made by a husband and wife, the liability for the tax is joint and several. 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, 1989, is

also relieved of the state income tax liability on the substantial underpayment.

In the case of individuals who were a husband and wife prior to the dissolution of their marriage, for tax liabilities reported on a joint or combined return, the liability of each person is limited to the proportion of the tax due on the return that equals that person's proportion of the total tax due if the husband and wife filed separate returns for the taxable year. This provision is effective only when the commissioner receives written notice of the marriage dissolution from the husband or wife. No refund may be claimed by an ex-spouse for any taxes paid before receipt by the commissioner of the written notice.

Subd. 3. [TRANSFEREES AND FIDUCIARIES.] The amounts of the following liabilities are, except as otherwise provided in section 289A.06, subdivision 13, assessed, collected, and paid in the same manner and subject to the same provisions and limitations as a deficiency in a tax imposed by chapter 290, including any provisions of law for the collection of taxes:

(1) The liability, at law or in equity, of a transferee of property of a taxpayer for tax, including interest, additional amounts, and additions to the tax provided by law, imposed upon the taxpayer by chapter 290.

(2) The liability of a fiduciary under subdivision 4 for the payment of tax from the estate of the taxpayer. The liability may reflect the amount of tax shown on the return or any deficiency in tax.

Subd. 4. [TAX AS A PERSONAL DEBT OF A FIDUCIARY.] The tax imposed by chapter 290, and interest and penalties, is a personal debt of the taxpayer from the time the liability arises, regardless of when the time for discharging the liability by payment occurs. The debt is, in the case of the personal representative of the estate of a decedent and in the case of any fiduciary, that of the individual in the individual's official or fiduciary capacity only unless the individual has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which event the individual is personally liable for the deficiency.

Subd. 5. [WITHHOLDING TAX, WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, AND WITHHOLDING BY PARTNERSHIPS AND SMALL BUSINESS CORPORATIONS.] (a) Except as provided in paragraph (b), an employer or person withholding tax under section 290.92 or 290.923, subdivision 2, who fails to pay to or deposit with the commissioner a sum or sums required by those sections to be deducted, withheld, and paid, is personally and individually liable to the state for the sum or sums (and added penalties and interest), and is not liable to

another person for that payment or payments. The sum or sums deducted and withheld under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, must be held as a special fund in trust for the state of Minnesota.

(b) If the employer or person withholding tax under section 290.92 or 290.923, subdivision 2, fails to deduct and withhold the tax in violation of those sections, and later the taxes against which the tax may be credited are paid, the tax required to be deducted and withheld will not be collected from the employer. This does not, however, relieve the employer from liability for any penalties and interest otherwise applicable for failure to deduct and withhold.

(c) Liability for payment of withholding taxes includes a responsible person or entity described in the personal liability provisions of section 270.101.

(d) Liability for payment of withholding taxes includes a third party lender or surety described in section 290.92, subdivision 22.

(e) A partnership or S corporation required to withhold and remit tax under section 290.92, subdivisions 4b and 4c, is liable for payment of the tax to the commissioner, and a person having control of or responsibility for the withholding of the tax or the filing of returns due in connection with the tax is personally liable for the tax due.

(f) A payor of sums required to be withheld under section 290.9705, subdivision 1, is liable to the state for the amount required to be deducted, and is not liable to an out-of-state contractor for the amount of the payment.

Subd. 6. [ESTATE TAX.] The personal representative and person to whom property that is subject to taxation under this chapter is transferred, other than a bona fide purchaser, mortgagee, or lessee, is personally liable for that tax, until its payment, to the extent of the value of the property at the time of the transfer. The exemption from personal liability extends to subsequent transferees from bona fide purchasers, mortgagees, and lessees.

Subd. 7. [SALES AND USE TAX.] (a) The sales and use tax required to be collected by the retailer under chapter 297A constitutes a debt owed by the retailer to Minnesota, and the sums collected must be held as a special fund in trust for the state of Minnesota.

A retailer who does not maintain a place of business within this state as defined by section 297A.21, subdivision 2, shall not be indebted to Minnesota for amounts of tax that 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 tax.

(b) The use tax required to be paid by a purchaser is a debt owed by the purchaser to Minnesota.

(c) The tax imposed by sections 297A.01 to 297A.44, and interest and penalties, is a personal debt of the individual required to file a return from the time the liability arises, irrespective of when the time for payment of that liability occurs. The debt is, in the case of the executor or administrator of the estate of a decedent and in the case of a fiduciary, that of the individual in an official or fiduciary capacity unless the individual has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which case the individual is personally liable for the deficiency.

(d) Liability for payment of sales and use taxes includes any responsible person or entity described in the personal liability provisions of section 270.101.

Sec. 15. [289A.03] [ASSESSMENTS.]

The commissioner shall make determinations, corrections, and assessments with respect to state taxes (including interest, additions to taxes, and assessable penalties). The commissioner may audit and adjust the taxpayer's computation of federal taxable income to make it conform with the provisions of section 290.01, subdivisions 19 to 19g, or the items of federal tax preferences or federal credit amounts to make them conform with the provisions of chapter 290. If a taxpayer fails to file a required return, the commissioner, from information in the commissioner's possession or obtainable by the commissioner, may make a return for the taxpayer. The return will be prima facie correct and valid. If a return has been filed, the commissioner shall examine the return and make any audit or investigation that is considered necessary. The commissioner may use statistical or other sampling techniques consistent with generally accepted accounting principles in examining returns or records and making assessments.

Sec. 16. [289A.04] [EXAMINATIONS; AUDITS AND COLLECTIONS.]

Subdivision 1. [EXAMINATION OF TAXPAYER.] To determine the accuracy of a return or report, or in fixing liability under state tax law, or for the purpose of collection, the commissioner may make reasonable examinations or investigations of a taxpayer's place of business, tangible personal property, equipment, computer systems and facilities, pertinent books, records, papers, vouchers, computer printouts, accounts, and documents.

Subd. 2. [ACCESS TO RECORDS OF OTHER PERSONS IN CONNECTION WITH EXAMINATION OF TAXPAYER.] When conducting an investigation or an audit of a taxpayer, or for the purpose of collection, the commissioner may examine, except where privileged by law, the relevant records and files of any person, business, institution, financial institution, state agency, agency of the United States government, or agency of any other state where permitted by statute, agreement, or reciprocity. The commissioner may compel production of these records by subpoena. A subpoena may be served directly by the commissioner.

Subd. 3. [POWER TO COMPEL TESTIMONY.] In the administration of state tax law, the commissioner may:

(1) Administer oaths or affirmations and compel by subpoena the attendance of witnesses, testimony, and the production of a person's pertinent books, records, papers, or other data.

(2) Examine under oath or affirmation any person regarding the business of any taxpayer concerning any relevant matter incident to the administration of state tax law. The fees of witnesses required by the commissioner to attend a hearing are equal to those allowed to witnesses appearing before courts of this state. The fees must be paid in the manner provided for the payment of other expenses incident to the administration of state tax law.

(3) In addition to other remedies that may be available, bring an action in equity by the state against a taxpayer for an injunction ordering the taxpayer to file a complete and proper return or amended return. The district courts of this state have jurisdiction over the action and disobedience of an injunction issued under this clause will be punished as a contempt of district court.

Subd. 4. [THIRD PARTY SUBPOENA WHERE TAXPAYER'S IDENTITY IS KNOWN.] An investigation may extend to a person that the commissioner determines has access to information that may be relevant to the examination or investigation. When a subpoena requiring the production of records as described in subdivision 2 is served on a third-party recordkeeper, written notice of the subpoena must be mailed to the taxpayer and to any other person who is identified in the subpoena. The notices must be given within three days of the day on which the subpoena is served. Notice to the taxpayer required by this section is sufficient if it is mailed to the last address on record with the commissioner.

The provisions of this subdivision relating to notice to the taxpayer or other parties identified in the subpoena do not apply if there is reasonable cause to believe that the giving of notice may lead to attempts to conceal, destroy, or alter records relevant to the examination, to prevent the communication of information from

other persons through intimidation, bribery, or collusion, or to flee to avoid prosecution, testifying, or production of records.

Subd. 5. [THIRD PARTY SUBPOENA WHERE TAXPAYER'S IDENTITY IS NOT KNOWN.] A subpoena that does not identify the person or persons whose tax liability is being investigated may be served only if:

(1) the subpoena relates to the investigation of a particular person or ascertainable group or class of persons;

(2) there is a reasonable basis for believing that the person or group or class of persons may fail or may have failed to comply with tax laws administered by the commissioner;

(3) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the subpoena is issued) is not readily available from other sources;

(4) the subpoena is clear and specific concerning the information sought to be obtained; and

(5) the information sought to be obtained is limited solely to the scope of the investigation.

The party served with a subpoena that does not identify the person or persons with respect to whose tax liability the subpoena is issued may, within 20 days after service of the subpoena, petition the district court in the judicial district in which that party is located for a determination concerning whether the commissioner has complied with the requirements in clauses (1) to (5), and thus, whether the subpoena is enforceable. If no petition is made by the party served within the time prescribed, the subpoena has the effect of a court order.

Subd. 6. [REQUEST BY TAXPAYER FOR SUBPOENA.] When the commissioner has the power to issue a subpoena for investigative or auditing purposes, the commissioner shall honor a reasonable request by the taxpayer to issue a subpoena on the taxpayer's behalf, if in connection with the investigation or audit.

Subd. 7. [APPLICATION TO COURT FOR ENFORCEMENT OF SUBPOENA.] The commissioner or the taxpayer may apply to the district court of the county of the taxpayer's residence, place of business, or county where the subpoena can be served as with any other case at law, for an order compelling the appearance of the subpoenaed witness or the production of the subpoenaed records. If the subpoenaed party fails to comply with the order of the court, the party may be punished by the court as for contempt.

Subd. 8. [COST OF PRODUCTION OF RECORDS.] The cost of producing records of a third party required by a subpoena must be paid by the taxpayer, if the taxpayer requests the subpoena to be issued, or if the taxpayer has the records available but has refused to provide them to the commissioner. In other cases where the taxpayer cannot produce records and the commissioner then initiates a subpoena for third-party records, the commissioner shall pay the reasonable cost of producing the records. The commissioner may later assess the reasonable costs against the taxpayer if the records contribute to the determination of an assessment of tax against the taxpayer.

Sec. 17. [289A.05] [ORDER OF ASSESSMENT.]

Subdivision 1. [ORDER OF ASSESSMENT; NOTICE AND DEMAND TO TAXPAYER.] (a) When a return has been filed and the commissioner determines that the tax disclosed by the return is different than the tax determined by the examination, the commissioner shall send an order of assessment to the taxpayer. The order must explain the basis for the assessment and must explain the taxpayer's appeal rights. An order of assessment is final when made but may be reconsidered by the commissioner under section 289A.16.

(b) An amount of unpaid tax shown on the order must be paid to the commissioner: (1) within 60 days after notice of the amount and demand for its payment have been mailed to the taxpayer by the commissioner; or (2) if an administrative appeal is filed under section 289A.16, within 60 days following the determination of the appeal.

Subd. 2. [ERRONEOUS REFUNDS.] An erroneous refund is considered an underpayment of tax on the date made. An assessment of a deficiency arising out of an erroneous refund may be made at any time within two years from the making of the refund. If part of the refund was induced by fraud or misrepresentation of a material fact, the assessment may be made at any time.

Subd. 3. [ASSESSMENT PRESUMED VALID.] A return or assessment of tax made by the commissioner is prima facie correct and valid. The taxpayer has the burden of establishing its incorrectness or invalidity in any related action or proceeding.

Subd. 4. [AGGREGATE REFUND OR ASSESSMENT.] The commissioner, on examining returns of a taxpayer for more than one year or period, may issue one order covering the period under examination that reflects the aggregate refund or additional tax due.

Subd. 5. [SUFFICIENCY OF NOTICE.] An order of assessment, sent postage prepaid by United States mail, to the taxpayer at the

taxpayer's last known address, is sufficient even if the taxpayer is deceased or is under a legal disability, or, in the case of a corporation, has terminated its existence, unless the department has been provided with a new address by a party authorized to receive notices of assessment.

Subd. 6. [ORDER OF ASSESSMENT IF JOINT INCOME TAX RETURN.] If a joint income tax return is filed by a husband and wife, an order of assessment may be a single joint notice. If the commissioner has been notified by either spouse that that spouse's address has changed and if that spouse requests it, then a duplicate or original of the joint notice must be sent to the requesting spouse at the address designated by the requesting spouse. The other joint notice must be mailed to the other spouse at that spouse's last known address. An assessment is not invalid for failure to send it to a spouse if the spouse actually receives the notice in the same period as if it had been mailed to that spouse at the correct address or if the spouse has failed to provide an address to the commissioner other than the last known address.

Sec. 18. [289A.06] [LIMITATIONS ON TIME FOR ASSESSMENT OF TAX.]

Subdivision 1. [GENERAL RULE.] Except as otherwise provided in this section, the amount of taxes assessable must be assessed within 3½ years after the date the return is filed.

Subd. 2. [FILING DATE.] For purposes of this section, a tax return filed before the last day prescribed by law for filing is considered to be filed on the last day.

Subd. 3. [ESTATE TAXES.] Estate taxes must be assessed within 180 days after the return and the documents required under section 289A.0214, subdivision 2, have been filed.

Subd. 4. [PROPERTY TAX REFUND.] For purposes of computing the limitation under this section, the due date of the property tax refund return as provided for in chapter 290A is the due date 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.

Subd. 5. [FALSE OR FRAUDULENT RETURN; NO RETURN.] Notwithstanding the limitations under subdivisions 1 and 3, the tax may be assessed at any time if a false or fraudulent return is filed or when a taxpayer fails to file a return.

Subd. 6. [OMISSION IN EXCESS OF 25 PERCENT.] Additional taxes may be assessed within 6½ years after the due date of the return or the date the return was filed, whichever is later, if:

(1) the taxpayer omits from gross income an amount properly includable in it that is in excess of 25 percent of the amount of gross income stated in the return;

(2) the taxpayer omits from a sales or withholding tax return an amount in excess of 25 percent of the taxes reported in the return; or

(3) the taxpayer omits from the gross estate assets in excess of 25 percent of the gross estate reported in the return.

Subd. 7. [FEDERAL TAX CHANGES.] If the amount of income, items of tax preference, deductions, or credits for any year of a taxpayer as reported to the Internal Revenue Service is changed or corrected by the commissioner of Internal Revenue or other officer of the United States or other competent authority, or where a renegotiation of a contract or subcontract with the United States results in a change in income, items of tax preference, deductions, or credits, or, in the case of estate tax, where there are adjustments to the taxable estate resulting in a change to the credit for state death taxes, the taxpayer shall report the change or correction or renegotiation results in writing to the commissioner, in the form required by the commissioner. The report must be submitted within 90 days after the final determination and must concede the accuracy of the determination or state how it is wrong. A taxpayer filing an amended federal tax return must also file a copy of the amended return with the commissioner of revenue within 90 days after filing the amended return.

Subd. 8. [FAILURE TO REPORT CHANGE OR CORRECTION OF FEDERAL RETURN.] If a taxpayer fails to make a report as required by subdivision 7, the commissioner may recompute the tax, including a refund, based on information available to the commissioner. The tax may be recomputed within six years after the report should have been filed, notwithstanding any period of limitations to the contrary.

Subd. 9. [REPORT MADE OF CHANGE OR CORRECTION OF FEDERAL RETURN.] If a taxpayer is required to make a report under subdivision 7, and does report the change or files a copy of the amended return, the commissioner may recompute and reassess the tax due, including a refund (1) within one year after the report or amended return is filed with the commissioner, notwithstanding any period of limitations to the contrary, or (2) within any other applicable period stated in this section, whichever period is longer. The period provided for the carryback of any amount of loss or credit is also extended as provided in this subdivision, notwithstanding any law to the contrary.

Subd. 10. [INCORRECT DETERMINATION OF FEDERAL ADJUSTED GROSS INCOME.] Notwithstanding any other provision of this chapter, if a taxpayer whose gross income is determined

under section 290.01, subdivisions 20 and 20e, omits from income an amount that will under the Internal Revenue Code of 1986, as amended through December 31, 1989, extend the statute of limitations for the assessment of federal income taxes, or otherwise incorrectly determines the taxpayer's federal adjusted gross income resulting in adjustments by the Internal Revenue Service, then the period of assessment and determination of tax will be that under the Internal Revenue Code of 1986, as amended through December 31, 1989. When a change is made to federal income during the extended time provided under this subdivision, the provisions under subdivisions 7 to 9 regarding additional extensions apply.

Subd. 11. [NET OPERATING LOSS CARRYBACK.] If a deficiency of tax is attributable to a net operating loss carryback that has been disallowed in whole or in part, the deficiency may be assessed at any time that a deficiency for the taxable year of the loss may be assessed.

Subd. 12. [REQUEST FOR EARLY AUDIT FOR INDIVIDUAL INCOME, FIDUCIARY INCOME, AND CORPORATE FRANCHISE TAXES.] (a) Tax must be assessed within 18 months after written request for an assessment has been made in the case of income received (1) during the lifetime of a decedent, (2) by the decedent's estate during the period of administration, (3) by a trustee of a terminating trust or other fiduciary who, because of custody of assets, would be liable for the payment of tax under section 289A.029, subdivision 4, or (4) by a corporation. A proceeding in court for the collection of the tax must begin within two years after written request for the assessment (filed after the return is made and in the form the commissioner prescribes) by the personal representative or other fiduciary representing the estate of the decedent, or by the trustee of a terminating trust or other fiduciary who, because of custody of assets, would be liable for the payment of tax under section 289A.029, subdivision 4, or by the corporation. Except as provided in section 289A.10, subdivision 1, an assessment must not be made after the expiration of 3½ years after the return was filed, and an action must not be brought after the expiration of four years after the return was filed.

(b) Paragraph (a) only applies in the case of a corporation if:

(1) the written request notifies the commissioner that the corporation contemplates dissolution at or before the expiration of the 18-month period;

(2) the dissolution is begun in good faith before the expiration of the 18-month period; and

(3) the dissolution is completed within the 18-month period.

Subd. 13. [TIME LIMIT FOR ASSESSMENT AND COLLECTION

FOR TRANSFEREE OR FIDUCIARY.] The period of limitation for assessment and collection of any liability of a transferee or fiduciary is as follows:

(1) In the case of the liability of an initial transferee of the property of the taxpayer, the tax may be assessed within one year after the expiration of the period of limitation of assessment against the taxpayer. The tax may be collected by action brought within one year after the expiration of the period of limitation for the starting of an action against the taxpayer.

(2) In the case of the liability of the transferee of a transferee of the property of the taxpayer, the tax may be assessed within one year after the expiration of the period of limitation for assessment against the preceding transferee, but only if within 3½ years after the expiration of the period of limitation for assessment against the taxpayers. The tax may be collected by action brought within one year after the expiration of the period of limitation for the starting of an action against the preceding transferee, but only if within four years after the expiration of the period of limitation for bringing an action against the taxpayer; except that if before the liability of the transferee a court proceeding for the collection of the tax or liability has been begun against the taxpayer or last preceding transferee, liability of the transferee expires one year after the return of execution in the court proceeding and the period of limitation for collection by action will expire one year after the liability is assessed.

(3) In the case of the liability of a fiduciary, the tax may be assessed up to one year after the liability arises or not later than the expiration of the period for collection of the tax for which the liability arises, whichever is later, and may be collected by action brought within one year after assessment.

(4) For the purposes of this subdivision, if the taxpayer is deceased, or in the case of a corporation, has ended its existence, the period of limitation for assessment against the taxpayer will be the period that would be in effect had death or termination of existence not occurred.

As used in this subdivision, the term "transferee" includes heir, legatee, devisee, and distributee.

Subd. 14. [FAILURE TO TIMELY FILE WITHHOLDING RECONCILIATION.] If an employer fails to timely file the reconciliation required by section 289A.0212, subdivision 2, paragraph (d), withholding taxes may be assessed within the period prescribed in subdivision 1, or within one year from the date the reconciliation is filed with the commissioner, whichever is later.

Sec. 19. [289A.07] [LIMITATIONS; ARMED SERVICES.]

Subdivision 1. [EXTENSIONS FOR SERVICE MEMBERS.] The limitations of time provided by this chapter and chapter 290 relating to income taxes and chapter 271 relating to the tax court for filing returns, paying taxes, claiming refunds, commencing action thereon, appealing to the tax court from orders relating to income taxes, and appealing to the Supreme Court from decisions of the tax court relating to income taxes are extended, with respect to an individual, for the period during which the individual serves in the Armed Forces of the United States, or serves in support of the Armed Forces and as provided in section 7508 of the Internal Revenue Code of 1986, as amended through December 31, 1989, or serves in an area designated by the president as a combat zone or is hospitalized outside the United States as a result of injury received while serving in the combat during that time and for a further period of six months.

Subd. 2. [INTEREST AND PENALTIES.] Interest on income tax must not be assessed or collected from an individual, and interest must not be paid upon an income tax refund to any individual, with respect to whom, and for the period during which, the limitations or time are extended as provided in subdivision 1. A penalty will not be assessed or collected from an individual for failure during that period to perform an act required by the laws described in subdivision 1.

Subd. 3. [ASSESSMENTS; ACTIONS.] The time limitations provided for the assessment of a tax, penalty, or interest, are extended, with respect to those individuals and for the period provided in subdivision 1 and for a further period of six months; and the time limitations for the commencement of action to collect a tax, penalty, or interest from those individuals are extended for a period ending six months after the expiration of the time for assessment as provided in this section.

Subd. 4. [APPLICABILITY.] Nothing in this section reduces the time within which an act is required or permitted under this chapter.

Subd. 5. [EXTENSION LIMITATIONS.] This section does not extend the time for performing any of the acts set forth in this chapter beyond the expiration of three months after the appointment of a personal representative or guardian, in this state, for any individual described in this section, except as provided in subdivision 6.

Subd. 6. [DEATH WHILE SERVING IN ARMED FORCES.] If an individual dies while in active service as a member of the military or naval forces of the United States or of any of the United Nations, an income tax imposed under chapter 290 will not be imposed for the taxable year in which the individual dies. Income tax imposed for a prior taxable year that is unpaid at the date of death (including

additions to the tax, penalties) must not be assessed, and if assessed, the assessment must be abated. In addition, upon the filing of a claim for refund within seven years from the date the return was filed, the tax paid or collected with respect to any taxable year beginning after December 31, 1949, during which the decedent was in active service must be refunded.

Subd. 7. [DEATH OF CIVILIAN WHILE OUTSIDE UNITED STATES.] If an individual dies while a civilian employee of the United States as a result of wounds or injuries incurred while the individual was a civilian employee of the United States, and which were incurred outside the United States in a terroristic or military action, a tax imposed by chapter 290 does not apply with respect to the taxable year in which the death falls and with respect to any prior taxable years in the period beginning with the last taxable year ending before the taxable year in which the wounds or injury were incurred. Terroristic or military action has the meaning given it in section 692(c)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1989.

Sec. 20. [289A.08] [LIMITATIONS ON CLAIMS FOR REFUND.]

Subdivision 1. [TIME LIMIT; GENERALLY.] Unless otherwise provided in this chapter, a claim for a refund of an overpayment of state tax must be filed within 3½ years from the date prescribed for filing the return (plus any extension of time granted for filing the return, but only if filed within the extended time) or two years from the time the tax is paid in full, whichever period expires later.

Subd. 2. [BAD DEBT LOSS.] If a claim relates to an overpayment because of a failure to deduct a loss due to a bad debt or to a security becoming worthless, the claim is considered timely if filed within seven years from the date prescribed for the filing of the return. The refund or credit is limited to the amount of overpayment attributable to the loss.

Subd. 3. [NET OPERATING LOSS; INDIVIDUALS.] A refund or credit must be allowed for a net operating loss carryback to any taxable year authorized by section 290.095, or section 172 of the Internal Revenue Code of 1986, as amended through December 31, 1989, but the refund or credit is limited to the amount of overpayment arising from the carryback.

Sec. 21. [289A.09] [BANKRUPTCY; SUSPENSION OF TIME.]

The running of the period during which a tax must be assessed or collection proceedings commenced is suspended during the period from the date of a filing of a petition in bankruptcy until 30 days after either notice to the commissioner of revenue that the bankruptcy proceedings have been closed or dismissed, or the automatic stay has been terminated or has expired, whichever occurs first.

The suspension of the statute of limitations under this section applies to the person the petition in bankruptcy is filed against and other persons who may also be wholly or partially liable for the tax.

Sec. 22. [289A.10] [CONSENT TO EXTEND STATUTE.]

Subdivision 1. [EXTENSION AGREEMENT.] If before the expiration of time prescribed in sections 289A.06 and 289A.08 for the assessment of tax or the filing of a claim for refund, both the commissioner and the taxpayer have consented in writing to the assessment or filing of a claim for refund after that time, the tax may be assessed or the claim for refund filed at any time before the expiration of the agreed upon period. The period may be extended by later agreements in writing before the expiration of the period previously agreed upon.

Subd. 2. [FEDERAL EXTENSIONS.] A taxpayer who consents to an extension of time for the assessment of federal income taxes must notify the commissioner within 90 days of the execution of the consent. The period in which the commissioner may recompute the tax is also extended, notwithstanding any period of limitations to the contrary, as follows:

(1) for the periods provided in section 289A.06, subdivisions 8 and 9;

(2) for six months following the expiration of the extended federal period of limitations when no change is made by the federal authority.

Sec. 23. [289A.11] [CLAIMS FOR REFUNDS.]

Subdivision 1. [GENERAL RIGHT TO REFUND.] (a) Subject to the requirements of this section and section 289A.08, a taxpayer who has paid a tax in excess of the taxes lawfully due and who files a written claim for refund will be refunded or credited the overpayment of the tax determined by the commissioner to be erroneously paid.

(b) The claim must specify the name of the taxpayer, the date when and the period for which the tax was paid, the kind of tax paid, the amount of the tax that the taxpayer claims was erroneously paid, the grounds on which a refund is claimed, and other information relative to the payment and in the form required by the commissioner. An income tax, estate tax, or corporate franchise tax return, or amended return claiming an overpayment constitutes a claim for refund.

(c) When, in the course of an examination, and within the time for requesting a refund, the commissioner determines that there has

been an overpayment of tax, the commissioner shall refund or credit the overpayment to the taxpayer and no demand is necessary. If the overpayment exceeds \$1, the amount of the overpayment must be refunded to the taxpayer. If the amount of the overpayment is less than \$1, the commissioner is not required to refund. In these situations, the commissioner does not have to make written findings or serve notice by mail to the taxpayer.

(d) If the amount allowable as a credit for withholding or estimated taxes exceeds the tax against which the credit is allowable, the amount of the excess is considered an overpayment.

(e) If the entertainment tax withheld at the source exceeds by \$1 or more the taxes, penalties, and interest reported in the return of the entertainment entity or imposed by section 290.9201, the excess must be refunded to the entertainment entity. If the excess is less than \$1, the commissioner need not refund that amount.

(f) If the surety deposit required for a construction contract exceeds the liability of the out-of-state contractor, the commissioner shall refund the difference to the contractor.

(g) An action of the commissioner in refunding the amount of the overpayment does not constitute a determination of the correctness of the return of the taxpayer.

(h) There is appropriated from the general fund to the commissioner of revenue the amount necessary to pay refunds allowed under this section.

Subd. 2. [REFUND OF SALES TAX TO VENDORS; LIMITATION.] If a vendor has collected from a purchaser and remitted to the state a tax on a transaction that is not subject to the tax imposed by chapter 297A, the tax is refundable to the vendor only if and to the extent that it is credited to amounts due to the vendor by the purchaser or returned to the purchaser by the vendor.

Subd. 3. [WITHHOLDING TAX AND ENTERTAINER WITHHOLDING TAX REFUNDS.] When there is an overpayment of withholding tax by an employer or a person making royalty payments, or an overpayment of entertainer withholding tax by the payor, a refund allowable under this section is limited to the amount of the overpayment that was not deducted and withheld from employee wages or from the royalty payments, or from the compensation of an entertainer.

Subd. 4. [NOTICE OF REFUND.] The commissioner shall determine the amount of refund, if any, that is due, and notify the taxpayer of the determination as soon as practicable after a claim has been filed.

Subd. 5. [WITHHOLDING OF REFUNDS FROM CHILD SUPPORT DEBTORS.] (a) If a court of this state finds that a person obligated to pay child support is delinquent in making payments, the amount of child support unpaid and owing, including attorneys fees and costs incurred in ascertaining or collecting child support, must be withheld from a refund due the person under chapter 290. The public agency responsible for child support enforcement or the parent or guardian of a child for whom the support, attorneys fees, and costs are owed may petition the district or county court for an order providing for the withholding of the amount of child support, attorneys fees, and costs unpaid and owing as determined by court order. The person from whom the refund may be withheld must be notified of the petition under the rules of civil procedure before the issuance of an order under this subdivision. The order may be granted on a showing to the court that required support payments, attorneys fees, and costs have not been paid when they were due.

(b) On order of the court and on payment of \$3 to the commissioner, the commissioner shall withhold the money from the refund due to the person obligated to pay the child support. The amount withheld shall be remitted to the public agency responsible for child support enforcement or to the parent or guardian petitioning on behalf of the child, after any delinquent tax obligations of the taxpayer owed to the revenue department have been satisfied. An amount received by the responsible public agency or the petitioning parent or guardian in excess of the amount of public assistance spent for the benefit of the child to be supported, or the amount of any support, attorneys fees, and costs that had been the subject of the claim under this subdivision that has been paid by the taxpayer before the diversion of the refund, must be paid to the person entitled to the money. If the refund is based on a joint return, the part of the refund that must be paid to the petitioner is the proportion of the total refund that equals the proportion of the total federal adjusted gross income of the spouses that is the federal adjusted gross income of the spouse who is delinquent in making the child support payments.

(c) A petition filed under this subdivision remains in effect with respect to any refunds due under this section until the support money, attorneys fees, and costs have been paid in full or the court orders the commissioner to discontinue withholding the money from the refund due the person obligated to pay the support, attorneys fees, and costs. If a petition is filed under this subdivision and a claim is made under chapter 270A with respect to the individual's refund and notices of both are received before the time when payment of the refund is made on either claim, the claim relating to the liability that accrued first in time must be paid first. The amount of the refund remaining must then be applied to the other claim.

Subd. 6. [OFFSETTING OF INCOME TAX REFUNDS.] Notwith-

standing any other law to the contrary, in the case of an overpayment, the commissioner, within the applicable period of limitations, may credit the amount of the overpayment against a liability with respect to Minnesota income tax on the part of the person who made the overpayment or against a liability with respect to Minnesota income tax on the part of either spouse who filed a joint return for the taxable year in which the overpayment was made and must refund a balance of more than \$1 to the person if the taxpayer so requests.

Subd. 7. [REMEDIES.] (a) If the taxpayer is notified by the commissioner that the refund claim is denied in whole or in part, the taxpayer may:

(1) file an administrative appeal as provided in section 289A.16, or an appeal with the tax court, within 60 days after issuance of the commissioner's notice of denial; or

(2) file an action in the district court to recover the refund.

(b) An action in the district court on a denied claim for refund must be brought within 18 months of the date of the denial of the claim by the commissioner.

(c) No action in the district court or the tax court shall be brought within six months of the filing of the refund claim unless the commissioner denies the claim within that period.

(d) If a taxpayer files a claim for refund and the commissioner has not issued a denial of the claim, the taxpayer may bring an action in the district court or the tax court at any time after the expiration of six months of the time the claim was filed, but within four years of the date that the claim was filed.

(e) The commissioner and the taxpayer may agree to extend the period for bringing an action in the district court.

(f) An action for refund of tax by the taxpayer must be brought in the district court of the district in which lies the county of the taxpayer's residence or principal place of business. In the case of an estate or trust, the action must be brought at the principal place of its administration. Any action may be brought in the district court for Ramsey county.

Subd. 8. [MISTAKE DISCOVERED BY COMMISSIONER.] If the commissioner determines that money has been erroneously collected from a taxpayer or other person, the commissioner shall, within the period named in section 289A.08 for filing a claim for refund, and subject to the provisions of section 270.07, subdivision 5, and chapter 270A, grant a refund to that taxpayer or other person.

Sec. 24. [289A.12] [INTEREST PAYABLE TO COMMISSIONER.]

Subdivision 1. [INTEREST RATE.] When interest is required under this section, interest is computed at the rate specified in section 270.75.

Subd. 2. [LATE PAYMENT.] If a tax is not paid within the time named by law for payment, the unpaid tax bears interest from the date the tax should have been paid until the date the tax is paid.

Subd. 3. [EXTENSIONS.] When an extension of time for payment has been granted, interest must be paid from the date the payment should have been made, if no extension had been granted, until the date the tax is paid.

Subd. 4. [ADDITIONAL ASSESSMENTS.] When a taxpayer is liable for additional taxes because of a redetermination by the commissioner, or for any other reason, the additional taxes bear interest from the time the tax should have been paid, without regard to an extension allowed, until the date the tax is paid.

Subd. 5. [EXCESSIVE CLAIMS FOR REFUNDS UNDER CHAPTER 290A.] When it is determined that a claim for a property tax refund was excessive, the amount that the taxpayer must repay bears interest from the date the claim was paid until the date of repayment.

Subd. 6. [ERRONEOUS REFUNDS.] In the case of an erroneous refund, interest begins to accrue from the date the refund was paid unless the erroneous refund results from a mistake of the department, in which case no interest or penalty will be imposed, unless the deficiency assessment is not satisfied within 60 days of the order.

Subd. 7. [INSTALLMENT PAYMENTS; ESTATE TAX.] Interest must be paid on unpaid installment payments of the tax authorized under section 289A.028, subdivision 2, beginning on the date the tax was due without regard to extensions allowed or extensions elected, at the rate of interest in effect under section 270.75, nine months following the date of death.

Subd. 8. [INTEREST ON JUDGMENTS.] Notwithstanding section 549.09, if judgment is entered in favor of the commissioner with regard to any tax, the judgment bears interest at the rate given in section 270.75 from the date the judgment is entered until the date of payment.

Subd. 9. [INTEREST ON PENALTIES.] (a) A penalty imposed under section 289A.14, subdivisions 1, 2, 3, 4, 5, or 6, bears interest

from the date the return or payment was required to be filed or paid (including any extensions), to the date of payment of the penalty.

(b) A penalty not included in paragraph (a) bears interest only if it is not paid within ten days from the date of notice. In that case interest is imposed from the date of notice to the date of payment.

Sec. 25. [289A.13] [INTEREST ON OVERPAYMENTS.]

Subdivision 1. [INTEREST RATE.] When interest is due on an overpayment under this section, it must be computed at the rate specified in section 270.76.

Subd. 2. [CORPORATE FRANCHISE, INDIVIDUAL AND FIDUCIARY INCOME, AND ENTERTAINER TAX OVERPAYMENTS.] Interest must be paid on an overpayment refunded or credited to the taxpayer from the date of payment of the tax until the date the refund is paid or credited. For purposes of this subdivision, the prepayment of tax made by withholding of tax at the source or payment of estimated tax before the due date is considered paid on the last day prescribed by law for the payment of the tax by the taxpayer. A return filed before the due date is considered as filed on the due date.

When the amount of tax withheld at the source or paid as estimated tax or allowable as other refundable credits, or withheld from compensation of entertainers, exceeds the tax shown on the original return by \$10, the amount refunded bears interest from 90 days after (1) the due date of the return of the taxpayer, or (2) the date on which the original return is filed, whichever is later, until the date the refund is paid to the taxpayer. Where the amount to be refunded is less than \$10, no interest is paid. However, to the extent that the basis for the refund is a net operating loss carryback, interest is computed only from the end of the taxable year in which the loss occurs.

Subd. 3. [WITHHOLDING TAX, ENTERTAINER WITHHOLDING TAX, WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, ESTATE TAX, AND SALES TAX OVERPAYMENTS.] When a refund is due for overpayments of withholding tax, entertainer withholding tax, withholding from payments to out-of-state contractors, estate tax, or sales tax, interest is computed from the date of payment to the date the refund is paid or credited. For purposes of this subdivision, the date of payment is the later of the date the tax was finally due or was paid.

Subd. 4. [CAPITAL EQUIPMENT REFUNDS.] Notwithstanding subdivision 3, for refunds payable under section 297A.15, subdivision 5, interest is computed from the date the refund claim is filed with the commissioner.

Subd. 5. [SALES OR MOTOR VEHICLE EXCISE TAX; RETAILERS.] In the case of a refund allowed under section 297A.211, subdivision 3, interest is allowed only from the date on which the person has both registered as a retailer and filed a claim for refund.

Subd. 6. [PROPERTY TAX REFUNDS UNDER CHAPTER 290A.] (a) When a renter is owed a property tax refund, an unpaid refund bears interest after August 14, or 60 days after the refund claim was made, whichever is later, until the date the refund is paid.

(b) When any other claimant is owed a property tax refund, the unpaid refund bears interest after September 29, or 60 days after the refund claim was made, whichever is later, until the date the refund is paid.

Sec. 26. [289A.14] [CIVIL PENALTIES.]

Subdivision 1. [PENALTY FOR FAILURE TO PAY TAX.] If a tax is not paid or amounts required to be withheld are not remitted within the time specified for payment, a penalty must be added to the amount required to be shown as tax. The penalty is three percent of the tax not paid on or before the date specified for payment of the tax if the failure is for not more than 30 days, with an additional penalty of three percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days during which the failure continues, not exceeding 24 percent in the aggregate.

Subd. 2. [PENALTY FOR FAILURE TO MAKE AND FILE RETURN.] If a taxpayer fails to make and file a return within the time prescribed or an extension, a penalty is added to the tax. The penalty is three percent of the amount of tax not paid on or before the date prescribed for payment of the tax including any extensions if the failure is for not more than 30 days, with an additional five percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days, during which the failure continues, not exceeding 23 percent in the aggregate.

If a taxpayer fails to file a return, other than an income tax return of an individual, within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under this subdivision must not be less than the lesser of: (1) \$200; or (2) the greater of (a) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax, or (b) \$50.

Subd. 3. [COMBINED PENALTIES.] When penalties are imposed under subdivisions 1 and 2, except for the minimum penalty under subdivision 2, the penalties imposed under both subdivisions combined must not exceed 38 percent.

Subd. 4. [SUBSTANTIAL UNDERSTATEMENT OF LIABILITY; PENALTY.] The commissioner of revenue shall impose a penalty for substantial understatement of any tax payable to the commissioner, except a tax imposed under chapter 297A.

There must be added to the tax an amount equal to 20 percent of the amount of any underpayment attributable to the understatement. There is a substantial understatement of tax for the period if the amount of the understatement for the period exceeds the greater of: (1) ten percent of the tax required to be shown on the return for the period; or (2)(a) \$10,000 in the case of a corporation other than an S corporation as defined in section 290.9725 when the tax is imposed by chapter 290, or (b) \$5,000 in the case of any other taxpayer, and in the case of a corporation any tax not imposed by chapter 290. The term "understatement" means the excess of the amount of the tax required to be shown on the return for the period, over the amount of the tax imposed that is shown on the return. The amount of the understatement shall be reduced by that part of the understatement that is attributable to the tax treatment of any item by the taxpayer if there is or was substantial authority for the treatment, or any item with respect to which the relevant facts affecting the item's tax treatment are adequately disclosed in the return or in a statement attached to the return. The special rules in cases involving tax shelters provided in section 6662(d)(2)(C) of the Internal Revenue Code of 1986, as amended through December 31, 1989, shall apply and shall apply to a tax shelter the principal purpose of which is the avoidance or evasion of state taxes. The commissioner may abate all or any part of the addition to the tax provided by this section on a showing by the taxpayer that there was reasonable cause for the understatement, or part of it, and that the taxpayer acted in good faith. The additional tax and penalty shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid.

Subd. 5. [PENALTY FOR INTENTIONAL DISREGARD OF LAW OR RULES.] If part of an additional assessment is due to negligence or intentional disregard of the provisions of the applicable tax laws or rules of the commissioner (but without intent to defraud), there must be added to the tax an amount equal to ten percent of the additional assessment.

Subd. 6. [PENALTY FOR FALSE OR FRAUDULENT RETURN, EVASION.] If a person files a false or fraudulent return, or attempts in any manner to evade or defeat a tax or payment of tax, there is imposed on the person a penalty equal to 50 percent of the tax (less amounts paid by the person on the basis of the false or fraudulent return) due for the period to which the return related.

Subd. 7. [PENALTY FOR FRIVOLOUS RETURN.] If an individual files what purports to be a tax return required by chapter 290 but which does not contain information on which the substantial

correctness of the assessment may be judged or contains information that on its face shows that the assessment is substantially incorrect and the conduct is due to a position that is frivolous or a desire that appears on the purported return to delay or impede the administration of Minnesota tax laws, then the individual shall pay a penalty of \$500. In a proceeding involving the issue of whether or not a person is liable for this penalty, the burden of proof is on the commissioner.

Subd. 8. [PENALTY FOR FAILURE TO FILE INFORMATIONAL RETURN.] In the case of a failure to file an informational return required by section 289A.0218 with the commissioner on the date prescribed (determined with regard to any extension of time for filing), the person failing to file the return shall pay a penalty of \$50 for each failure or in the case of a partnership, S corporation, or fiduciary return, \$50 for each partner, shareholder, or beneficiary; but the total amount imposed on the delinquent person for all failures during any calendar year must not exceed \$25,000. If a failure to file a return is due to intentional disregard of the filing requirement, then the penalty imposed under the preceding sentence must not be less than an amount equal to:

(1) in the case of a return not described in clause (2) or (3), ten percent of the aggregate amount of the items required to be reported;

(2) in the case of a return required to be filed under section 289A.0218, subdivision 5, five percent of the gross proceeds required to be reported; and

(3) in the case of a return required to be filed under section 289A.0218, subdivision 9, relating to direct sales, \$100 for each failure; however, the total amount imposed on the delinquent person for intentional failures during a calendar year must not exceed \$50,000. The penalty must be collected in the same manner as a delinquent income tax.

Subd. 9. [PENALTIES FOR FAILURE TO GIVE ANNUAL REPORT INFORMATION BY EXEMPT INDIVIDUALS, CORPORATIONS.] In the case of a failure to give annual report information as prescribed by section 290.05, subdivision 4, the exempt individual or corporation shall pay the commissioner a penalty of \$100 for each failure.

Subd. 10. [PENALTY FOR FAILURE TO PROVIDE SOCIAL SECURITY NUMBER AS REQUIRED.] A person who is required by law to: (1) give the person's social security account number to another person; or (2) include in a return, statement, or other document made with respect to another person that individual's social security account number, who fails to comply with the requirement when prescribed, must pay a penalty of \$50 for each

failure. The total amount imposed on a person for failures during a calendar year must not exceed \$25,000.

Subd. 11. [PENALTIES RELATING TO INFORMATION REPORTS, WITHHOLDING.] (a) When a person required under section 289A.0212, subdivision 2, to give a statement to an employee or payee and a duplicate statement to the commissioner, or to give a reconciliation of the statements and quarterly returns to the commissioner, gives 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 fails to give a statement or the reconciliation in the manner, when due, and showing the information required by section 289A.0212, subdivision 2, or rules prescribed by the commissioner under that section, is liable for a penalty of \$50 for an act or failure to act. The total amount imposed on the delinquent person for failures during a calendar year must not exceed \$25,000.

(b) In addition to any other penalty provided by law, an employee who gives a withholding exemption certificate or a residency affidavit to an employer that 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.

(c) In addition to any other penalty provided by law, an employer who fails to submit a copy of a withholding exemption certificate or a residency affidavit required by section 290.92, subdivision 5a, clause (1)(a), (1)(b), or (2) is liable to the commissioner of revenue for a penalty of \$50 for each instance.

(d) An employer or payor who fails to file an application for a withholding account number, as required by section 290.92, subdivision 24, is liable to the commissioner for a penalty of \$100.

Subd. 12. [PENALTIES RELATING TO PROPERTY TAX REFUNDS.] (a) If the commissioner determines that a property tax refund claim is or was excessive and was filed with fraudulent intent, the claim must be disallowed in full. If the claim has been paid, the amount disallowed may be recovered by assessment and collection.

(b) If it is determined that a property tax refund claim is excessive and was negligently prepared, ten percent of the corrected claim must be disallowed. If the claim has been paid, the amount disallowed must be recovered by assessment and collection.

(c) An owner or managing agent who knowingly fails to give a certificate of rent constituting property tax to a renter, as required by section 290A.19, paragraph (a), is liable to the commissioner for a penalty of \$100 for each failure.

(d) If the owner or managing agent knowingly gives rent certificates that report total rent constituting property taxes in excess of the amount of actual property taxes paid on the rented part of a property, the owner or managing agent is liable for a penalty equal to the greater of (1) \$100 or (2) 50 percent of the excess that is reported.

(e) A claim filed after the original or extended due date will 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 if the delinquency is due to reasonable cause. In any event, no claim is allowed if the initial claim is filed more than one year after the original due date for filing the claim.

Subd. 13. [PENALTIES FOR TAX RETURN PREPARERS.] (a) If an understatement of liability with respect to a return or claim for refund is due to a willful attempt in any manner to understate the liability for a tax by a person who is a tax return preparer with respect to the return or claim, the person shall pay to the commissioner a penalty of \$500. If a part of a property tax refund claim is excessive due to a willful attempt in any manner to overstate the claim for relief allowed under chapter 290A by a person who is a tax refund or return preparer, the person shall pay to the commissioner a penalty of \$500 with respect to the claim. These penalties may not be assessed against the employer of a tax return preparer unless the employer was actively involved in the willful attempt to understate the liability for a tax or to overstate the claim for refund. These penalties are income tax liabilities and may be assessed at any time as provided in section 289A.06, subdivision 5.

(b) A civil action in the name of the state of Minnesota may be commenced to enjoin any person who is a tax return preparer doing business in this state from further engaging in any conduct described in paragraph (c). An action under this paragraph must be brought by the attorney general in the district court for the judicial district of the tax return preparer's residence or principal place of business, or in which the taxpayer with respect to whose tax return the action is brought resides. The court may exercise its jurisdiction over the action separate and apart from any other action brought by the state of Minnesota against the tax return preparer or any taxpayer.

(c) In an action under paragraph (b), if the court finds that a tax return preparer has:

(1) engaged in any conduct subject to a civil penalty under section 289A.14 or a criminal penalty under section 289A.15;

(2) misrepresented the preparer's eligibility to practice before the department of revenue, or otherwise misrepresented the preparer's experience or education as a tax return preparer;

(3) guaranteed the payment of any tax refund or the allowance of any tax credit; or

(4) engaged in any other fraudulent or deceptive conduct that substantially interferes with the proper administration of state tax law, and injunctive relief is appropriate to prevent the recurrence of that conduct,

the court may enjoin the person from further engaging in that conduct.

(d) If the court finds that a tax return preparer has continually or repeatedly engaged in conduct described in paragraph (c), and that an injunction prohibiting that conduct would not be sufficient to prevent the person's interference with the proper administration of state tax laws, the court may enjoin the person from acting as a tax return preparer. The court may not enjoin the employer of a tax return preparer for conduct described in paragraph (c) engaged in by one or more of the employer's employees unless the employer was also actively involved in that conduct.

(e) For purposes of this subdivision, the term "understatement of liability" means an understatement of the net amount payable with respect to a tax imposed by state tax law, or an overstatement of the net amount creditable or refundable with respect to a tax. The determination of whether or not there is an understatement of liability must be made without regard to any administrative or judicial action involving the taxpayer. For purposes of this subdivision, the amount determined for underpayment of estimated tax under either section 289A.026 or 289A.027 is not considered an understatement of liability.

(f) For purposes of this subdivision, the term "overstatement of claim" means an overstatement of the net amount refundable with respect to a claim for property tax relief provided by chapter 290A. The determination of whether or not there is an overstatement of a claim must be made without regard to administrative or judicial action involving the claimant.

(g) For purposes of this section, the term "tax refund or return preparer" means an individual who prepares for compensation, or who employs one or more individuals to prepare for compensation, a return of tax, or a claim for refund of tax. The preparation of a substantial part of a return or claim for refund is treated as if it were the preparation of the entire return or claim for refund. An individual is not considered a tax return preparer merely because the individual:

(1) gives typing, reproducing, or other mechanical assistance;

(2) prepares a return or claim for refund of the employer, or an officer or employee of the employer, by whom the individual is regularly and continuously employed;

(3) prepares a return or claim for refund of any person as a fiduciary for that person; or

(4) prepares a claim for refund for a taxpayer in response to a tax order issued to the taxpayer.

Subd. 14. [PENALTY FOR USE OF SALES TAX EXEMPTION CERTIFICATES TO EVADE TAX.] A person who uses an exemption certificate to buy property that will be used for purposes other than the exemption claimed, with the intent to evade payment of sales tax to the seller, is subject to a penalty of \$100 for each transaction where that use of an exemption certificate has occurred.

Subd. 15. [ACCELERATED PAYMENT OF JUNE SALES TAX LIABILITY; PENALTY FOR UNDERPAYMENT.] If a vendor is required by law to submit an estimation of June sales tax liabilities and one-half payment by a certain date, and the vendor fails to remit the balance due by the date required, the vendor shall pay a penalty equal to ten percent of the amount of actual June liability required to be paid in June less the amount remitted in June. The penalty must not be imposed, however, if the amount remitted in June equals the lesser of: (1) 45 percent of the actual June liability, or (2) 50 percent of the preceding May's liability.

Subd. 16. [PENALTY FOR SALES AFTER REVOCATION.] A person who engages in the business of making retail sales after revocation of a permit under section 297A.07 is liable for a penalty of \$100 for each day the person continues to make taxable sales.

Subd. 17. [OPERATOR OF FLEA MARKETS; PENALTY.] A person who fails to comply with the provisions of section 297A.041 is subject to a penalty of \$100 for each day of each selling event that the operator fails to obtain evidence that a seller is the holder of a valid seller's permit issued under section 297A.04.

Subd. 18. [PAYMENT OF PENALTIES.] The penalties imposed by this section are collected and paid in the same manner as taxes.

Subd. 19. [PENALTIES ARE ADDITIONAL.] The civil penalties imposed by this section are in addition to the criminal penalties imposed by this chapter.

Sec. 27. [289A.15] [CRIMINAL PENALTIES.]

Subdivision 1. [PENALTIES FOR KNOWING FAILURE TO FILE OR PAY; WILLFUL EVASION.] (a) A person required to file a return, report, or other document with the commissioner, who knowingly, rather than accidentally, inadvertently, or negligently, fails to file it when required, is guilty of a gross misdemeanor. A person required to file a return, report, or other document who willfully attempts in any manner to evade or defeat a tax by failing to file it when required, is guilty of a felony.

(b) A person required to pay or to collect and remit a tax, who knowingly, rather than accidentally, inadvertently, or negligently, fails to do so when required, is guilty of a gross misdemeanor. A person required to pay or to collect and remit a tax, who willfully attempts to evade or defeat a tax law by failing to do so when required, is guilty of a felony.

Subd. 2. [FALSE OR FRAUDULENT RETURNS; PENALTIES.]

(a) A person who files with the commissioner a return, report, or other document, known by the person to be fraudulent or false concerning a material matter, is guilty of a felony.

(b) A person who knowingly aids or assists in, or advises in the preparation or presentation of a return, report, or other document that is fraudulent or false concerning a material matter, whether or not the falsity or fraud committed is with the knowledge or consent of the person authorized or required to present the return, report, or other document, is guilty of a felony.

Subd. 3. [SALES WITHOUT PERMIT; VIOLATIONS.] (a) A person who engages in the business of making retail sales in Minnesota without the permit or permits required under chapter 297A, or a responsible officer of a corporation who so engages in business, is guilty of a gross misdemeanor.

(b) A person who engages in the business of making retail sales in Minnesota after revocation of a permit under section 297A.07, when the commissioner has not issued a new permit, is guilty of a felony.

Subd. 4. [ADVERTISING NO SALES OR USE TAX; VIOLATION.] It is a misdemeanor for a person to broadcast or publish, or arrange to have broadcast or published, an advertisement in a publication or broadcast media, printed, distributed, broadcast, or intended to be received in this state, that states that no sales or use tax is due, when the person knows the advertisement is false.

Subd. 5. [EMPLOYEE GIVING EMPLOYER FALSE INFORMATION.] An employee required to supply information to an employer under section 290.92, subdivisions 4a and 5, who knowingly fails to

supply information or who knowingly supplies false or fraudulent information to an employer, is guilty of a gross misdemeanor.

Subd. 6. [COLLECTION OF TAX; PENALTY.] An agent, canvasser, or employee of a retailer, who is not authorized by permit from the commissioner, may not collect the sales tax as imposed by chapter 297A, nor sell, solicit orders for, nor deliver, any tangible personal property in this state. An agent, canvasser, or employee violating the provisions of sections 297A.14 to 297A.25, is guilty of a misdemeanor.

Subd. 7. [UNAUTHORIZED DISCLOSURE.] Any person disclosing any particulars of any tax return, without the written consent of the taxpayer making such return, in violation of the provisions of section 290.611, is guilty of a gross misdemeanor.

Subd. 8. [CRIMINAL PENALTIES.] Criminal penalties imposed by this section are in addition to any civil penalties imposed by this chapter.

Subd. 9. [STATUTE OF LIMITATIONS.] Notwithstanding section 628.26, or any other provision of the criminal laws of this state, an indictment may be found and filed, or a complaint filed, upon a criminal offense named in this section, in the proper court within six years after the offense is committed.

Subd. 10. [PERSON DEFINED.] The term "person" as used in this section includes any officer or employee of a corporation or a member or employee of a partnership who as an officer, member, or employee is under a duty to perform the act in respect to which the violation occurs.

Sec. 28. [289A.16] [ADMINISTRATIVE REVIEW.]

Subdivision 1. [TAXPAYER RIGHT TO RECONSIDERATION.] A taxpayer may obtain reconsideration by the commissioner of an order assessing tax, a denial of a request for abatement of penalty, or a denial of a claim for refund by filing an administrative appeal under subdivision 4. A taxpayer cannot obtain reconsideration under this section if the action taken by the commissioner is the outcome of an administrative appeal.

Subd. 2. [APPEAL BY TAXPAYER.] A taxpayer who wishes to seek administrative review must follow the procedures in subdivision 4.

Subd. 3. [NOTICE DATE.] For purposes of this section, the term "notice date" means the date of the order adjusting the tax or order denying a request for abatement, or, in the case of a denied refund, the date of the notice of denial.

Subd. 4. [TIME AND CONTENT FOR ADMINISTRATIVE APPEAL.] Within 60 days after the notice date, the taxpayer must file a written appeal with the commissioner. The appeal need not be in any particular form but must contain the following information:

(1) name and address of the taxpayer;

(2) if a corporation, the state of incorporation of the taxpayer, and the principal place of business of the corporation;

(3) the Minnesota identification number or social security number of the taxpayer;

(4) the type of tax involved;

(5) the date;

(6) the tax years or periods involved and the amount of tax involved for each year or period;

(7) the findings in the notice that the taxpayer disputes;

(8) a summary statement that the taxpayer relies on for each exception; and

(9) the taxpayer's signature or signature of the taxpayer's duly authorized agent.

Subd. 5. [EXTENSIONS.] When requested in writing and within the time allowed for filing an administrative appeal, the commissioner may extend the time for filing an appeal for a period not more than 30 days from the expiration of the 60 days from the notice date.

Subd. 6. [DETERMINATION OF APPEAL.] On the basis of applicable law and available information, the commissioner shall determine the validity, if any, in whole or part of the appeal and notify the taxpayer of the decision. This notice must be in writing and contain the basis for the determination.

Subd. 7. [AGREEMENT DETERMINING TAX LIABILITY.] When it appears to be in the best interests of the state, the commissioner may settle any taxes, penalties, or interest that the commissioner has under consideration by virtue of an appeal filed under this section. An agreement must be in writing and signed by the commissioner and the taxpayer, or the taxpayer's representative authorized by the taxpayer to enter into an agreement. The agreement must be filed in the office of the commissioner.

Subd. 8. [APPEAL OF AN ADMINISTRATIVE DETERMINATION.] Following the determination or settlement of an appeal and

notwithstanding any period of limitations for making assessments or other determinations to the contrary, the commissioner must issue an order reflecting that disposition. If the statute of limitations for making assessments or other determinations would have expired before the issuance of this order, except for this section, the order is limited to issues or matters contained in the appealed determination. Except in the case of an agreement determining tax under this section, the order is appealable to the Minnesota tax court under section 271.06.

Subd. 9. [APPEAL WHERE NO DETERMINATION.] If the commissioner does not make a determination within six months of the filing of an administrative appeal, the taxpayer may elect to appeal to tax court.

Subd. 10. [EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT.] This section is not subject to chapter 14.

Sec. 29. Minnesota Statutes 1988, section 290.05, subdivision 4, is amended to read:

Subd. 4. (a) Corporations, individuals, estates, trusts or organizations claiming exemption under the provisions of subdivision 2 shall furnish information as to concerning their exempt status under the Internal Revenue Code.

(b) ~~Such~~ Corporations, individuals, estates, trusts, and organizations shall file with the commissioner of revenue a copy of any an annual report that is required to be filed with the Internal Revenue Service, no later than ten days after filing the same it with the Internal Revenue Service. ~~Any An~~ annual report required of a pension plan under sections 6057 to 6059 of the Internal Revenue Code of 1954, does not need to be filed with the commissioner.

Any person required to file a copy of a federal return pursuant to the preceding paragraph who willfully fails to file such return shall be guilty of a misdemeanor.

(c) ~~In the event that~~ If the Internal Revenue Service revokes, cancels or suspends, in whole or part, the exempt status of any corporation, individual, estate, trust or organization referred to in elause paragraph (a), or if the amount of gross income, deductions, credits, items of tax preference or taxable income is changed or corrected by either the taxpayer or the Internal Revenue Service, or if the taxpayer consents to any extension of time for assessment of federal income taxes ~~such,~~ the corporation, individual, estate, trust or organization shall notify the commissioner in writing of ~~such~~ the action within 90 days ~~thereafter~~ after that date.

(d) The periods of limitations contained in section 290.56 shall 289A.10, subdivision 2, apply whenever when there has been any action referred to in clause paragraph (c), notwithstanding any period of limitations to the contrary.

Sec. 30. Minnesota Statutes Second 1989 Supplement, section 290.92, subdivision 4b, is amended to read:

Subd. 4b. [WITHHOLDING BY PARTNERSHIPS.] (a) A partnership shall deduct and withhold a tax as provided in paragraph (b) when the partnership pays or credits amounts to any of its nonresident individual partners on account of their distributive shares of partnership income for a taxable year of the partnership.

(b) The amount of tax withheld is determined by multiplying the partner's distributive share allocable to Minnesota under section 290.17, paid or credited during the taxable year by the highest rate used to determine the income tax liability for an individual under section 290.06, subdivision 2c, except that the amount of tax withheld may be determined based on tables provided by the commissioner if the partner submits a withholding exemption certificate under subdivision 5.

(c) A partnership required to deduct and withhold tax under this subdivision shall file a return with the commissioner. The tax required to be deducted and withheld during that year must be paid with the return. The return and payment is due on or before the due date specified for filing the partnership return under section 290.42.

(d) A partnership required to withhold and remit tax under this subdivision is liable for payment of the tax to the commissioner, and a person having control of or responsibility for the withholding of the tax or the filing of returns due under this subdivision is personally liable for the tax due. The commissioner may reduce or abate the tax withheld under this subdivision if the partnership had reasonable cause to believe that no tax was due under this section.

(e) (d) Notwithstanding paragraph (a), a partnership is not required to deduct and withhold tax for a nonresident partner if:

(1) the partner elects to have the tax due paid as part of the partnership's composite return under section 290.39, subdivision 5;

(2) the partner has Minnesota assignable federal adjusted gross income from the partnership of less than \$1,000; or

(3) the partnership is liquidated or terminated, the income was generated by a transaction related to the termination or liquidation, and no cash or other property was distributed in the current or prior taxable year; or

(4) the distributive shares of partnership income are attributable to:

(i) income required to be recognized because of discharge of indebtedness;

(ii) income recognized because of a sale, exchange, or other disposition of real estate, depreciable property, or property described in section 179 of the Internal Revenue Code of 1986, as amended through December 31, 1988; or

(iii) income recognized on the sale, exchange, or other disposition of any property that has been the subject of a basis reduction pursuant to section 108, 734, 743, 754, or 1017 of the Internal Revenue Code of 1986, as amended through December 31, 1988,

to the extent that the income does not include cash received or receivable or, if there is cash received or receivable, to the extent that the cash is required to be used to pay indebtedness by the partnership or a secured debt on partnership property.

~~(f)~~ (e) For purposes of subdivisions 6, paragraph (1)(c), subdivision 6a, 7, 11, and 15, and sections 289A.0212, subdivision 2, 289A.025, subdivision 2, paragraph (c), 289A.11, 289A.13, 289A.14, and 289A.15, a partnership is considered an employer.

(g) To the extent that income is exempt from withholding under paragraph (e), clause (4), the commissioner has a lien in an amount up to the amount that would be required to be withheld with respect to the income of the partner attributable to the partnership interest, but for the application of paragraph (e), clause (4). The lien arises under section 270.69 from the date of assessment of the tax against the partner, and attaches to that partner's share of the profits and any other money due or to become due to that partner in respect of the partnership. Notice of the lien may be sent by mail to the partnership, without the necessity for recording the lien. The notice has the force and effect of a levy under section 270.70, and is enforceable against the partnership in the manner provided by that section. Upon payment in full of the liability subsequent to the notice of lien, the partnership must be notified that the lien has been satisfied.

Sec. 31. Minnesota Statutes 1989 Supplement, section 290.92, subdivision 4c, is amended to read:

Subd. 4c. [WITHHOLDING BY SMALL BUSINESS CORPORATIONS.] (a) A corporation having a valid election in effect under section 290.9725 shall deduct and withhold a tax as provided in paragraph (b) when it pays or credits amounts to any of its

nonresident individual shareholders as dividends or as their share of the corporations's undistributed taxable income for the taxable year.

(b) The amount of tax withheld is determined by multiplying the amount of dividends or undistributed income allocable to Minnesota under section 290.17, paid or credited to a nonresident shareholder during the taxable year by the highest rate used to determine the income tax liability of an individual under section 290.06, subdivision 2c, except that the amount of tax withheld may be determined based on tables provided by the commissioner if the shareholder submits a withholding exemption certificate under subdivision 5.

(c) A corporation required to deduct and withhold tax under this subdivision shall file a return with the commissioner. The tax required to be deducted and withheld during that year must be paid with the return. The return and payment is due on or before the due date specified for filing the corporate income tax return under section 290.42.

(d) A corporation required to withhold and remit tax under this section is liable for payment of the tax to the commissioner, and a person having control of or responsibility for the withholding of the tax or the filing of returns due under this subdivision is personally liable for the tax due.

(e) Notwithstanding paragraph (a), a corporation is not required to deduct and withhold tax for a nonresident shareholder, if:

(1) the shareholder elects to have the tax due paid as part of the corporation's composite return under section 290.39, subdivision 5;

(2) the shareholder has Minnesota assignable federal adjusted gross income from the corporation of less than \$1,000; or

(3) the corporation is liquidated or terminated, the income was generated by a transaction related to the termination or liquidation, and no cash or other property was distributed in the current or prior taxable year.

(f) (d) For purposes of subdivisions 6, paragraph (1)(c), subdivision 6a, 7, 11, and 15, and sections 289A.0212, subdivision 2, 289A.025, subdivision 2, paragraph (c), 289A.11, 289A.13, 289A.14, and 289A.15, a corporation is considered an employer.

Sec. 32. Minnesota Statutes 1988, section 290.92, subdivision 6a, is amended to read:

Subd. 6a. [FAILURE TO COMPLY WITH WITHHOLDING PROVISIONS.] (a) ~~Whenever any~~ When a person who is required to deduct, withhold, pay over, or deposit any tax imposed by this

chapter, at the time and in the manner prescribed by law or rules fails to deduct, withhold, or pay over ~~such~~ the tax, or fails to make deposits or payments of ~~such~~ the tax and is notified of ~~any such~~ the failure by notice served upon ~~the~~ the person in the manner prescribed for service of a summons in civil actions, then ~~all~~ the requirements of paragraph (b) shall be ~~complied with~~ met. In the case of a corporation, partnership or trust, notice served upon an officer, partner or trustee shall, for purposes of this subdivision, be deemed to be considered notice served upon ~~such~~ the corporation, partnership, or trust and ~~all~~ their officers, partners, or trustees thereof.

(b) ~~Any~~ A person who is required to deduct, withhold, pay over, or deposit ~~any~~ a tax imposed by this chapter, if notice has been served upon ~~such~~ that person in accordance with paragraph (a), shall ~~thereafter~~ after that date deduct, withhold, and collect ~~such~~ the taxes and shall (not later than the end of the second banking day after any amount of such taxes is deducted, withheld or collected) deposit ~~such~~ the taxes in a separate account in a bank, savings bank or savings and loan association and shall keep the amount of ~~such~~ the taxes in ~~such~~ that account until payment ~~over~~ is paid to the state of Minnesota. ~~Any such~~ The account shall ~~constitute~~ constitutes and must be designated as a special fund in trust for the state of Minnesota payable to the state of Minnesota by ~~such~~ that person as trustee. It shall be the duty of ~~such~~ The person upon whom ~~such~~ such notice is served ~~to~~ shall notify the commissioner of revenue in writing of the name and address of the bank, savings bank or savings and loan association wherein ~~such~~ the account is kept, together with ~~such~~ other information as the commissioner may require. In lieu of the trust fund account, the commissioner may, when necessary in order to secure the withholding of the tax imposed by this chapter, require an employer to file with the department of revenue a bond in an amount determined by the commissioner, or in lieu thereof ~~of it~~, security in a form and in an amount as the commissioner determines, not to exceed more than twice the estimated average liability for future monthly withholding tax periods.

(c) The commissioner of revenue, on being satisfied with respect to any notification made under paragraph (a) of ~~this subdivision~~ that ~~all~~ the requirements of law and rules with respect to the taxes imposed by this chapter have been and will ~~henceforth~~ be complied with, may cancel ~~such~~ the notification. ~~Such~~ The cancellation shall take effect at ~~such~~ the time as is specified in the notice of ~~such~~ the cancellation. All notices authorized or required under this subdivision shall ~~must~~ be in ~~such~~ the form as the commissioner may ~~determine~~ determines.

(d) ~~Any~~ Any person who fails to comply with any provisions of this subdivision shall, in addition to any other penalties provided by law, be guilty of a gross misdemeanor, except that the provisions of this paragraph shall not apply

(1) to any person if such person shows that there was reasonable doubt as to (a) whether the law required deduction, withholding or payment of tax or (b) what person was required by law to deduct, withhold or pay; or

(2) to any person, if such person shows that the failure to comply with the provisions of paragraph (b) is due to circumstances beyond the person's control. A lack of funds existing immediately after the payment of wages (whether or not created by such payment) shall not be considered to be circumstances beyond the control of a person.

Sec. 33. Minnesota Statutes 1988, section 290.92, subdivision 24, is amended to read:

Subd. 24. [APPLICATION FOR ACCOUNT NUMBER.] An employer, or person withholding tax under section 290.923, desiring to engage in business in Minnesota shall file with the commissioner an application for a withholding account number on or before the due date of the first payment required to be made under the provisions of subdivision 6. An application for an account number shall ~~must~~ be made upon a form prescribed by the commissioner and shall set forth. It must give the name of the employer or payor, the location of the place or places of business, the names, addresses and social security numbers of the owners or partners, or if the employer or payor is a corporation of the officers, or if the employer or payor is a trust of the trustees, and ~~such~~ other information as the commissioner may require. The application shall must be filed by the owner if the employer or payor is a natural person; by a member or partner if the employer or payor is an association or partnership; by a trustee if the employer or payor be a trust, or by a person authorized to sign the application if the employer or payor is a corporation.

No fee shall be charged for the application.

The account number is not assignable.

An employer or payor who fails to file an application for a withholding account number shall be liable to the commissioner for a penalty of \$100. The penalty shall be collected in the same manner as delinquent withholding tax is collected. The commissioner may abate this penalty.

Sec. 34. Minnesota Statutes 1989 Supplement, section 290.9201, subdivision 7, is amended to read:

Subd. 7. [WITHHOLDING ON COMPENSATION OF ENTERTAINERS.] The tax on compensation of an entertainer must be withheld at a rate of two percent of all compensation paid to the entertainment entity by the person or corporation having legal control of the payment of the compensation. The payor is liable to

the state for the payment of the tax required to be deducted and withheld, and is not liable to a person for the amount of the payment. The compensation subject to withholding under this section is not subject to the withholding provisions of section 290.92, subdivision 2a, 3, or 28, except the provisions of ~~section~~ sections 290.92, subdivisions 6a, 7, 14, 15, and 18, 270.06, paragraph (16), 289A.0212, subdivision 2, 289A.14, and 289A.15 shall apply to withholding under this section as if the withholding were upon wages.

Sec. 35. Minnesota Statutes 1989 Supplement, section 290.9201, subdivision 8, is amended to read:

Subd. 8. [DEPOSIT OF ENTERTAINER WITHHOLDING.] (a) The person or corporation having legal control of the payment of compensation taxable under this section shall deposit the earnings tax with the commissioner, and shall file an entertainer withholding tax return with the commissioner, within 30 days of each performance.

(b) The withholding tax return must be in the form prescribed by the commissioner.

Sec. 36. Minnesota Statutes 1989 Supplement, section 290.9705, subdivision 4, is amended to read:

Subd. 4. [DEPOSITS USED AS SURETY FOR COMPLIANCE WITH INCOME AND SALES TAX PROVISIONS.] The amounts deposited with the commissioner under subdivisions 2 and 3 subdivision 1 are considered a surety to guarantee payment of income, franchise, withholding, and sales and use taxes of the contractor. The commissioner shall retain the money deposited until the commissioner determines the contractor's liability for state income, franchise, sales and use taxes, and taxes withheld under section 290.92. If the deposit exceeds the liability, the commissioner shall refund the difference to the contractor with interest at the rate specified in section 270.76 computed from the dates the amounts were deposited with the commissioner.

Sec. 37. Minnesota Statutes Second 1989 Supplement, section 290A.07, subdivision 2a, is amended to read:

Subd. 2a. A claimant who is a renter or a homeowner who occupies a manufactured home, as defined in section 274.19, subdivision 8, paragraph (c), shall receive full payment after August 1 and prior to before August 15 or 60 days after receipt of the application, whichever is later. Interest shall be added at the rate specified in section 270.76 from August 15 or 60 days after receipt of the application whichever is later.

Sec. 38. Minnesota Statutes 1988, section 290A.07, subdivision 3, is amended to read:

Subd. 3. Any A claimant not included in subdivision 2a shall receive full payment after September 15 and prior to before September 30. Interest shall be added at the rate specified in section 270.76 from September 30 or 60 days after receipt of the application, whichever is later. Interest will be computed until the date the claim is paid.

Sec. 39. Minnesota Statutes 1988, section 290A.19, is amended to read:

290A.19 [OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE; PENALTY.]

(a) The owner or managing agent of any property for which rent is paid for occupancy as a homestead shall must furnish a certificate of rent constituting property tax to each a person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves prior to before December 31, the owner or managing agent has the option to either provide may give the certificate to the renter at the time of moving, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate shall must be made available to the renter not later than January 31 before February 1 of the year following the year in which the rent was paid.

(b) Any owner or managing agent who willfully fails to furnish a certificate to the renter and the commissioner as required by this section is liable to the commissioner for a penalty of \$100 for each act or failure to act. The penalty shall be assessed and collected in the manner provided in chapter 290 for the assessment and collection of income tax. If the owner or managing agent willfully furnishes certificates that report total rent constituting property taxes in excess of the amount of actual property taxes paid on the rented part of a property, as determined under this section, the owner or managing agent is liable for a penalty equal to the greater of (1) \$100 or (2) 50 percent of the excess that is reported. If the owner or managing agent reports a total amount of rent constituting property taxes that exceeds by ten percent or more the actual property taxes, the report is deemed to be willful.

(c) If the owner or managing agent elects to provide provides the renter with the certificate at the time of moving, rather than after December 31, the amount of rent constituting property taxes shall must be computed as follows:

(i) The net tax shall must be reduced by 1/12 for each month remaining in the calendar year.

(ii) In calculating the denominator of the fraction pursuant to under section 290A.03, subdivision 11, the gross rent paid through the last month of claimant's occupancy shall must be substituted for "the gross rent paid for the calendar year for the property in which the unit is located."

(d) (c) The certificate of rent constituting property taxes shall must include the address of the property, including the county, and the property tax parcel identification number and any additional information which that the commissioner determines is appropriate.

(e) (d) If the owner or managing agent fails to provide the renter with a certificate of rent constituting property taxes, the commissioner shall allocate the net tax on the building to the unit on a square footage basis or other appropriate basis as the commissioner determines. The renter shall supply the commissioner with a statement from the county treasurer which that gives the amount of property tax on the parcel, the address and property tax parcel identification number of the property, and the number of units in the building.

(f) The owner or managing agent must file a copy of the certificate of rent paid with the commissioner before April 15 of the year following the year in which the rent was paid. The commissioner may require that each owner or managing agent report on a single form the total property taxes for a property and the allocation of the property taxes as rent constituting property taxes among the renters of the property.

Sec. 40. Minnesota Statutes 1988, section 297A.03, subdivision 2, is amended to read:

Subd. 2. It shall be unlawful for any retailer to advertise or hold out or state to the public or any customer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the retailer, or that it will not be added to the sales price or that, if added, it or any part thereof will be refunded except that In computing the tax to be collected as the result of any transaction amounts of tax less than one-half of one cent may be disregarded and amounts of tax if of one-half cent or more may be considered an additional cent. If the sales price of any sale at retail is eight cents or less, no tax shall be collected. Any person violating this provision shall be guilty of a misdemeanor.

Sec. 41. Minnesota Statutes 1988, section 297A.041, is amended to read:

297A.041 [OPERATOR OF FLEA MARKETS; SELLER'S PERMITS REQUIRED; PENALTY.]

The operator of a flea market, craft show, antique show, coin show, stamp show, comic book show, convention exhibit area, or similar selling event, as a prerequisite to renting or leasing space on the premises owned or controlled by the operator to a person desiring to engage in or conduct business as a seller, shall obtain evidence that the seller is the holder of a valid seller's permit issued pursuant to under section 297A.04, or a written statement from the seller that the seller is not offering for sale any item that is taxable under this chapter.

Flea market, craft show, antique show, coin show, stamp show, comic book show, convention exhibit area, or similar selling event, as used in this section, means an activity involving a series of sales sufficient in number, scope, and character to constitute a regular course of business, and ~~which~~ that would not qualify as an isolated or occasional sale pursuant to under section 297A.25, subdivision 12.

Any operator who fails or refuses to comply with the provisions of this section shall be subject to a penalty payable to the commissioner of revenue of \$100 for each day of each selling event that the operator fails to obtain evidence that the seller is the holder of a valid seller's permit issued pursuant to section 297A.04.

This section does not apply to an operator of a flea market, craft show, antique show, coin show, stamp show, comic book show, convention exhibit area, or similar selling event ~~which~~ that is: (1) held in conjunction with a community sponsored festival ~~which~~ that has a duration of four or fewer consecutive days no more than once a year; or (2) conducted by a nonprofit organization annually or less frequently.

Sec. 42. Minnesota Statutes 1989 Supplement, 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, as defined in section 297A.21, subdivision 1, 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. 43. Minnesota Statutes 1988, section 297A.18, is amended to read:

297A.18 [ADVERTISING NO TAX; MINIMUM TAX.]

It shall be unlawful for any retailer to advertise or hold out or state to the public or to any customer, directly or indirectly, that the use tax or any part thereof will be assumed or absorbed by the retailer, or that it will not be added to the sales price or that, if added, it or any part thereof will be refunded except that in computing the tax to be collected as the result of any transaction amounts of tax less than one-half of one cent may be disregarded and amounts of tax of one-half cent or more may be considered an additional cent.

It is unlawful for a person to broadcast or publish, or arrange to have broadcast or published, an advertisement in a publication or broadcast media, printed, distributed, broadcast, or intended to be received in this state, that states that no sales or use tax is due under this chapter, when the person knows the advertisement is false.

Sec. 44. Minnesota Statutes 1988, section 297A.211, subdivision 3, is amended to read:

Subd. 3. Any A person who pays the tax to the seller as provided in under section 297A.03 or pays the tax to the motor vehicle registrar as required by section 297B.02 and who meets the requirements of section 297A.211 at the time of the sale, except that the person has not registered as a retailer pursuant to under this section at the time of the sale, may register as a retailer, make a return, and file for a refund of the difference between the tax calculated under section 297A.02, 297A.14, or 297B.02 and the tax calculated under subdivision 2. The person must file for a refund within the time limitations provided in section 297A.35. Notwithstanding the provisions of section 297A.35, subdivision 1, interest shall be allowed for any refund allowed under this subdivision only from the date on which the person has both registered as a retailer and filed a claim for refund.

Sec. 45. [PURPOSE.]

It is the intent of the legislature to simplify Minnesota's tax laws by consolidating and recodifying tax administration and compliance provisions now contained in several chapters of Minnesota Statutes. Due to the complexity of the recodification, prior provisions are repealed on the effective date of the new provisions. The repealed provisions, however, continue to remain in effect until superseded by the analogous provision in the new law.

Sec. 46. [REPEALER.]

Minnesota Statutes 1988, sections 270.651; 290.05, subdivision 5; 290.067, subdivision 5; 290.281, subdivision 5; 290.29; 290.37, as amended by Laws 1989, First Special Session chapter 1, article 10, section 32; 290.39, as amended by Laws 1989, chapter 335, article 1, section 188; 290.391; 290.40; 290.41; 290.42; 290.43; 290.44; 290.45; 290.46; 290.47; 290.49; 290.50, as amended by Laws 1989, chapter 184, article 2, section 20; 290.521; 290.522; 290.523, as amended by Laws 1989, chapter 184, article 2, section 21; 290.53, subdivisions 1, 1a, 2, 2a, 3, 3a, 4, 7, 8, 9, 10, and 11; 290.54; 290.56; 290.57; 290.58; 290.59; 290.611, subdivision 5; 290.65; 290.92, subdivisions 6, 7, 8, 11, 13, 14, 15, and 18; 290.9201, subdivisions 4, 5, 9, and 10; 290.923, subdivision 7; 290.93; 290.931; 290.932; 290.933; 290.934, as amended by Laws 1989, First Special Session chapter 1, article 10, section 37; 290.935; 290.936; 290.9705, subdivision 2; 290.974; 290A.06; 290A.11, subdivisions 1, 2, 3, and 4; 290A.111; 290A.112, as amended by Laws 1989, chapter 184, article 2, section 26; 290A.12; 291.09; 291.11; 291.131; 291.14; 291.15, subdivisions 1 and 3; 291.215, subdivisions 2 and 3; 291.31, subdivision 1; 291.32; 297A.08; 297A.121; 297A.15, subdivision 3; 297A.26, subdivisions 1 and 4; 297A.27; 297A.275; 297A.30; 297A.31; 297A.32; 297A.33, subdivisions 1, 3, 4, and 5; 297A.34; 297A.35; 297A.39, subdivisions 1, 2, 2a, 3, 4, 7, and 8; 297A.40; 297A.41; 297A.42; and 297A.44, subdivision 2, are repealed. Minnesota Statutes 1989 Supplement, sections 290A.11, subdivision 1a; and 297A.20, are repealed. Minnesota Statutes Second 1989 Supplement, sections 270.77 and 290.38 are repealed. Minnesota Rules, parts 8052.0100, 8052.0200, and 8130.7800, are repealed.

Sec. 47. [INSTRUCTIONS TO REVISOR.]

(a) If a provision of a section of Minnesota Statutes repealed by section 46 is amended by the 1990 regular session, the revisor shall codify the amendment consistent with the recodification of the affected section by this act, notwithstanding any law to the contrary.

(b) In the next edition of Minnesota Statutes, in the sections referred to in column A, the revisor of statutes shall delete the reference in column B and insert the reference in column C. The revisor may change the references in column C to the sections of Minnesota Statutes in which the bill sections are compiled.

Column A	Column B	Column C
60A.15, subd. 6	290.53, subd. 1	289A.14, subd. 1
60A.15, subd. 9a	290.53, subd. 2	289A.14, subd. 2
60A.15, subd. 9b	290.53, subd. 3a	289A.14, subd. 6
60A.15, subd. 9c	290.53, subd. 3	289A.14, subd. 5
60A.15, subd. 9d	290.53, subd. 4	289A.15, subs. 1 and 3
60A.199, subd. 4	290.53, subd. 2	289A.14, subd. 2
60A.199, subd. 5	290.53, subd. 3a	289A.14, subd. 6

<u>60A.199, subd. 6</u>	<u>290.53, subd. 3</u>	<u>289A.14, subd. 5</u>
<u>69.59</u>	<u>290.53</u>	<u>289A.14</u>
<u>115B.24, subd. 4</u>	<u>290.936</u>	<u>289A.11</u>
<u>270.10, subd. 1</u>	<u>290.42, clause (6)</u>	<u>289A.024,</u> <u>subs. 1 and 2</u>
<u>270A.07, subd. 5</u>	<u>290.92, subd. 13,</u> <u>clause (1)</u>	<u>289A.13, subd. 2</u>
<u>290.01, subd. 10</u>	<u>290.40(2)</u>	<u>289A.021, subd. 5</u>
<u>290.05, subd. 4</u>	<u>290.56</u>	<u>289A.06,</u> <u>subs. 8 and 9</u>
<u>290.095, subd. 7</u>	<u>290.37, subd. 1</u>	<u>289A.021, subd. 9</u>
<u>290.095, subd. 9</u>	<u>290.46</u>	<u>289A.08</u>
<u>290.095, subd. 9</u>	<u>290.50</u>	<u>289A.11</u>
<u>290.30</u>	<u>290.29</u>	<u>289A.029, subd. 3</u>
<u>290.371, subd. 2</u>	<u>290.37</u>	<u>289A.021</u>
<u>290.923, subd. 3</u>	<u>290.92, subd. 6</u>	<u>289A.0212 and</u> <u>289A.025, subd. 2</u>
<u>290.923, subd. 4</u>	<u>290.92, subd. 7</u>	<u>289A.0212, subd. 2</u>
<u>290A.24</u>	<u>290.93</u>	<u>289A.026</u>
<u>291.09, subd. 3a</u>	<u>291.11</u>	<u>289A.10, subd. 1</u>
<u>297.09, subd. 1</u>	<u>Minnesota Statutes</u> <u>1945, 290.56 to</u> <u>290.58</u>	<u>270.06</u>
<u>297.37, subd. 1</u>	<u>290.56 to 290.58</u>	<u>270.06</u>
<u>297A.04</u>	<u>297A.27, subd. 2</u>	<u>289A.0216, subd. 3</u>
<u>297A.15, subd. 5</u>	<u>297A.34</u>	<u>289A.08</u>
<u>297A.211, subd. 2</u>	<u>297A.26 and</u> <u>297A.27</u>	<u>289A.025, subd. 4</u> <u>and 289A.0216</u>
<u>297A.211, subd. 3</u>	<u>297A.35</u>	<u>289A.08</u>
<u>299F.21, subd. 2</u>	<u>290.53, subd. 1</u>	<u>289A.14, subd. 1</u>
<u>299F.23, subd. 2</u>	<u>290.53, subd. 2</u>	<u>289A.14, subd. 2</u>
<u>299F.23, subd. 3</u>	<u>290.53, subd. 3a</u>	<u>289A.14, subd. 6</u>
<u>299F.23, subd. 4</u>	<u>290.53, subd. 3</u>	<u>289A.14, subd. 5</u>
<u>302A.821, subd. 1</u>	<u>290.37</u>	<u>289A.021</u>
<u>302A.821, subd. 1</u>	<u>290.974</u>	<u>289A.0218, subd. 3</u>
<u>349.2121, subd. 6</u>	<u>297A.39</u>	<u>289A.14</u>
<u>356.62</u>	<u>290.41</u>	<u>289A.0218</u>
<u>356.62</u>	<u>290.42</u>	<u>289A.0218</u>
<u>388.051, subd. 2</u>	<u>290.53, subsd. 4</u> <u>and 11</u>	<u>289A.15, subsd. 1,</u> <u>2, 4, and 6</u>
	<u>290.92, subd. 15</u>	
	<u>290A.11, subd. 2</u>	
	<u>297A.08</u>	
	<u>297A.39, subsd. 4</u> <u>and 8</u>	
<u>469.171, subd. 10</u>	<u>290.50</u>	<u>289A.11</u>
<u>588.21</u>	<u>290.39, subd. 1</u>	<u>289A.04, subd. 3</u>

Sec. 48. [EFFECTIVE DATES.]

Sections 1, 2, and 45 are effective the day following final enactment.

Sections 15 and 16 are effective for audits or investigations initiated on or after August 1, 1990.

Sections 17 and 28 are effective for assessments or other determinations made on or after August 1, 1990.

Section 18 is effective for returns becoming due on or after August 1, 1990.

Sections 20 and 23 are effective for overpayments of taxes or other payments first becoming due on or after August 1, 1990.

Section 24 is effective for interest on amounts first becoming due to the commissioner on or after August 1, 1990.

Sections 3 to 14 and 25 are effective for returns, reports, taxes, or other payments first becoming due on or after August 1, 1990, except that the exclusion for foreign operating corporations from the filing requirements in section 3 is effective on the effective date of Minnesota Statutes, section 290.01, subdivision 6b.

Section 26 is effective for payments, returns, reports, or other documents first becoming due, or acts committed, on or after August 1, 1990.

Section 27 is effective for crimes committed on or after August 1, 1990.

Sections 19, 21, 22, 29 to 44, and 46 are effective August 1, 1990.

ARTICLE 8

COLLECTIONS

Section 1. Minnesota Statutes 1989 Supplement, section 270.06, is amended to read:

270.06 [POWERS AND DUTIES.]

The commissioner of revenue shall:

(1) have and exercise general supervision over the administration of the assessment and taxation laws of the state, over assessors, town, county, and city boards of review and equalization, and all

other assessing officers in the performance of their duties, to the end that all assessments of property be made relatively just and equal in compliance with the laws of the state;

(2) confer with, advise, and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state;

(3) direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the laws of this state governing returns of assessment and taxation of property, and cause complaints to be made against local assessors, members of boards of equalization, members of boards of review, or any other assessing or taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty;

(4) require county attorneys to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture and punishment for violation of the laws of this state in respect to the assessment and taxation of property in their respective districts or counties;

(5) require town, city, county, and other public officers to report information as to the assessment of property, collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the department of revenue, in such form and upon such blanks as the commissioner may prescribe;

(6) require individuals, copartnerships, companies, associations, and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, earnings, operating expenses, taxes, as well as all other statements now required by law for taxation purposes;

(7) summon witnesses, at a time and place reasonable under the circumstances, to appear and give testimony, and to produce books, records, papers and documents relating to any tax matter which the commissioner may have authority to investigate or determine. Provided, that any summons which does not identify the person or persons with respect to whose tax liability the summons is issued may be served only if (a) the summons relates to the investigation of a particular person or ascertainable group or class of persons, (b) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any tax law administered by the commissioner, (c) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the summons is issued) is not readily available from other sources, (d) the summons is clear and specific as to the information sought to be obtained, and

(e) the information sought to be obtained is limited solely to the scope of the investigation. Provided further that the party served with a summons which does not identify the person or persons with respect to whose tax liability the summons is issued shall have the right, within 20 days after service of the summons, to petition the district court for the judicial district in which lies the county in which that party is located for a determination as to whether the commissioner of revenue has complied with all the requirements in (a) to (e), and thus, whether the summons is enforceable. If no such petition is made by the party served within the time prescribed, the summons shall have the force and effect of a court order;

(8) cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions in the district court, in any matter which the commissioner may have authority to investigate or determine;

(9) investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as the commissioner may deem expedient to prevent evasions of assessment and taxing laws, and secure just and equal taxation and improvement in the system of assessment and taxation in this state;

(10) consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the department of revenue, and furnish the governor, from time to time, such assistance and information as the governor may require relating to tax matters;

(11) transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or before November 15 of each even numbered year, the report of the department of revenue for the preceding years, showing all the taxable property in the state and the value of the same, in tabulated form;

(12) inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties, particularly as to their compliance with the laws requiring the assessment of all property not exempt from taxation;

(13) exercise and perform such further powers and duties as may be required or imposed upon the commissioner of revenue by law; administer and enforce the assessment and collection of state taxes and, from time to time, make, publish, and distribute rules for the administration and enforcement of state tax laws. The rules have the force of law;

(14) promulgate rules having the force and effect of law, for the administration and enforcement of the property tax; prepare blank

forms for the returns required by state tax law and distribute them throughout the state, furnishing them subject to charge on application;

(15) execute and administer any agreement with the secretary of the treasury of the United States regarding the exchange of information and administration of the tax laws of both the United States and the state of Minnesota; prescribe rules governing the qualification and practice of agents, attorneys, or other persons representing taxpayers before the commissioner. The rules may require that those persons, agents, and attorneys show that they are of good character and in good repute, have the necessary qualifications to give taxpayers valuable services, and are otherwise competent to advise and assist taxpayers in the presentation of their case before being recognized as representatives of taxpayers. After due notice and opportunity for hearing, the commissioner may suspend and disbar from further practice before the commissioner any person, agent, or attorney who is shown to be incompetent or disreputable, who refuses to comply with the rules, or who with intent to defraud, willfully or knowingly deceives, misleads, or threatens a taxpayer or prospective taxpayer, by words, circular, letter, or by advertisement. This clause does not curtail the rights of individuals to appear in their own behalf or partners or corporations' officers to appear in behalf of their respective partnerships or corporations;

(16) appoint agents as the commissioner considers necessary to make examinations and determinations. The agents have the rights and powers conferred on the commissioner to examine books, records, papers, or memoranda, subpoena witnesses, administer oaths and affirmations, and take testimony. Upon demand of an agent, the clerk or court administrator of any court shall issue a subpoena for the attendance of a witness or the production of books, papers, records, or memoranda before the agent. The commissioner may also issue subpoenas. Disobedience of subpoenas issued under this chapter shall be punished by the district court of the district in which the subpoena is issued, or in the case of a subpoena issued by the commissioner, by the district court of the district in which the party served with the subpoena is located, in the same manner as contempt of the district court;

(17) appoint and employ additional help, purchase supplies or materials, or incur other expenditures in the enforcement of state tax laws as considered necessary. The salaries of all agents and employees provided for in this chapter shall be fixed by the appointing authority, subject to the approval of the commissioner of administration;

(18) execute and administer any agreement with the secretary of the treasury of the United States or a representative of another state regarding the exchange of information and administration of the tax laws;

~~(16)~~ (19) administer and enforce the provisions of sections 325D.30 to 325D.42, the Minnesota unfair cigarette sales act; and

~~(17)~~ (20) authorize the use of unmarked motor vehicles to conduct seizures or criminal investigations pursuant to the commissioner's authority; and

(21) exercise other powers and perform other duties required of or imposed upon the commissioner of revenue by law.

Sec. 2. [270.101] [PERSONAL LIABILITY.]

Subdivision 1. [LIABILITY IMPOSED.] A person who, either singly or jointly with others, has the control of, supervision of, or responsibility for filing returns or reports, paying taxes, or collecting or withholding and remitting taxes and who fails to do so, or a person who is liable under any other law, is liable for the payment of taxes, penalties, and interest arising under chapters 296, 297, 297A, and 297C, or sections 290.92, 349.212, and 349.2121.

Subd. 2. [PERSON DEFINED.] The term "person" includes, but is not limited to, a corporation, estate, trust, organization, or association, whether organized for profit or not, an officer or director of a corporation, a member of a partnership, an employee, a third party (including, but not limited to, a financial institution, lender, or surety), and any other individual or entity.

Subd. 3. [PROCEDURE FOR ASSESSMENT.] The commissioner may assess liability for the taxes described in subdivision 1 against a person liable under this section. The assessment may be based upon information available to the commissioner. It must be made within the prescribed period of limitations for assessing the underlying tax. An order assessing personal liability under this section is reviewable under section 289A.16 and is appealable to tax court.

Sec. 3. Minnesota Statutes 1988, section 270.65, is amended to read:

270.65 [DATE OF ASSESSMENT; DEFINITION.]

For purposes of this chapter and chapters 290, 296, and 297A, taxes administered by the commissioner, the term "date of assessment" means the date a return was filed or the date a return should have been filed, whichever is later; or, in the case of taxes determined by the commissioner, "date of assessment" means the date of the order assessing taxes; or, in the case of an amended return filed by the taxpayer, the assessment date is the date the return was filed with the commissioner.

Sec. 4. [270.652] [ALLOCATION OF PAYMENT.]

In the discretion of the commissioner of revenue, payments received for taxes may be credited first to the oldest liability not secured by a judgment or lien. For liabilities to which payments are applied, the commissioner may credit payments first to penalties, next to interest, and then to the tax due.

Sec. 5. Minnesota Statutes 1988, section 270.67, subdivision 1, is amended to read:

Subdivision 1. [LIABILITY AGREEMENTS.] The commissioner of revenue, or any officer or employee of the department of revenue authorized in writing by the commissioner, is authorized to enter into an agreement in writing with any taxpayer, or duly authorized agent or representative of the taxpayer, relating to the liability of the taxpayer in respect of any state tax administered by the commissioner for any taxable period ending prior to the date of the agreement. ~~If the agreement is approved by the commissioner within the time stated in the agreement, or later agreed to,~~ The agreement shall be final and conclusive; and, except upon a showing of fraud or malfeasance, or misrepresentation of a material fact, the case shall not be reopened as to the matters agreed upon, or the agreement modified, by any officer, employee, or agent of the state; and, in any suit, action, or proceeding, the agreement, or any determination, assessment, collection, payment, abatement, refund, or credit made in accordance with the agreement, shall not be annulled, modified, set aside, or disregarded.

Sec. 6. Minnesota Statutes 1988, section 270.67, subdivision 2, is amended to read:

Subd. 2. [EXTENSION AGREEMENTS.] When any portion of any tax payable to the commissioner of revenue together with interest and penalty thereon, if any, has not been paid ~~six months from the date prescribed by law for its payment,~~ the commissioner may extend the time for payment for a further period ~~not to exceed 36 months.~~ When the authority of this section is invoked, the extension shall be evidenced by written agreement signed by the taxpayer and the commissioner, stating the amount of the tax with penalty and interest, if any, and providing for the payment of the amount in regular weekly, semimonthly or monthly installments. The agreement shall contain a confession of judgment for the amount and for any unpaid portion thereof and shall provide that the commissioner may forthwith enter judgment against the taxpayer in the district court of the county of residence as shown upon the taxpayer's tax return for the unpaid portion of the amount specified in the extension agreement. The commissioner may accept other collateral the commissioner considers appropriate to secure satisfaction of the tax liability. The principal sum specified in the agreement shall bear interest at the rate specified in section 270.75 on all unpaid portions thereof until the same has been fully paid or the unpaid portion thereof has been entered as a judgment. The judgment shall

bear interest at the rate specified in section 270.75. If it appears to the commissioner that the tax reported by the taxpayer is in excess of the amount actually owing by the taxpayer, the extension agreement or the judgment entered pursuant thereto shall be corrected. If after making the extension agreement or entering judgment with respect thereto, the commissioner determines that the tax as reported by the taxpayer is less than the amount actually due, the commissioner shall assess a further tax in accordance with the provisions of law applicable to the tax. The authority granted to the commissioner by this section is in addition to any other authority granted to the commissioner by law to extend the time of payment or the time for filing a return and shall not be construed in limitation thereof.

Sec. 7. Minnesota Statutes 1988, section 270.68, subdivision 1, is amended to read:

Subdivision 1. [LEGAL ACTION.] In addition to all other methods authorized by law for the collection of tax, if any tax payable to the commissioner of revenue or to the department of revenue, including penalties and interest thereon, is not paid within 60 days after it is required by law to be paid, the commissioner of revenue may, proceed under this subdivision. Within five years after the date of assessment of the tax, or, if the action is to renew a judgment, at any time before the judgment's expiration, the commissioner may bring an action at law against the person liable for the payment or collection of the tax, in the name of the state, for the recovery of the tax and interest and penalties due in respect thereof. The action shall be brought in the district court of the judicial district in which lies the county of the residence or principal place of business within this state of the taxpayer, or, in the case of an estate or trust, of the place of its principal administration, and for this purpose the place named as such in the return, if any, made by the taxpayer shall be conclusive against the taxpayer in this matter. If no place is named in the return, the action may be commenced in Ramsey county. The action shall be commenced by filing with the court administrator a statement showing the name and address of the taxpayer, if known, an itemized summary of the taxable periods and the type of tax, the tax due and unpaid and the interest and penalties due with respect thereto under the provisions of law applicable to the tax, and shall contain a prayer that the court adjudge the taxpayer to be indebted on account of the taxes, interest, and penalties in the amount specified in the statement; a copy of the statement shall be furnished to the court administrator therewith. The court administrator shall mail a copy of the statement by certified mail to the taxpayer at the address given in the return, if any; and, ~~if no address is given, then~~ ~~at~~ to the taxpayer's last known address, within five days after the same is filed, except that, if the taxpayer's address is not known, notice shall be made by posting a copy of the statement for ten days in the place in the courthouse where public notices are regularly posted. To litigate the claim, or any part ~~thereof~~ of it, the taxpayer

shall file a verified serve an answer with the court administrator setting forth objections to the claim, or any part thereof; the answer shall be filed upon the commissioner on or before the 20th day after the date of mailing the statement; or, if notice has been given by posting, on or before the 20th day after the expiration of the period during which the notice was required to be posted. If no answer is filed served within the specified time, the court administrator, upon the filing of an affidavit of default, shall enter judgment for the state in the amount prayed for, plus costs of \$10. If an answer is filed, the issues raised shall stand for trial as soon as possible after the filing of the answer, and the court shall determine the issues and direct judgment accordingly; and, if the taxes, interest, or penalties are sustained to any extent over the amount rendered by the taxpayer, shall assess \$10 costs against the taxpayer. The court shall disregard all technicalities and matters of form not affecting the substantial merits. The commissioner may call upon the county attorney or the attorney general to conduct the proceedings on behalf of the state. Execution shall be issued upon the judgment at the request of the commissioner, and the execution shall, in all other respects, be governed by the laws applicable to executions issued on judgments. Only the homestead and household goods of the judgment debtor shall be exempt from seizure and sale upon the execution.

Sec. 8. Minnesota Statutes 1988, section 270.68, subdivision 3, is amended to read:

Subd. 3. [TAX PRESUMED VALID.] The tax, as assessed by the commissioner, with any penalties included therein, shall be presumed to be valid and correctly determined and assessed, and the burden shall be upon the taxpayer to show its incorrectness or invalidity. The A statement filed by the commissioner with the court administrator, as provided in subdivision 1, or any other certificate by the commissioner of showing the amount of the tax and penalties as determined or assessed by the commissioner, shall be is admissible in evidence and shall establish prima facie the facts set forth therein.

Sec. 9. Minnesota Statutes 1988, section 270.69, subdivision 2, is amended to read:

Subd. 2. [FILING OF LIENS NECESSARY FOR ENFORCEABILITY AGAINST CERTAIN PERSONS.] The lien imposed by subdivision 1 is not enforceable against any purchaser, mortgagee, pledgee, holder of a uniform commercial code security interest, mechanic's lienor, or judgment lien creditor whose interest has been duly perfected or is entitled to protection under applicable provisions of state law, until a notice of lien has been filed by the commissioner of revenue in the office of the county recorder of the county in which the real property is situated, or in the case of personal property belonging to an individual who is not a resident of this state, or which is to a corporation, partnership, or other

organization, in the office of the secretary of state, or in the case of personal property belonging to a resident individual, in the office of the county recorder of the county of residence of the individual. Notwithstanding any other law to the contrary, the department of revenue is exempt from the payment of fees at the time the lien is offered for filing or recording. The fee for filing or recording the lien must be paid at the time the release of lien is offered for filing or recording. Notwithstanding any law to the contrary, the fee for filing or recording the lien or the release of lien is \$15.

Sec. 10. Minnesota Statutes 1988, section 270.69, subdivision 3, is amended to read:

Subd. 3. [EXEMPT PROPERTY.] The lien imposed on personal property by this section, even though properly filed, is not enforceable: (1) against a purchaser with respect to tangible personal property purchased at retail; in the ordinary course of the seller's trade or business, unless at the time of purchase the purchaser intends the purchase to or knows the purchase will hinder, evade, or defeat the collection of a tax; or (2) against the personal property listed as exempt in sections 550.37, 550.38, and 550.39.

Sec. 11. Minnesota Statutes 1988, section 270.69, subdivision 7, is amended to read:

Subd. 7. [NOTICE OF MORTGAGE FORECLOSURE OR CONTRACT TERMINATION.] If a lien has been filed by the commissioner of revenue against real property pursuant to this section, and, subsequent to the recording of the lien, in the case of a mortgage foreclosure upon the real property is commenced under chapter 580, or a termination of contract of sale of the real property is commenced under section 559.21, if the commissioner has filed a lien under this section before the foreclosure sale or date of termination, notice of the mortgage foreclosure or termination of contract of sale shall be mailed to the commissioner not less than 25 days prior to the foreclosure sale or date of termination. Provided, notice need not be given pursuant to this subdivision if the lien of the commissioner has been filed within 30 days or less prior to the foreclosure sale or date of termination. The contents of the notice shall be as prescribed in section 7425(e)(1) of the Internal Revenue Code of 1954, as amended through December 31, 1982, must contain the following information: (1) the name and address of the taxpayer; (2) a copy of the notice of mortgage foreclosure or contract for deed cancellation; (3) a copy of the lien filed by the commissioner; (4) the total unpaid balance of the mortgage or contract for deed; (5) a legal description of the property; and (6) the fair market value of the property.

Sec. 12. Minnesota Statutes 1988, section 270.69, subdivision 8, is amended to read:

Subd. 8. [FILING ENTITLEMENT.] Execution of notices of liens

or of other notices affecting state tax liens by the original or facsimile signature of the commissioner of revenue or a delegate entitles them to be filed, and no other attestation, certification, or acknowledgment is necessary.

Sec. 13. Minnesota Statutes 1988, section 270.69, is amended by adding a subdivision to read:

Subd. 12. [LIEN RELEASE FEE.] A fee of \$25 must be paid to the commissioner of revenue for each duplicate of an original release of lien.

Sec. 14. Minnesota Statutes 1988, section 270.70, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY OF COMMISSIONER.] If any tax payable to the commissioner of revenue or to the department of revenue is not paid when due, such tax may be collected by the commissioner of revenue within five years after the date of assessment of the tax, or if a lien has been filed, during the period the lien is enforceable, or if the tax judgment has been filed, within the statutory period of enforcement of a valid tax judgment, by a levy upon all property and rights to property, including any property in the possession of law enforcement officials, of the person liable for the payment or collection of such tax (except that which is exempt from execution pursuant to section 550.37) 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. 15. Minnesota Statutes 1989 Supplement, section 270.73, subdivision 1, is amended to read:

Subdivision 1. [POSTING, NOTICE.] Pursuant to section 270B.12, subdivision 4, the commissioner shall, by the 15th of each month, submit to the commissioner of public safety a list of all taxpayers who are required to withhold or collect the tax imposed by section 290.92 or 297A.02, or local sales and use tax payable to the commissioner of revenue, and who are 30 days or more delinquent in either filing a tax return or paying the tax. At least ten days before notifying the commissioner of public safety, the commissioner of revenue shall notify the taxpayer of the intended action.

The commissioner of public safety shall post the list in the same manner as provided in section 340A.318, subdivision 3. The list will prominently show the date of posting. If a taxpayer previously listed cures the delinquency by filing all returns and paying all taxes, the commissioner shall notify the commissioner of public safety within two business days that the delinquency was cured.

Sec. 16. Minnesota Statutes 1988, section 290.92, subdivision 23, is amended to read:

Subd. 23. [WITHHOLDING BY EMPLOYER OF DELINQUENT TAXES.] (1) The commissioner may, within five years after the date of assessment of the tax, or if a lien has been filed under section 270.69, within the statutory period for enforcement of the lien, give notice to any employer deriving income which has a taxable situs in this state regardless of whether the income is exempt from taxation, that an employee of that employer is delinquent in a certain amount with respect to any state taxes, including penalties, interest and costs. The commissioner can proceed under this subdivision only if the tax is uncontested or if the time for appeal of the tax has expired. The commissioner shall not proceed under this subdivision until the expiration of 30 days after mailing to the taxpayer, at the taxpayer's last known address, a written notice of (a) the amount of taxes, interest, and penalties due from the taxpayer and demand for their payment, and (b) the commissioner's intention to require additional withholding by the taxpayer's employer pursuant to this subdivision. The effect of the notice shall expire 180 days after it has been mailed to the taxpayer provided that the notice may be renewed by mailing a new notice which is in accordance with this subdivision. The renewed notice shall have the effect of reinstating the priority of the original claim. The notice to the taxpayer shall be in substantially the same form as that provided in section 571.41. The notice shall further inform the taxpayer of the wage exemptions contained in section 550.37, subdivision 14. If no statement of exemption is received by the commissioner within 30 days from the mailing of the notice, the commissioner may proceed under this subdivision. The notice to the taxpayer's employer may be served by mail or by delivery by an employee of the department of revenue and shall be in substantially the same form as provided in section 571.495. Upon receipt of notice, the employer shall withhold from compensation due or to become due to the employee, the total amount shown by the notice, subject to the provisions of section 571.55. The employer shall continue to withhold each pay period until the total amount shown by the notice is paid in full released by the commissioner under section 270.709. Upon receipt of notice by the employer, the claim of the state of Minnesota shall have priority over any subsequent garnishments or wage assignments. The commissioner may arrange between the employer and the employee for withholding a portion of the total amount due the employee each pay period, until the total amount shown by the notice plus accrued interest has been withheld.

The "compensation due" any employee is defined in accordance with the provisions of section 571.55. The maximum withholding allowed under this subdivision for any one pay period shall be decreased by any amounts payable pursuant to a garnishment action with respect to which the employer was served prior to being served with the notice of delinquency and any amounts covered by any

irrevocable and previously effective assignment of wages; the employer shall give notice to the department of the amounts and the facts relating to such assignments within ten days after the service of the notice of delinquency on the form provided by the department of revenue as noted in this subdivision. ~~In crediting amounts withheld against delinquent taxes of an employee, the department shall apply amounts withheld in the following order: penalties, interest, tax and costs.~~

(2) If the employee ceases to be employed by the employer before the full amount set forth in a notice of delinquency plus accrued interest has been withheld, the employer shall immediately notify the commissioner in writing of the termination date of the employee and the total amount withheld. No employer may discharge any employee by reason of the fact that the commissioner has proceeded under this subdivision. If an employer discharges an employee in violation of this provision, the employee shall have the same remedy as provided in section 571.61, subdivision 2.

(3) Within ten days after the expiration of such pay period, the employer shall, by the date prescribed in subdivision 6, remit to the commissioner, on a form and in the manner prescribed by the commissioner, the amount withheld during the calendar quarter each pay period under this subdivision. Should any employer, after notice, willfully fail to withhold in accordance with the notice and this subdivision, or willfully fail to remit any amount withheld as required by this subdivision, the employer shall be liable for the total amount set forth in the notice together with accrued interest which may be collected by any means provided by law relating to taxation. No amount required to be paid by an employer by reason of the employer's failure to remit under this subdivision, may be deducted from the gross income of the employer, under sections 290.09, subdivision 4 or 290.01, subdivisions 20 to 20f. Any amount collected from the employer for failure to withhold or for failure to remit under this subdivision shall be credited to the employee's account in the following manner: penalties, interest, tax and costs.

(4) Clauses (1), (2) and (3), except provisions imposing a liability on the employer for failure to withhold or remit, shall apply to cases in which the employer is the United States or any instrumentality thereof or this state or any municipality or other subordinate unit thereof.

(5) The commissioner shall refund to the employee excess amounts withheld from the employee under this subdivision. If any excess results from payments by the employer because of willful failure to withhold or remit as prescribed in clause (3) above, the excess attributable to the employer's payment shall be refunded to the employer.

(6) Employers required to withhold delinquent taxes, penalties,

interest and costs under this subdivision shall not be required to compute any additional interest, costs or other charges to be withheld.

(7) The collection remedy provided to the commissioner by this subdivision shall have the same legal effect as if it were a levy made pursuant to section 270.70.

Sec. 17. Minnesota Statutes 1988, section 524.3-1001, is amended to read:

524.3-1001 [FORMAL PROCEEDINGS TERMINATING ADMINISTRATION; TESTATE OR INTESTATE; ORDER OF DISTRIBUTION, DECREE, AND GENERAL PROTECTION.]

(a) (1) A personal representative or any interested person may petition for an order of complete settlement of the estate. The personal representative may petition at any time, and any other interested person may petition after one year from the appointment of the original personal representative except that no petition under this section may be entertained until the time for presenting claims which arose prior to the death of the decedent has expired. The petition may request the court to determine testacy, if not previously determined, to consider the final account or compel or approve an accounting and distribution, to construe any will or determine heirs and adjudicate the final settlement and distribution of the estate. After notice to all interested persons and hearing the court may enter an order or orders, on appropriate conditions, determining the persons entitled to distribution of the estate, and, as circumstances require, approving settlement and directing or approving distribution of the estate and discharging the personal representative from further claim or demand of any interested person.

(2) In such petition for complete settlement of the estate, the petitioner may apply for a decree. Upon the hearing, if in the best interests of interested persons, the court may issue its decree which shall determine the persons entitled to the estate and assign the same to them in lieu of ordering the assignment by the personal representative. The decree shall name the heirs and distributees, state their relationship to the decedent, describe the property, and state the proportions or part thereof to which each is entitled. In the estate of a testate decedent, no heirs shall be named in the decree unless all heirs be ascertained.

(3) In solvent estates, the hearing may be waived by written consent to the proposed account and decree of distribution or order of distribution by all heirs or distributees, and the court may then enter its order allowing the account and issue its decree or order of distribution.

(4) Where a decree or order for distribution is issued, the personal

representative shall not be discharged until all property is paid or transferred to the persons entitled thereto, and the personal representative has otherwise fully discharged the trust. If objections are an order assessing estate tax or request for documents is filed with the court by the commissioner of revenue, no discharge shall be issued until the objections are determined assessment is paid or the request is complied with. If no objection order assessing estate tax or request for documents is filed, the court shall have the power to settle and distribute the estate and discharge the personal representative without regard to tax obligations.

(b) If one or more heirs or devisees were omitted as parties in, or were not given notice of, a previous formal testacy proceeding, the court, on proper petition for an order of complete settlement of the estate under this section, and after notice to the omitted or unnotified persons and other interested parties determined to be interested on the assumption that the previous order concerning testacy is conclusive as to those given notice of the earlier proceeding, may determine testacy as it affects the omitted persons and confirm or alter the previous order of testacy as it affects all interested persons as appropriate in the light of the new proofs. In the absence of objection by an omitted or unnotified person, evidence received in the original testacy proceeding shall constitute prima facie proof of due execution of any will previously admitted to probate, or of the fact that the decedent left no valid will if the prior proceedings determined this fact.

Sec. 18. [REPEALER.]

(a) Minnesota Statutes 1988, section 270.10, subdivision 4, is repealed.

(b) Minnesota Statutes 1988, section 270.08 is repealed.

(c) Minnesota Statutes 1988, sections 290.53, subdivision 5 and 297A.39, subdivision 5, are repealed.

(d) Minnesota Statutes 1988, sections 290.52; 291.31, subdivision 2; 297A.29; and 297A.37, are repealed.

Sec. 19. [EFFECTIVE DATES.]

Sections 1, 3, 13, 15 to 17, and 18, paragraph (d), are effective August 1, 1990.

Sections 5 to 8, 14, and 18, paragraph (b), are effective the day following final enactment.

Sections 9 and 10 are effective for liens imposed on or after August 1, 1990.

Section 11 is effective for mortgage foreclosures or terminations of contracts of sale of real property commenced after August 1, 1990.

Section 12 is effective for notices executed on or after August 1, 1990.

Sections 4 and 18, paragraph (c), are effective for payments received on or after August 1, 1990.

Sections 2 and 18, paragraph (a), are effective for taxes becoming due on or after August 1, 1990.

ARTICLE 9

GASOLINE AND SPECIAL FUEL TAXES

Section 1. Minnesota Statutes 1988, section 296.18, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO USE OR SELL GASOLINE OR SPECIAL FUEL FOR INTENDED PURPOSES; REPORTS REQUIRED.] (1) Any person who shall buy aviation gasoline or special fuel for aircraft use and who shall have paid the excise taxes due thereon directly or indirectly through the amount of the tax being included in the price thereof, or otherwise, and shall use said gasoline or special fuel in motor vehicles or shall knowingly sell it to any person for use in motor vehicles shall, on or before the twenty-third day of the month following that in which such gasoline or special fuel was so used or sold, report the fact of such use or sale to the commissioner in such form as the commissioner may prescribe.

(2) Any person who shall buy gasoline other than aviation gasoline and who shall have paid the motor vehicle gasoline excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline, or otherwise, who shall knowingly sell such gasoline to any person to be used for the purpose of producing or generating power for propelling aircraft, or who shall receive, store, or withdraw from storage such gasoline to be used for that purpose, shall, on or before the 23rd day of the month following that in which such gasoline was so sold, stored, or withdrawn from storage, report the fact of such sale, storage, or withdrawal from storage to the commissioner in such form as the commissioner may prescribe.

(3) Any person who shall buy aviation gasoline or special fuel for aircraft use and who shall have paid the excise taxes directly or indirectly through the amount of the tax being included in the price thereof, or otherwise, who shall not use it in motor vehicles or receive, sell, store, or withdraw it from storage for the purpose of producing or generating power for propelling aircraft, shall be

reimbursed and repaid the amount of the tax paid upon filing with the commissioner a signed claim in writing in such form and containing such information as the commissioner shall require and accompanied by the original invoice thereof. By signing any such claim which is false or fraudulent, the applicant shall be subject to the penalties provided in this section 296.25 for knowingly or willfully making a false claim. The claim shall set forth the total amount of the aviation gasoline or special fuel for aircraft use so purchased and used by the applicant, and shall state when and for what purpose it was used. When a claim contains an error in computation or preparation, the commissioner is authorized to adjust the claim in accordance with the evidence shown on the claim or other information available to the commissioner. The commissioner, on being satisfied that the claimant is entitled to payment, shall approve the claim and transmit it to the commissioner of finance. No repayment shall be made unless the claim and invoice shall be filed with the commissioner within one year from the date of the purchase. The postmark on the envelope in which the claim is mailed shall determine the date of filing.

Sec. 2. Minnesota Statutes 1988, section 296.18, subdivision 3, is amended to read:

Subd. 3. [PENALTIES CIVIL PENALTY FOR FILING FALSE CLAIMS CLAIM.] Every person who shall make any false statement in any claim or invoice filed with the commissioner, or knowingly file with the commissioner any claim or invoice containing any false statement or collect or cause to be paid to the person or to another a refund without being entitled thereto, when acting pursuant to the provisions of subdivision 1 or 2, clause 3, shall forfeit the full amount of the claim and be guilty of a misdemeanor. Every A person who violates section 296.25, subdivision 1, paragraph (a) or (b), shall forfeit the full amount of the claim. In addition, a person who is convicted under the provisions of this subdivision shall section 296.25, subdivision 1, paragraph (a) or (b), for filing a false statement or claim shall, in addition to any criminal penalties imposed, be prohibited from filing with the commissioner any claim for refund upon gasoline purchased within six months after such conviction.

Sec. 3. Minnesota Statutes 1988, section 296.25, is amended to read:

296.25 [VIOLATIONS, CRIMINAL PENALTIES.]

Subdivision 1. [PENALTIES IMPOSED.] Any person who fails to comply with any provisions of sections 296.01 to 296.421, or who makes any false statement in any report, record, or sales ticket required by sections 296.12, 296.14, 296.17, subdivision 5, 296.18, subdivision 2, or 296.21, shall be guilty of a misdemeanor. A minimum fine of \$200 shall be imposed on a person who fails to

obtain a license or trip permit required under section 296.17, subdivisions 10 and 17.

Prosecutions commenced under this section may be brought in the county in which the defendant resides or in Ramsey county.

The county attorney of any county in which the action is commenced, shall on request of the commissioner of revenue, prosecute violations of this chapter. Costs, fees, and expenses incurred by any county attorney in litigation in connection with the action may be paid from appropriations to the commissioner of revenue for the administration of this chapter. (a) A person who fails to comply with a provision of sections 296.01 to 296.421, or who knowingly provides false information, including, but not limited to, false odometer readings, or who knowingly makes a false statement in a report, record, claim, or sales ticket required by sections 296.12; 296.14; 296.17, subdivisions 5, 7 to 22; 296.18, subdivision 2; or 296.21, is guilty of a gross misdemeanor.

(b) A person who willfully attempts in any manner to evade or defeat any tax imposed by sections 296.01 to 296.421, including, but not limited to, making and subscribing any false statement in any report, record, claim, or sales ticket required by sections 296.12; 296.14; 296.17, subdivisions 5, or 7 to 22; 296.18, subdivision 2; and 296.21; or making a false claim for a refund under section 296.18, subdivision 4, is guilty of a felony.

(c) It is a misdemeanor for a person to operate, or cause to be operated, a licensed motor vehicle on the public highways of this state on special fuel on which the excise tax provided by this chapter has not been paid or the liability therefore assumed by another person licensed under this chapter. A person who uses gasoline, delivered into an on-farm bulk storage tank and on which no tax has been collected, for propelling a motor vehicle on the public highways of this state is also guilty of a misdemeanor.

(d) An officer or employee of the state of Minnesota charged with the enforcement of a provision of sections 296.01 to 296.421 who is employed by or who engages in business as a distributor or dealer in petroleum products is guilty of a misdemeanor.

(e) The authorization in this chapter for the collection of the excise taxes by persons other than the commissioner for and in behalf of the state of Minnesota establishes a fiduciary relationship, for the violation of which, in failure to make payment when due and payable, the person so authorized to collect these excise taxes shall be deemed guilty of a violation of section 609.54, and punished accordingly.

(f) A minimum fine of \$200 shall be imposed on a person who fails

to obtain a license or trip permit required under section 296.17, subdivisions 10 and 17.

Subd. 2. [PROSECUTION OF VIOLATIONS.] It is a misdemeanor for any person to operate, or cause to be operated, a licensed motor vehicle on the public highways of this state on special fuel on which the excise tax provided by this chapter has not been paid or the liability therefor assumed by another person licensed under this chapter. Prosecutions under this section may be brought in the county in which the defendant resides or in Ramsey county. On request of the commissioner of revenue, the county attorney of a county in which the action is commenced shall prosecute violations of this chapter. Costs, fees, and expenses incurred by any county attorney in litigation in connection with the action may be paid from appropriations to the commissioner of revenue for the administration of this chapter.

Sec. 4. [REPEALER.]

Minnesota Statutes 1988, sections 296.027; 296.16, subdivision 3; 296.17, subdivision 13; 296.18, subdivisions 3a and 7; and 296.24, are repealed.

Sec. 5. [EFFECTIVE DATES.]

Section 1 is effective for sales occurring on or after August 1, 1990.

Section 2 is effective for statements or claims filed on or after August 1, 1990.

Section 3 is effective for acts or violations occurring on or after August 1, 1990.

Section 4 is effective August 1, 1990."

Delete the title and insert:

"A bill for an act

relating to taxation; making technical corrections and administrative changes to property, sales and use, motor vehicle excise, income, franchise, insurance, petroleum products, pull-tab and tipboard taxes, firefighter state aids, and property tax refunds; making technical corrections and administrative changes to certain aids to local government; including lottery prizes as refunds in the revenue recapture act; providing for posting of certain tax delinquencies; requiring a social security number on certain probate applications; imposing a tax on untaxed pull-tabs and tipboards; recodifying license inquiry provisions; providing for

payment and settlement of state elections campaign funds to political party state committees; transferring certain powers and duties; recodifying and providing for tax administrative, enforcement, and collection procedures; imposing penalties; amending Minnesota Statutes 1988, sections 60A.198, by adding a subdivision; 69.771, subdivision 3; 69.772, subdivision 2a; 69.774, subdivision 1; 116K.04, subdivision 4; 270.65; 270.67, subdivisions 1 and 2; 270.68, subdivisions 1 and 3; 270.69, subdivisions 2, 3, 7, 8, and by adding a subdivision; 270.70, subdivision 1; 270A.03, subdivision 7; 274.01, subdivision 1; 275.54; 287.21, subdivision 2; 290.05, subdivision 4; 290.17, subdivision 5; 290.39, subdivision 5; 290.49, subdivision 3; 290.92, subdivisions 6a, 12, 23, and 24; 290.93, subdivision 1; 290A.03, subdivision 3; 290A.04, subdivision 1; 290A.07, subdivision 3; 290A.19; 296.06, subdivision 2; 296.18, subdivisions 2 and 3; 296.25; 297A.01, subdivision 8; 297A.03, subdivision 2; 297A.041; 297A.14, subdivision 1; 297A.18; 297A.211, subdivision 3; 297A.25, subdivision 31; 297A.255, by adding a subdivision; 297B.035, subdivision 1; 299F.21, subdivision 1; 349.212, by adding a subdivision; 477A.011, by adding a subdivision; 524.3-1001; 524.3-301; Minnesota Statutes 1989 Supplement, sections 38.18; 50.14, subdivision 4; 69.021, subdivision 6; 110.70; 118.12; 163.04, subdivision 3; 163.06, subdivision 6; 165.10, subdivision 1; 168.013, subdivision 5; 168A.10, subdivision 1; 270.06; 270.73, subdivision 1; 270B.07, by adding a subdivision; 272.16; 273.01; 273.11, subdivision 1; 290.39, subdivision 4; 290.92, subdivision 4c; 290.9201, subdivisions 7 and 8; 290.9705, subdivision 4; 297A.17; 365.025, subdivision 4; 368.01, subdivision 23; 368.44; 368.47; 370.01; 383.06; 385.31; 386.34; 412.081, subdivision 1; 412.221, subdivision 2; 430.102, subdivision 2; 465.04; 469.177, subdivision 1a; 471.24; 471.73; 475.58, subdivision 2; 475.73, subdivision 1; 477A.011, subdivision 15; 505.173, subdivision 1; Minnesota Statutes Second 1989 Supplement, sections 10A.31, subdivision 5; 60A.15, subdivision 1; 273.13, subdivision 25; 273.1391, subdivision 2; 273.1398, subdivision 1, 2, 5a, and 6; 274.14; 274.175; 275.07, subdivision 3; 275.50, subdivision 5; 275.51, subdivisions 3f, 3h, and 6; 287.29, subdivision 1; 290.17, subdivision 2; 290A.04, subdivisions 2h and 2i; 290A.07, subdivision 2a; 349.212, subdivision 4; 373.40, subdivision 1; 473F.08, subdivision 8a; 477A.012, subdivision 3; 477A.013, subdivision 3; Laws 1989, chapter 28, section 24; and Laws 1989, First Special Session chapter 1, articles 3, section 35; and 9, section 86; proposing coding for new law in Minnesota Statutes, chapters 270 and 289A; repealing Minnesota Statutes 1988, sections 270.08; 270.10, subdivision 4; 270.651; 272.70; 290.05, subdivision 5; 290.067, subdivision 5; 290.23, subdivision 15; 290.281, subdivision 5; 290.29; 290.37, as amended; 290.39, as amended; 290.391; 290.40; 290.41; 290.42; 290.43; 290.44; 290.45; 290.46; 290.47; 290.49; 290.50, as amended; 290.52; 290.521; 290.522; 290.523, as amended; 290.53, subdivisions 1, 1a, 2, 2a, 3, 3a, 4, 5, 7, 8, 9, 10, and 11; 290.54; 290.56; 290.57; 290.58; 290.59; 290.611, subdivision 5; 290.612; 290.65; 290.92, subdivisions 6, 7, 8, 11, 13, 14, 15, and 18;

290.9201, subdivisions 4, 5, 9, and 10; 290.923, subdivision 7; 290.93; 290.931; 290.932; 290.933; 290.934, as amended; 290.935; 290.936; 290.9705, subdivision 2; 290.974; 290A.06; 290A.11, subdivisions 1, 2, 3, and 4; 290A.111; 290A.112, as amended; 290A.12; 291.09; 291.11; 291.131; 291.14; 291.15, subdivisions 1 and 3; 291.215, subdivisions 2 and 3; 291.31, subdivisions 1 and 2; 291.32; 296.027; 296.16, subdivision 3; 296.17, subdivision 13; 296.18, subdivisions 3a and 7; 296.24; 297A.08; 297A.121; 297A.15, subdivision 3; 297A.26, subdivisions 1 and 4; 297A.27; 297A.275; 297A.29; 297A.30; 297A.31; 297A.32; 297A.33, subdivisions 1, 3, 4, and 5; 297A.34; 297A.35; 297A.37; 297A.39, subdivisions 1, 2, 2a, 3, 4, 5, 7, and 8; 297A.40; 297A.41, 297A.42; 297A.431; 297A.44, subdivision 2; Minnesota Statutes 1989 Supplement, sections 290A.11, subdivision 1a; and 297A.20; Minnesota Statutes Second 1989 Supplement, sections 270.77 and 290.38; Minnesota Rules, parts 8052.0100; 8052.0200; and 8130.7800."

With the recommendation that when so amended the bill pass.

The report was adopted.

Otis from the Committee on Economic Development to which was referred:

H. F. No. 2575, A bill for an act relating to economic development; establishing a government procurement assistance program; appropriating money.

Reported the same back with the following amendments:

Page 1, line 7, after "of" insert "trade and"

Page 1, line 15, after "of" insert "trade and"

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. 2652, A resolution memorializing the President and the Congress of the United States to design the 1990 federal farm bill so that it protects the family farm system.

Reported the same back with the following amendments:

Page 2, delete lines 2 and 3, and insert:

"1. Congress substantially increase the target price and loan rate, with payment limitations targeted to family farms, that will establish a floor price intended to provide a reasonable profit for family farms;"

Page 2, line 10, delete "subsidy" and insert "program"

Page 2, line 18, delete "and"

Page 2, line 20, delete "suitable" and insert "full"

Page 2, line 21, delete the period and insert a semicolon

Page 2, after line 21, insert:

"9. Congress direct additional federal research dollars toward agricultural utilization research;

10. Congress eliminate the requirement that 1988 deficiency payments must be repaid; and

11. the administration enforce federal antitrust laws to decrease vertical integration in the livestock industry."

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. 2656, A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited land in Koochiching and Lincoln counties; authorizing the private sale of certain state lands in Scott, Hubbard, and Fillmore counties; appropriating proceeds of the Scott county conveyance; authorizing the sale of certain surplus land in Lake county; authorizing the sale of certain trust fund land in St. Louis county; authorizing the sale of surplus land in Grant county for recreational purposes.

Reported the same back with the following amendments:

Page 1, after line 11, insert:

“Section 1. [SALE OF TAX-FORFEITED LAND; OTTER TAIL COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 282.018, Otter Tail county may sell the tax-forfeited lands bordering public water and described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The lands that may be conveyed are located in Otter Tail county and are described as:

(1) Lot 13, Sylvanus Crest, Clitherall Township;

(2) Lot 14, Sylvanus Crest, Clitherall Township;

(3) Government Lot 8, Section 32, Township 133, Range 43;

(4) Part of Government Lot 10, beginning 282.5 feet southwesterly of the northwest corner of Lot 71, Pleasure Park Beach; thence southeast 199.6 feet; thence southwest 75 feet on lake; thence northwest 214.14 feet; thence northeast 75 feet to beginning, Section 4, Township 134, Range 39;

(5) All of lot 1, Except North 10 feet, Quiram's Beach, Star Lake Township;

(6) Lot 1, Silent Acres, Dora Township.

(d) The county has determined that the county's land management interests would best be served if the lands were sold to the public.”

Page 9, line 25, delete “9” and insert “10”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete “and” and insert a comma and after “Lincoln” insert “, and Otter Tail”

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. 2658, A bill for an act relating to agriculture; providing for deficiency judgments relating to foreclosure and sale of mortgages on property used in agricultural production; requiring fair market value to be determined by the court; extending period for execution on judgment; amending Minnesota Statutes 1988, section 582.30, subdivisions 3, 4, 5, 6, and 7.

Reported the same back with the following amendments:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1988, section 500.24, subdivision 4, is amended to read:

Subd. 4. [REPORTS.] (a) The chief executive officer of every pension or investment fund, corporation, or limited partnership, except a family farm corporation or a family farm limited partnership, that holds any interest in agricultural land or land used for the breeding, feeding, pasturing, growing, or raising of livestock, dairy or poultry, or products thereof, or land used for the production of agricultural crops or fruit or other horticultural products, other than a bona fide encumbrance taken for purposes of security, or which is engaged in farming or proposing to commence farming in this state after May 20, 1973, shall file with the commissioner of agriculture a report containing the following information and documents:

(1) The name of the pension or investment fund, corporation, or limited partnership and its place of incorporation, certification, or registration;

(2) The address of the pension or investment plan headquarters or of the registered office of the corporation in this state, the name and address of its registered agent in this state and, in the case of a foreign corporation or limited partnership, the address of its principal office in its place of incorporation, certification, or registration;

(3) The acreage and location listed by quarter-quarter section, township and county of each lot or parcel of land in this state owned or leased by the pension or investment fund, limited partnership, or corporation and used for the growing of crops or the keeping or feeding of poultry or livestock;

(4) The names and addresses of the officers, administrators, directors or trustees of the pension or investment fund, or of the officers, shareholders owning more than ten percent of the stock, including the percent of stock owned by each such shareholder, and the members of the board of directors of the corporation, and the

general and limited partners and the percentage of interest in the partnership by each partner;

(5) The farm products which the pension or investment fund, limited partnership, or corporation produces or intends to produce on its agricultural land;

(6) With the first report, a copy of the title to the property where the farming operations are or will occur indicating the particular exception claimed under subdivision 3, clauses (a) to (r); and

(7) With the first or second report, a copy of the conservation plan proposed by the soil and water conservation district, and with subsequent reports a statement of whether the conservation plan was implemented.

The report of a corporation seeking to qualify hereunder as a family farm corporation, an authorized farm corporation, a family farm partnership, or authorized farm partnership shall contain the following additional information: The number of shares or the partnership interests owned by persons residing on the farm or actively engaged in farming, or their relatives within the third degree of kindred according to the rules of the civil law or their spouses; the name, address and number of shares owned by each shareholder or partnership interests owned by each partner; and a statement as to percentage of gross receipts of the corporation derived from rent, royalties, dividends, interest and annuities. No pension or investment fund, limited partnership, or corporation shall commence farming in this state until the commissioner of agriculture has inspected the report and certified that its proposed operations comply with the provisions of this section.

(b) Every pension or investment fund, limited partnership, or corporation as described in clause (a) shall, prior to April 15 of each year, file with the commissioner of agriculture a report containing the information required in clause (a), based on its operations in the preceding calendar year and its status at the end of the year. A pension or investment fund, limited partnership, or corporation that does not file the report by April 15 must pay a \$500 civil penalty. The penalty is a lien on the land being farmed under subdivision 3 until the penalty is paid.

(c) The commissioner or the commissioner's authorized representative may enter into a written agreement with a person required to file a report under this subdivision who, for good cause shown, has failed to make a timely filing. An agreement must be construed as a "no contest" pleading and may encompass a reduction or waiver of the civil penalty for late filing. The agreement is final and conclusive with respect to the civil penalty, except upon a showing of fraud or malfeasance or misrepresentation of a material fact. The matter

agreed upon in the agreement may not be reopened or modified by an officer, employee, or agent of the state.

(d) Failure to file a required report, or the willful filing of false information, shall constitute a gross misdemeanor.”

Page 3, after line 25, insert:

“Sec. 7. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment but the provision allowing for an agreement concerning reduction or waiver of a civil penalty for late filing applies to a filing due April 15, 1989, or thereafter.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the second semicolon insert “authorizing agreements with persons who fail to file certain reports;”

Page 1, line 7, delete “section” and insert “sections 500.24, subdivision 4; and”

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2666, A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; clarifying and modifying certain exceptions to multicandidate political party expenditure limitations; modifying lobbyist reporting requirements; expanding certain reports by certain political committees and political funds; discontinuing the state ethical practices board's responsibility for developing and furnishing certain forms; providing an income tax credit for contributions to state candidates and political parties; limiting contributions and solicitations during a regular legislative session; providing a public subsidy for legislative candidates in special elections; requiring candidates to match funds received from the state elections campaign fund; requiring deer licenses to include an application for absentee ballots; requiring county auditors to provide a sample ballot for classroom use; specifying a time period for preparing a candidate's affidavit; providing penalties; amending Minnesota Statutes 1988, sections 10A.01, subdivisions 7 and 10b;

10A.04, subdivisions 2 and 4a; 10A.20, subdivision 3; 10A.24; 10A.25, subdivision 10, and by adding a subdivision; 10A.255, by adding a subdivision; 10A.27, subdivisions 1 and 4; 10A.275; 10A.28, subdivision 1; 10A.30, subdivision 2; 10A.33; 97A.485, by adding a subdivision; 204B.09, subdivision 1; 204D.03, subdivision 1; 290.06, by adding a subdivision; and 383B.055, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 10A; and 204D; repealing Minnesota Statutes 1988, sections 10A.27, subdivision 5; 10A.32, subdivisions 1, 2, 3, and 4; and 211B.11, subdivision 2; Minnesota Statutes 1989 Supplement, section 10A.32, subdivision 3a.

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. 2678, A bill for an act relating to corporations; clarifying and modifying provisions relating to the organization and operation of nonprofit corporations; amending Minnesota Statutes 1989 Supplement, sections 317A.011, subdivision 15; 317A.021, subdivision 4; 317A.111, subdivision 3; 317A.115, subdivision 2; 317A.133, subdivisions 1, 2, 3, and 4; 317A.181, subdivision 2; 317A.201; 317A.205; 317A.207, subdivision 1; 317A.213; 317A.225; 317A.237; 317A.251, subdivision 3; 317A.301; 317A.311; 317A.321; 317A.341, subdivision 2; 317A.401, subdivision 4; 317A.403; 317A.431; 317A.435, subdivision 2; 317A.443, subdivision 1; 317A.453, subdivision 3; 317A.455, subdivision 3; 317A.615, subdivision 1; 317A.711, subdivision 2; 317A.735, subdivisions 1 and 2; 317A.811, subdivisions 1, 4, and 6; 317A.821, subdivision 2; 317A.823, subdivisions 2 and 3; and 354A.021, subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 25, insert:

“Sec. 2. Minnesota Statutes 1989 Supplement, section 317A.021, subdivision 1, is amended to read:

Subdivision 1. [ELECTION BY CHAPTER 300, 309, OR 315 CORPORATIONS.] A corporation incorporated under or governed by chapter 300, 309, or 315 that has not later become governed by chapter 317 may elect to be governed by this chapter.

Sec. 3. Minnesota Statutes 1989 Supplement, section 317A.021, subdivision 2, is amended to read:

Subd. 2. [ELECTION BY CHAPTER 317 CORPORATIONS.] On or after August 1, 1989, and before January 1, 1991, a corporation incorporated under or governed by chapter 317 may elect to become governed by this chapter.

Sec. 4. Minnesota Statutes 1989 Supplement, section 317A.021, subdivision 7, is amended to read:

Subd. 7. [NONELECTING NONPROFIT CORPORATIONS SUBJECT TO THIS CHAPTER AS OF JANUARY 1, 1991.] (a) A corporation in existence on January 1, 1991, that is within the scope of this chapter and incorporated under another statute of this state, other than a corporation incorporated under chapter 300, 309, or 315 that has not later become governed by chapter 317, is governed by this chapter as of January 1, 1991, as though the corporation had been incorporated under this chapter. The provisions of the articles and bylaws of the corporation that may be included in the articles or bylaws under this chapter remain in effect. The provisions of the articles and bylaws of the corporation that are inconsistent with this chapter are not effective as of January 1, 1991. Provisions required by this chapter to be contained in the articles that do not appear in the articles are read into them as a matter of law.

(b) On and after January 1, 1991, a corporation that elected to reject Laws 1951, chapter 500, sections 1 to 25, that does not elect to be governed by this entire chapter is governed by sections 317A.131 to 317A.151; 317A.461; and 317A.601 to 317A.791.

Page 4, after line 13, insert:

“Sec. 7. Minnesota Statutes 1989 Supplement, section 317A.111, subdivision 4, is amended to read:

Subd. 4. [OPTIONAL PROVISIONS; SPECIFIC SUBJECTS.] The following provisions relating to the management or regulation of the affairs of a corporation may be included in the articles or, except for naming members of the first board or fixing a greater than majority director or member vote, in the bylaws:

(1) the first board of directors may be named in the articles (section 317A.171);

(2) additional qualifications for directors may be imposed (section 317A.205);

(3) terms of directors may be staggered (section 317A.207);

(4) the day or date, time, and place of board meetings may be fixed (section 317A.231);

(5) in addition to the president, authority to sign and deliver certain documents may be delegated to an officer or agent of the corporation (section 317A.305);

(6) additional officers may be designated (section 317A.311);

(7) additional powers, rights, duties, and responsibilities may be given to officers (section 317A.311);

(8) a method for filling vacant offices may be specified (section 317A.341);

(9) membership criteria and procedures for admission may be established (section 317A.401);

(10) membership terms may be fixed (section 317A.401);

(11) a corporation may levy dues, assessments, or fees on members (section 317A.407);

(12) a corporation may buy memberships (section 317A.413);

(13) a corporation may have delegates with some or all the authority of members (section 317A.415);

(14) the day or date, time, and place of regular member meetings or the place of special meetings may be fixed (section 317A.431);

(15) certain persons may be authorized to call special meetings of members (section 317A.433);

(16) notices of special member meetings may be required to contain certain information (section 317A.433);

(17) a larger than majority vote may be required for member action (section 317A.443);

(18) members may vote by proxy (section 317A.453); and

(19) members may enter into voting agreements (section 317A.457).”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete “subdivision 4” and insert “subdivisions 1, 2,

4, and 7" and delete "subdivision 3" and insert "subdivisions 3 and 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. 2695, A bill for an act relating to the environment; changing the requirements for management plans; directing the commissioner of health to refund fees; amending Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 8, and by adding a subdivision; 116.77; and 116.79, subdivisions 1 and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 116.76, is amended by adding a subdivision to read:

Subd. 7a. [EMPLOYEE.] "Employee" means an employee, either full or part time, involved in the delivery of health care or the generation of infectious or pathological waste. Volunteers involved in the generation of infectious or pathological waste are not employees.

Sec. 2. Minnesota Statutes 1989 Supplement, section 116.76, subdivision 8, is amended to read:

Subd. 8. [FACILITY.] "Facility" means a site where infectious or pathological waste is generated, stored, decontaminated, incinerated, or disposed-, except that each of the following is a single facility:

(1) a school district, including a nonpublic school within the district that is included in the district's management plan;

(2) a community health board;

(3) a college or a university campus, including a student health service, but not including a hospital or clinic; and

(4) a hospital or clinic, excluding a student health service, on a campus of a college or university.

Sec. 3. Minnesota Statutes 1989 Supplement, section 116.77, is amended to read:

116.77 [COVERAGE.]

Sections 116.75 to 116.83 and 609.671, subdivision 10, cover any person, including veterinarians in private practice, who generates, treats, stores, transports, or disposes of infectious or pathological waste except, but not including infectious or pathological waste generated by households, farm operations, or agricultural businesses. Except as specifically provided, sections 116.75 to 116.83 do not limit or alter treatment or disposal methods for infectious or pathological waste."

Delete the title and insert:

"A bill for an act relating to the environment; defining facility and employer for purposes of infectious and pathological waste regulations; clarifying persons subject to infectious and pathological waste requirements; amending Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 8, and by adding a subdivision; and 116.77."

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. 2706, A bill for an act relating to crimes; requiring cemetery owners to report unlawful removal of bodies to law enforcement authorities and next of kin of the deceased person; prescribing penalties; amending Minnesota Statutes 1988, section 609.502.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 13.82, subdivision 10, is amended to read:

Subd. 10. [PROTECTION OF IDENTITIES.] A law enforcement agency may withhold public access to data on individuals to protect the identity of individuals in the following circumstances:

(a) When access to the data would reveal the identity of an undercover law enforcement officer;

(b) When access to the data would reveal the identity of a victim of criminal sexual conduct or of a violation of section 617.246, subdivision 2;

(c) When access to the data would reveal the identity of a paid or unpaid informant being used by the agency if the agency reasonably determines that revealing the identity of the informant would threaten the personal safety of the informant; or

(d) When access to the data would reveal the identity of a victim of or witness to a crime if the victim or witness specifically requests not to be identified publicly, and the agency reasonably determines that revealing the identity of the victim or witness would threaten the personal safety or property of the individual; or

(e) when access to the data would reveal the identity of a deceased person whose body was unlawfully removed from a cemetery in which it was interred.

Sec. 2. Minnesota Statutes 1988, section 609.502, is amended to read:

609.502 [INTERFERENCE WITH DEAD BODY OR SCENE OF DEATH, PENALTY; REPORTING.]

Subdivision 1. [CONCEALING EVIDENCE.] Whoever interferes with the body or scene of death with intent to mislead the coroner or conceal evidence is guilty of a gross misdemeanor.

Subd. 2. [FAILURE TO REPORT.] (a) A person in charge of a cemetery who has knowledge that the body of a deceased person interred in the cemetery has been unlawfully removed shall:

(1) immediately report the occurrence to local law enforcement authorities; and

(2) inform the next of kin of the deceased person, if known, within three business days of the discovery of the body's removal unless the person making the report has been instructed in writing by law enforcement authorities that informing the next of kin would compromise an active law enforcement investigation.

(b) A person who violates either clause (1) or (2) is guilty of a misdemeanor.

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective August 1, 1990, and applies to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; requiring cemetery owners to report unlawful removal of bodies to law enforcement authorities and next of kin of the deceased person; prescribing penalties; amending Minnesota Statutes 1988, section 609.502; Minnesota Statutes 1989 Supplement, section 13.82, subdivision 10."

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. 2709, A bill for an act relating to natural resources; authorizing the enforcement of certain natural resource laws by conservation officers; amending Minnesota Statutes 1988, section 97A.205.

Reported the same back with the following amendments:

Page 2, after line 1, insert:

"Sec. 2. Minnesota Statutes 1988, section 97A.315, subdivision 1, is amended to read:

Subdivision 1. [CRIMINAL PENALTIES.] (a) A person that violates a provision of section 97B.001, relating to trespass is guilty of a misdemeanor except as provided in paragraph (b).

(b) A person is guilty of a gross misdemeanor if the person:

- (1) knowingly disregards signs prohibiting trespass;
- (2) destroys or removes lawfully placed signs prohibiting trespass;
- (3) trespasses after personally being notified by the landowner or lessee not to trespass; or
- ~~(3)~~ (4) is convicted of violating this section more than once in a three-year period.

Sec. 3. Minnesota Statutes 1988, section 97B.055, subdivision 1, is amended to read:

Subdivision 1. [RESTRICTIONS RELATED TO HIGHWAYS.] (a) A person may not discharge a firearm or an arrow from a bow on, over, or across an improved public highway at a big game animal. A person may not discharge a firearm or bow and arrow within the right-of-way of an improved public highway at a big game animal. The commissioner may by order extend the application of this subdivision to the taking of migratory waterfowl in designated locations.

(b) A person may not discharge a firearm or an arrow from a bow on, over, across, or within the right-of-way of an improved public highway at a decoy of a big game animal that has been set out by a licensed peace officer.

Sec. 4. Minnesota Statutes 1988, section 97B.325, is amended to read:

97B.325 [DEER STAND RESTRICTIONS.]

A person may not take deer from a constructed platform or other structure that is located within the right-of-way of an improved public highway or is higher than 16 feet above the ground. The height restriction does not apply to a portable stand that is chained, belted, clamped, or tied with rope.

Page 2, line 2, delete "2" and insert "5"

Amend the title as follows:

Page 1, line 4, after the semicolon insert "increasing the penalty for wrongful destruction or removal of no trespassing signs; prohibiting shooting at decoys under certain circumstances; prohibiting deer stands on highway right-of-way;"

Page 1, line 5, delete "section" and insert "sections" and before the period insert "; 97A.315, subdivision 1; 97B.055, subdivision 1; and 97B.325"

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Insurance to which was referred:

H. F. No. 2735, A bill for an act relating to insurance; no-fault automobile; regulating uninsured and underinsured motorist coverages for motorcycles; amending Minnesota Statutes 1989 Supplement, section 65B.49, subdivision 3a.

Reported the same back with the following amendments:

Page 2, delete lines 23 to 36

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. 2751, A bill for an act relating to courts; staggering the elections of chief judges and assistant chief judges; amending Minnesota Statutes 1988, section 484.69, subdivision 1, and by adding a subdivision; repealing Minnesota Statutes 1988, section 484.69, subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1988, section 2.722, subdivision 1, is amended to read:

Subdivision 1. [DESCRIPTION.] Effective July 1, 1959, the state is divided into ten judicial districts composed of the following named counties, respectively, in each of which districts judges shall be chosen as hereinafter specified:

1. Goodhue, Dakota, Carver, Le Sueur, McLeod, Scott, and Sibley; ~~13~~ 28 judges; and four permanent chambers shall be maintained in Red Wing, Hastings, Shakopee, and Glencoe and one other shall be maintained at the place designated by the chief judge of the district;

2. Ramsey; ~~13~~ 26 judges;

3. Wabasha, Winona, Houston, Rice, Olmsted, Dodge, Steele, Waseca, Freeborn, Mower, and Fillmore; 22 judges; and permanent chambers shall be maintained in Faribault, Albert Lea, Austin, Rochester, and Winona;

4. Hennepin; 53 judges;

5. Blue Earth, Watonwan, Lyon, Redwood, Brown, Nicollet, Lincoln, Cottonwood, Murray, Nobles, Pipestone, Rock, Faribault, Martin, and Jackson; ~~five~~ 18 judges; and permanent chambers shall be maintained in Marshall, Windom, Fairmont, New Ulm, and Mankato;

6. Carlton, St. Louis, Lake, and Cook; 15 judges;

7. Benton, Douglas, Mille Lacs, Morrison, Otter Tail, Stearns, Todd, Clay, Becker, and Wadena; ~~20~~ 22 judges; and permanent chambers shall be maintained in Moorhead, Fergus Falls, Little Falls, and St. Cloud;

8. Chippewa, Kandiyohi, Lac qui Parle, Meeker, Renville, Swift, Yellow Medicine, Big Stone, Grant, Pope, Stevens, Traverse, and Wilkin; ~~three~~ 12 judges; and permanent chambers shall be maintained in Morris, Montevideo, and Willmar;

9. Norman, Polk, Marshall, Kittson, Red Lake, Roseau, Mah-nomen, Pennington, Aitkin, Itasca, Crow Wing, Hubbard, Beltrami, Lake of the Woods, Clearwater, Cass and Koochiching; ~~six~~ 20 judges; and permanent chambers shall be maintained in Crookston, Thief River Falls, Bemidji, Brainerd, Grand Rapids, and International Falls;

10. Anoka, Isanti, Wright, Sherburne, Kanabec, Pine, Chisago, and Washington; ~~30~~ 33 judges; and permanent chambers shall be maintained in Anoka, Stillwater, and other places designated by the chief judge of the district."

Page 2, after line 14, insert:

"Sec. 4. [487.195] [REORGANIZATION PLANS.]

Any provision of a reorganization plan filed pursuant to section 487.191 which allows any judges to decline assignment to particular cases because of their subject matter is void and of no effect.

Sec. 5. Minnesota Statutes 1988, section 593.19, is amended to read:

593.19 [MISCONDUCT OF OFFICER DRAWING JURY.]

~~Every~~ An officer or other person charged by law with the preparation of any jury list, or list of names from which ~~any~~ a jury is to be drawn, and ~~every~~ a person authorized by law to assist at the drawing or impaneling of a grand or petit jury to attend a court or term of court, or to try any cause or issue, who ~~shall~~:

(1) ~~Place~~ places on ~~any such~~ a list ~~any~~ a name at the request or solicitation, direct or indirect, of ~~any~~ a person;

(2) ~~Designedly put~~ purposely puts upon a list of jurors, as having been drawn, ~~any~~ a name which ~~that~~ was not lawfully drawn for that purpose;

(3) ~~Designedly omit~~ purposely omits to place on such a list any a name ~~which that~~ was lawfully drawn;

(4) ~~Designedly sign~~ purposely signs or ~~certify~~ certifies a list of ~~such~~ jurors as having been drawn, ~~which that~~ was not lawfully drawn;

(5) ~~Designedly withdraw~~ purposely withdraws from the box or other receptacle for the ballots containing the names of ~~such the~~ jurors any paper or ballot lawfully placed or belonging there, and containing the name of a juror, or ~~omit to place therein any name~~ lawfully drawn or designated, or ~~place therein a paper or ballot~~ containing the name of a person not lawfully drawn and designated as a juror; or

(6) ~~Who~~, in drawing or impaneling ~~such~~ the jury, ~~shall do any~~ does an act ~~which that~~ is ~~unfair~~, partial, or improper in any other respect ~~shall be~~, is guilty of a misdemeanor.

Sec. 6. Minnesota Statutes 1988, section 593.21, is amended to read:

593.21 [MISCONDUCT OF OFFICER IN CHARGE OF JURY.]

~~Every~~ An officer to whose charge a jury is committed by a court, who negligently or willfully, and without leave of the court, permits them, or any one of them, to receive ~~any a~~ communication from ~~any a~~ person, to make ~~any a~~ communication to ~~any a~~ person, to obtain or receive ~~any a~~ book, paper, or refreshment, or to leave the jury room, is guilty of a misdemeanor.

Sec. 7. Minnesota Statutes 1988, section 593.31, is amended to read:

593.31 [UNIFORM SELECTION AND SERVICE; DECLARATION OF POLICY.]

It is the policy of this state that all persons selected for jury service be selected at random from the broadest feasible cross section of the population of the area served by the court, and that all qualified citizens have the opportunity in accordance with ~~sections 593.31 to 593.50~~ this chapter and applicable court rules to be considered for jury service in this state, and that qualified citizens have an obligation to serve as jurors when summoned for that purpose.

Sec. 8. Minnesota Statutes 1988, section 593.37, subdivision 2a, is amended to read:

Subd. 2a. The department of public safety shall, upon request and

for a reasonable fee, provide drivers' license lists to the jury commissioner. The lists shall be used solely as a supplementary source for selection of prospective jurors.

Sec. 9. Minnesota Statutes 1988, section 593.40, subdivision 4, is amended to read:

Subd. 4. A prospective juror who fails to return a completed juror qualification ~~form~~ questionnaire as instructed may be ordered by the court to appear and show cause for failure to complete and submit the questionnaire. A prospective juror who fails to pursuant to the court's order or to show good cause for the failure to appear or who fails to show good cause for failure to complete and submit the questionnaire is guilty of a misdemeanor.

Sec. 10. Minnesota Statutes 1988, section 593.40, subdivision 5, is amended to read:

Subd. 5. A person who willfully misrepresents a material fact on a juror qualification ~~form~~ questionnaire for the purpose of avoiding or securing service as a juror is guilty of a misdemeanor.

Sec. 11. Minnesota Statutes 1988, section 593.40, is amended by adding a subdivision to read:

Subd. 6. [FAILURE TO APPEAR.] A person summoned for jury service who fails to appear as directed shall be ordered by the court to appear and show cause for failure to comply with the summons. Absent a showing of good cause for noncompliance with the summons, the juror is guilty of a misdemeanor.

Sec. 12. [593.51] [COURT RULES.]

The supreme court shall promulgate rules governing jury administration in accordance with this chapter by July 31, 1990.

Sec. 13. [ELECTION DISTRICTS STUDY.]

The conference of chief judges shall study the issue of election districts for district judges and shall make recommendations to the chairs of the judiciary committees in the house of representatives and the senate on or before February 1, 1991."

Page 2, line 16, delete "section" and insert "sections" and delete "is" and insert "; 593.01; 593.08; 593.131; 593.135; 593.16; 593.32; 593.33; 593.34; 593.35; 593.36; 593.37, subdivisions 1, 2, and 3; 593.38; 593.39; 593.40, subdivisions 1, 2, and 3; 593.41; 593.42, subdivisions 1, 2, 3, and 5; 593.43; 593.44; 593.45; 593.46; 593.47; and 593.49 are"

Page 2, after line 17, insert:

“Sec. 15. [EFFECTIVE DATE.]

The additional judgeships authorized for judicial districts in section 1 are effective on July 1, 1991, if an appropriation is made funding those offices.”

ReNUMBER the sections in sequence.

Amend the title as follows:

Page 1, line 3, after the semicolon insert “authorizing additional judgeships in certain judicial districts; nullifying any provision of a reorganization plan that allows a judge to decline assignment to particular cases because of their subject matter; requiring a study of the issue of election districts for judges; providing for the adoption of rules by the supreme court governing jury administration; imposing penalties;”

Page 1, line 4, delete “section” and insert “sections 2.722, subdivision 1;”

Page 1, line 5, after the semicolon insert “593.19; 593.21; 593.31; 593.37, subdivision 2a; 593.40, subdivisions 4 and 5 and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 487 and 593;”

Page 1, line 6, delete “section” and insert “sections” and before the period insert “; 593.01; 593.08; 593.131; 593.135; 593.16; 593.32; 593.33; 593.34; 593.35; 593.36; 593.37, subdivisions 1, 2, and 3; 593.38; 593.39; 593.40, subdivisions 1, 2, and 3; 593.41; 593.42, subdivisions 1, 2, 3, and 5; 593.43; 593.44; 593.45; 593.46; 593.47; and 593.49”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Welle from the Committee on Health and Human Services to which was referred:

H. F. No. 2765, A bill for an act relating to health; eliminating the office of social work and mental health boards; modifying the duties of the board of unlicensed mental health service providers; requiring all mental health service providers to file with the board; amending Minnesota Statutes 1988, sections 148B.01, subdivision 7; 148B.07;

148B.41, subdivision 1; 148B.42, subdivision 2, and by adding a subdivision; 148B.43; and 148B.46, subdivision 1; Minnesota Statutes 1989 Supplement, sections 148B.17; 148B.40, subdivision 3; and 148B.42, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 148B; repealing Minnesota Statutes 1988, sections 148B.01, subdivision 2; 148B.02; and 148B.171.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 148B.23, is amended by adding a subdivision to read:

Subd. 1a. [EXTENSION OF TRANSITION PERIOD ALLOWED.] The board may issue a graduate social worker license without examination, after the transition period that ends June 30, 1989, to an applicant:

(1) who met the criteria in subdivision 1, clause (2), before the transition period ended; and

(2) who was unable to submit an application for licensure before the transition period ended because the person was in another country performing social work training to complete the requirements for a master's degree in social work.

Sec. 2. [REPORT ON METHODS OF COORDINATING SOCIAL WORK AND MENTAL HEALTH BOARDS.]

(a) The commissioner of health shall convene an interagency task force consisting of health department staff and representatives from the commissioner of human services and the boards of social work, marriage and family therapy, unlicensed mental health service providers, medical examiners, nursing, and psychology to study the current system of monitoring and regulating both licensed and unlicensed individuals who practice mental health counseling, psychotherapy, psychiatry, psychiatric nursing, social work, professional counseling, chemical dependency counseling, and similar activities. The task force shall make recommendations for improving coordination, administrative efficiency, and effectiveness of the activities of the department of health and the boards that monitor and regulate these social work and mental health occupations and professions. The task force shall solicit and consider the comments and recommendations of affected individuals, associations, and government agencies. In developing its recommendations, the task force shall consider:

(1) methods of monitoring or regulating unlicensed practitioners and whether this activity should be administered by the health

department, an independent administrative agency, a board, or another entity;

(2) a surcharge on license fees of all social work and mental health boards to finance the monitoring or regulation of unlicensed practitioners;

(3) methods of coordinating the various systems for accepting and investigating complaints;

(4) coordinated information systems to identify individuals who have been denied a license or have been subject to disciplinary action by another licensing board or agency; and

(5) other relevant issues identified by the task force.

(b) The commissioner of health shall report to the legislature by December 1, 1990, with the results of the study and the recommendations of the task force.

Sec. 3. [EXEMPTION.]

For the biennium ending June 30, 1991, the board of unlicensed mental health service providers is exempt from Minnesota Statutes, sections 16A.128, subdivision 1, and 214.06, subdivision 1."

Delete the title and insert:

"A bill for an act relating to health; extending the transition period for graduate social worker license under certain circumstances; requiring a study of methods of improving systems for regulating social work and mental health occupations and professions; exempting the board of unlicensed mental health service providers from certain license fee requirements; amending Minnesota Statutes 1988, section 148B.23, 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:

S. F. No. 1366, A bill for an act relating to human rights; making harassment in certain cases an unfair discriminatory practice; amending Minnesota Statutes 1988, section 363.03, by adding a subdivision.

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:

S. F. No. 1680, A bill for an act relating to cooperatives; providing absentee ballots are secret ballots; amending Minnesota Statutes 1989 Supplement, section 308A.635, subdivision 6.

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. 1691, A bill for an act relating to children; establishing procedures for the placement and removal of children in foster homes; proposing coding for new law in Minnesota Statutes, chapter 257.

Reported the same back with the following amendments:

Page 1, line 22, delete "Except as provided in paragraph (c),"

Page 2, line 1, delete "30 days" and insert "at least 48 hours"

Page 2, line 2, delete everything after "notice" and insert a comma

Page 2, delete line 3

Page 2, after line 5, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective June 1, 1990."

Delete page 2, line 6, to page 4, line 8

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:

S. F. No. 1692, A bill for an act relating to public safety; conforming definition of "family or group family day care home" for purposes of fire code enforcement; abolishing nominal reimbursements for local fire chiefs; abolishing certain regulation of fire extinguishers now regulated under state fire code; abolishing regulation regarding "no smoking" signs which are regulated by state fire code; abolishing regulations relating to fire alarm deactivation requests and notices; abolishing state licensing of, and certain regulation regarding, dry cleaning and dyeing establishments, which are also regulated by state fire code; abolishing certain state licensing and inspection regulations for theaters and halls, which are regulated by the state fire code; amending Minnesota Statutes 1988, section 299F.011, subdivision 4a; repealing Minnesota Statutes 1988, sections 299F.34; 299F.36; 299F.38; 299F.453; 299F.454; 299H.211; 299H.22 to 299H.28; and 299I.01 to 299I.24.

Reported the same back with the following amendments:

Page 2, after line 14, insert:

"Sec. 2. Minnesota Statutes 1989 Supplement, section 299K.10, subdivision 6, is amended to read:

Subd. 6. [CIVIL PENALTIES.] (a) A violation of the federal act is a violation of state law.

(b) An owner or operator of a facility is liable to the state for civil penalties in the same manner and amount as the owner or operator is liable to the United States under section 11045, subpart (a) and, subpart (b), paragraphs (1), (2), and (3), and subpart (c), paragraphs (1) and (2), of the federal act.

(c) The commission may enforce the penalties in state district court in the same manner as the administrator of the United States Environmental Protection Agency may enforce the civil penalties in federal district court under the federal act.

(d) For purposes of this subdivision, each day of continued violation constitutes a separate violation."

Page 2, line 15, delete "2" and insert "3"

Page 2, after line 21, insert:

"Sec. 4. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment for violations committed on and after that date.

Amend the title as follows:

Page 1, line 4, after the semicolon insert "providing for civil penalty for violation of the federal Emergency Planning and Community Right To Know Act;"

Page 1, line 17, after the semicolon insert "Minnesota Statutes 1989 Supplement, section 299K.10, subdivision 6;"

With the recommendation that when so amended 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:

S. F. No. 1727, A bill for an act relating to education; repealing the requirement that the Minnesota state high school league conduct a two-class high school hockey championship; clarifying the status and effect of certain law; removing surplus language; amending Minnesota Statutes 1989 Supplement, section 129.121, subdivision 7.

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. 1852, 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.

Reported the same back with the following amendments:

Page 1, line 21, delete "six-member" and insert "six"

Page 2, line 1, delete "two-member" and insert "two"

Page 2, line 5, delete "two-member" and insert "two"

Page 2, delete lines 6 to 10 and insert:

“(d) The supreme court shall administer the election of two individuals residing in each judicial district elected by the attorneys residing in the district to a four-year term, which shall end on the same day the governor’s term of office ends.”

Page 2, line 12, after “minorities” insert “in proportion to their per capita share of the state population”

Page 2, lines 35 and 36, delete “court of appeals” and insert “appellate courts”

Page 3, line 8, after “health,” insert “if job related,”

Page 4, line 4, after “appeals” insert “in a seat which is not designated for a particular congressional district”

Page 4, line 6, after the period insert “If the vacancy has occurred or will occur on the court of appeals in a seat which is designated for a particular congressional district, the notice must be made available to all attorney associations within the congressional district and to at least one newspaper of general circulation in each county in the congressional district.”

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. 1943, A bill for an act relating to human rights; lengthening the statute of limitations for human rights act violations; amending Minnesota Statutes 1989 Supplement, section 363.06, subdivision 3.

Reported the same back with the following amendments:

Page 2, after line 8, insert:

“Sec. 2. Minnesota Statutes 1988, section 363.116, is amended to read:

363.116 [TRANSFER TO COMMISSIONER.]

A local commission may refer a matter under its jurisdiction to the commissioner.

The charging party has the option of filing a charge either with a local commission or the department. Notwithstanding the provisions of any ordinance or resolution to the contrary, a charge may be filed with a local commission within ~~300 days~~ two years after the occurrence of the practice. The exercise of such choice in filing a charge with one agency shall preclude the option of filing the same charge with the other agency. At the time a charge comes to the attention of a local agency, the agency or its representative shall inform the charging party of this option, and of the party's rights under Laws 1967, chapter 897.

Where this chapter provides additional protections and remedies not provided for under a local antidiscrimination ordinance, the local commission shall advise a party bringing a charge under a local ordinance of those additional protections and remedies and of the option to file a charge under this chapter.

The term "local commission" as used in this section has the same meaning given the term in section 363.115."

Page 2, line 9, delete "2" and insert "3"

Amend the title as follows:

Page 1, line 3, after "amending" insert "Minnesota Statutes 1988, section 363.116; and"

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 reported on the following appointment which had been referred to the committee by the Speaker:

ETHICAL PRACTICES BOARD

VANNE HAYES

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 appoint-

ment of Vanne Hayes 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 Vanne Hayes, 869 Carroll Avenue, St. Paul, Ramsey County, effective January 24, 1990, for a term expiring the first Monday in January, 1994. The motion prevailed and the appointment of Vanne Hayes 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

BRUCE WILLIS

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 Bruce Willis 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 Bruce Willis, 2940 Walnut Grove Lane, Plymouth, Hennepin County, effective March 14, 1990, for a term expiring the first Monday in January, 1992. The motion prevailed and the appointment of Bruce Willis was confirmed by the House.

SECOND READING OF HOUSE BILLS

H. F. Nos. 274, 596, 1025, 1463, 1860, 1890, 1908, 2027, 2064, 2099, 2118, 2218, 2351, 2367, 2373, 2382, 2457, 2480, 2652, 2656, 2658, 2678, 2695, 2706, 2709 and 2735 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1789, 2130, 1366, 1691, 1692, 1727, and 1852 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Carlson, D., introduced:

H. F. No. 2793, A bill for an act relating to education; approving a capital loan to the Finlayson school district.

The bill was read for the first time and referred to the Committee on Appropriations.

Steensma, Bertram and Nelson, C., introduced:

H. F. No. 2794, A bill for an act relating to agriculture; providing for an agronomist grazing specialist in Minnesota extension; establishing the Minnesota forage task force; appropriating money.

The bill was read for the first time and referred to the Committee on Agriculture.

Kalis; Steensma; Lieder; Carlson, D., and Hausman introduced:

H. F. No. 2795, A resolution memorializing the congressional delegation from Minnesota to advocate certain positions regarding the development of the next Federal Highway Program.

The bill was read for the first time and referred to the Committee on Transportation.

Orenstein, by request, and Carruthers, by request, introduced:

H. F. No. 2796, A bill for an act relating to taxation; providing an exemption from the withholding tax requirement on royalties upon ore; amending Minnesota Statutes 1988, section 290.923, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Milbert; Quinn; Blatz; Johnson, A., and Pelowski introduced:

H. F. No. 2797, A bill for an act relating to taxation; property; providing for valuation of manufactured home parks; classifying manufactured home parks; limiting valuation increases for manufactured home parks; requiring a notice to park residents; amending Minnesota Statutes 1988, section 273.11, by adding subdivisions; Minnesota Statutes 1989 Supplement, section 273.11, subdivision 1; Minnesota Statutes Second 1989 Supplement, sections 273.13, subdivision 23; and 273.1398, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Boo, Munger and Jaros introduced:

H. F. No. 2798, A bill for an act relating to the city of Duluth; providing for certain city tax revenues; amending Laws 1980, chapter 511, section 1, subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

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. 1895, A bill for an act relating to courts; providing an alternative dispute resolution pilot project in the second judicial district; amending Minnesota Statutes 1989 Supplement, section 484.74, subdivision 4.

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. 2188, A bill for an act relating to local government; permitting towns to publish collections of town ordinances, resolutions, rules, and laws; amending Minnesota Statutes 1988, sections 415.021 and 599.13.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the adoption by the Senate of the following House Concurrent Resolution, herewith returned:

House Concurrent Resolution No. 5, A house concurrent resolution congratulating the 1990 International Trans-Antarctica Expedition Team on its successful continental crossing.

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. 838, 1851, 1897, 2046, 1670, 1698, 1879, 1927, 1980 and 2092.

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. 2090, 2172, 1920, 1983, 2039, 772, 2079, 1162, 2267, 2381 and 2424.

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. 2119, 2373, 2383, 2216, 2224, 2302, 1686 and 1752.

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. 1822, 2115, 2159, 2354, 1726, 1739, 1768, 2179, 2127, 2208 and 2281.

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. 1150, 1968, 2229, 1729, 1886, 2048 and 1870.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 838, A bill for an act relating to motor vehicles; providing for special license plates for disabled persons; setting fee for duplicate personalized license plates; amending Minnesota Statutes 1988, sections 168.012, subdivision 3a; 168.021, as amended; 168.12, subdivision 2a; 168.125, subdivision 2; 168.27, subdivision 2; 168.29; 169.01, subdivision 24a; 169.215; and 169.346; Minnesota Statutes 1989 Supplement, sections 168.011, subdivision 4; 168.012, subdivision 1; and 169.345; repealing Minnesota Statutes 1988, section 168.12, subdivisions 3 and 4.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1851, A bill for an act relating to the military; authorizing appointment of an executive director of the department of military affairs; amending Minnesota Statutes 1988, section 190.08, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1897, A bill for an act relating to taxation; property; clarifying employment terms of city and town assessors; amending Minnesota Statutes 1988, section 273.05, subdivision 1.

The bill was read for the first time.

Bauerly moved that S. F. No. 1897 and H. F. No. 2189, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2046, A bill for an act relating to crime victims; providing for a notice for victims of sexual assault concerning their risk of developing sexually transmitted diseases; proposing coding for new law in Minnesota Statutes, chapter 611A.

The bill was read for the first time.

Pappas moved that S. F. No. 2046 and H. F. No. 2277, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1670, A bill for an act relating to natural resources; prohibiting transportation of Eurasian water milfoil; providing exceptions; providing penalties for not removing Eurasian water milfoil from watercraft; providing penalties; amending Minnesota Statutes 1988, section 361.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 18.

The bill was read for the first time.

Skoglund moved that S. F. No. 1670 and H. F. No. 2092, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1698, A bill for an act relating to health; codifying existing law restricting construction of new hospitals; repealing a sunset; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Laws 1984, chapter 654, article 5, section 57, as amended.

The bill was read for the first time.

Greenfield moved that S. F. No. 1698 and H. F. No. 2168, 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 natural resources; amending a certain requirement relating to the sale of state timber; amending Minnesota Statutes 1988, section 90.101, subdivision 1.

The bill was read for the first time.

Kinkel moved that S. F. No. 1879 and H. F. No. 1939, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1927, A bill for an act relating to education; changing state board of vocational technical education powers; amending Minnesota Statutes 1988, section 136C.04, subdivision 12.

The bill was read for the first time.

Price moved that S. F. No. 1927 and H. F. No. 2011, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1980, A bill for an act relating to local government; requiring additional notice of various vacation proceedings; amending Minnesota Statutes 1988, section 368.01, subdivision 25; and Minnesota Statutes 1989 Supplement, section 412.851.

The bill was read for the first time.

Lieder moved that S. F. No. 1980 and H. F. No. 2187, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2092, A bill for an act relating to cities; regulating financial operations of municipal hospitals of statutory cities; changing the method of selection of the hospital board for St. Louis and Koochiching counties from election at large to appointment by the county boards; amending Minnesota Statutes 1988, section 412.221, subdivision 16; and Laws 1988, chapter 645, section 2.

The bill was read for the first time.

Uphus moved that S. F. No. 2092 and H. F. No. 2318, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2090, A bill for an act relating to towns; regulating town meetings; providing for town deputy treasurer; amending Minnesota Statutes 1988, sections 365.51, subdivision 1; and 365.58; proposing coding for new law in Minnesota Statutes, chapter 367.

The bill was read for the first time.

Jennings moved that S. F. No. 2090 and H. F. No. 2266, now on

General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2172, A bill for an act relating to waters; requiring the commissioner of natural resources to establish a plan for drought emergencies; changing the completion date for the metropolitan council's long-term water supply plan; amending Minnesota Statutes 1989 Supplement, section 473.156, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 105.

The bill was read for the first time.

Solberg moved that S. F. No. 2172 and H. F. No. 2299, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1920, A bill for an act relating to elections; making various changes in laws applicable to school district elections; amending Minnesota Statutes 1988, sections 201.071, subdivision 3; 203B.08, subdivision 3; 204B.08, subdivision 3; 204B.14, subdivision 5; 204B.17; 204B.44; 204C.22, subdivisions 9, 10, 15, and by adding a subdivision; 204D.04, subdivision 2; 205A.05, subdivision 1; 205A.07, by adding a subdivision; 205A.09, subdivision 2; 205A.11; 209.02, subdivision 1; 209.03; 209.09, subdivision 1; and 211A.01, subdivision 6; and Minnesota Statutes 1989 Supplement, sections 205A.10, subdivisions 2 and 3; and 209.021, subdivision 1.

The bill was read for the first time.

McEachern moved that S. F. No. 1920 and H. F. No. 1870, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1983, A bill for an act relating to liquor; authorizing the metropolitan airports commission to issue off-sale liquor licenses for the sale of Minnesota wine; amending Minnesota Statutes 1988, section 340A.405, by adding a subdivision.

The bill was read for the first time.

Omann moved that S. F. No. 1983 and H. F. No. 2313, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2039, A bill for an act relating to motor vehicles; exempting certain water well drilling equipment and vehicles from registration and taxation requirements; amending Minnesota Stat-

utes 1988, section 168.012, subdivision 5; Minnesota Statutes 1989 Supplement, section 168.011, subdivision 22.

The bill was read for the first time.

Kalis moved that S. F. No. 2039 and H. F. No. 2621, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 772, A bill for an act relating to traffic regulations; providing that signs for handicapped parking spaces state penalty imposed for unlawful use; amending Minnesota Statutes 1988, section 169.346, subdivision 2.

The bill was read for the first time and referred to the Committee on Transportation.

S. F. No. 2079, A bill for an act relating to state parks; renaming Helmer Myre and Nerstrand Woods state parks; amending Minnesota Statutes 1988, section 85.012, subdivisions 27 and 45.

The bill was read for the first time.

Rodosovich moved that S. F. No. 2079 and H. F. No. 2219, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1162, A bill for an act relating to drivers' licenses; setting deadline for court administrators to forward driver's license or permit applications and fees to the department of public safety; amending Minnesota Statutes 1988, section 171.06, subdivision 4.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 2267, 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.

Kelly moved that S. F. No. 2267 and H. F. No. 2397, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2381, A bill for an act relating to highways; substituting new Legislative Route No. 298 in the trunk highway system.

The bill was read for the first time.

Rodosovich moved that S. F. No. 2381 and H. F. No. 2608, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2424, A bill for an act relating to insurance; life; regulating policies with accelerated benefits; modifying the application of certain provisions; prescribing a penalty; amending Minnesota Statutes 1989 Supplement, section 61A.072, subdivision 3, and by adding a subdivision.

The bill was read for the first time.

Skoglund moved that S. F. No. 2424 and H. F. No. 2572, 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 Blue Earth county; permitting the appointment of the auditor, recorder, and treasurer; authorizing the reorganization of county offices.

The bill was read for the first time.

Dorn moved that S. F. No. 2119 and H. F. No. 2078, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2373, A bill for an act relating to Olmsted county; permitting the consolidation of the offices of auditor and treasurer.

The bill was read for the first time.

Bishop moved that S. F. No. 2373 and H. F. No. 2448, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2383, A bill for an act relating to cities; permitting the establishment of boundary commissions; proposing coding for new law in Minnesota Statutes, chapter 465.

The bill was read for the first time.

Bertram moved that S. F. No. 2383 and H. F. No. 2683, now on the

Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2216, A bill for an act relating to occupations and professions; specifying requirements for membership of the board of medical examiners; containing procedural requirements for disciplinary actions; applying reporting requirements to other entities that provide professional liability coverage to physicians; amending Minnesota Statutes 1988, sections 147.01, subdivisions 1, 3, and 4; 147.09; 147.111, subdivision 5; repealing Minnesota Statutes 1988, sections 147.171; 147.24; 147.25; 147.26; 147.27; 147.28; 147.29; 147.30; 147.31; 147.32; 147.33; and Laws 1988, chapter 557, section 6.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 2224, A bill for an act relating to health; granting an exception to the nursing home moratorium; amending Minnesota Statutes 1989 Supplement, section 144A.071, subdivision 3.

The bill was read for the first time.

Trimble moved that S. F. No. 2224 and H. F. No. 2346, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2302, A bill for an act relating to telephone services; requiring local location identification data bases for 911 systems; classifying data provided for data bases; amending Minnesota Statutes 1988, sections 403.02, by adding a subdivision; and 403.07, by adding subdivisions; Minnesota Statutes 1989 Supplement, section 403.11, subdivision 1.

The bill was read for the first time.

Tunheim moved that S. F. No. 2302 and H. F. No. 2528, 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 education; allowing school boards to hold school on Saturdays; amending Minnesota Statutes 1988, section 126.12, subdivision 2.

The bill was read for the first time and referred to the Committee on Education.

S. F. No. 1752, A bill for an act relating to railroads; establishing standard for abandonment of tracks; clarifying standard for abandonment of shops, terminals, and stations; amending Minnesota Statutes 1988, sections 219.681; 219.71; and 219.85.

The bill was read for the first time.

Brown moved that S. F. No. 1752 and H. F. No. 2064, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1822, A bill for an act relating to housing; providing for the administration of section 8 existing housing and low-rent public housing programs; clarifying and limiting local approval requirements; removing the exemption for special assessments for housing and redevelopment authorities; providing for the transfer of housing and housing development projects to an economic development authority; authorizing the metropolitan council to plan and administer a section 8 program in the metropolitan area without approval of local units of government; amending Minnesota Statutes 1988, sections 469.002, subdivision 10, and by adding a subdivision; 469.004, subdivision 5; 469.005, subdivision 1; 469.012, subdivision 3; 469.016; 469.040, subdivisions 1 and 3; 469.094, subdivisions 1 and 2; and 473.195, subdivision 1; and Minnesota Statutes 1989 Supplement, section 469.012, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

S. F. No. 2115, A bill for an act relating to peace officers; authorizing licensed peace officers to operate motor vehicles and watercraft without lights under certain circumstances; providing exemption from tort liability; amending Minnesota Statutes 1988, sections 169.48; and 361.15; 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.

S. F. No. 2159, A bill for an act relating to education; delaying the date by which the regent candidate advisory council must submit recommendations to the legislature; amending Minnesota Statutes 1988, section 137.0245, subdivision 4.

The bill was read for the first time.

Otis moved that S. F. No. 2159 and H. F. No. 2418, now on the

Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2354, A bill for an act relating to education; allowing pupils of at least age 16 a greater range of programs to attend under the high school graduation incentives and private alternative school programs; amending Minnesota Statutes 1989 Supplement, section 126.22, subdivision 3.

The bill was read for the first time and referred to the Committee on Education.

S. F. No. 1726, A bill for an act relating to child care funding; authorizing the commissioner of human services to promulgate rules directing county boards to establish certain payment policies; amending Minnesota Statutes 1989 Supplement, section 256H.02.

The bill was read for the first time.

Greenfield moved that S. F. No. 1726 and H. F. No. 2132, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1739, A bill for an act relating to metropolitan government; clarifying provisions for compensation; amending Minnesota Statutes 1988, sections 473.123, subdivision 5; and 473.141, subdivision 7; Minnesota Statutes 1989 Supplement, sections 473.605, subdivision 2; and 473.704, subdivision 6.

The bill was read for the first time.

Skoglund moved that S. F. No. 1739 and H. F. No. 2083, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1768, A bill for an act relating to financial institutions; regulating electronic fund transfer facilities; providing for access by other transmission facilities; amending Minnesota Statutes 1988, sections 47.61, by adding a subdivision; and 47.65, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Financial Institutions and Housing.

S. F. No. 2179, A bill for an act relating to local government in Ramsey county; eliminating certain performance bonds; permitting

fees for inspections by the county surveyor; amending Minnesota Statutes 1988, section 383A.32, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 383A.

The bill was read for the first time.

Hausman moved that S. F. No. 2179 and H. F. No. 2250, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2127, A bill for an act relating to forestry; implementing a statewide program to encourage maintenance and expansion of community and urban forests; assigning responsibilities to various state agencies and municipalities; proposing coding for new law in Minnesota Statutes, chapter 17.

The bill was read for the first time.

Lasley moved that S. F. No. 2127 and H. F. No. 2382, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2208, A bill for an act relating to crimes; providing that it is a prima facie case for reference for prosecution as an adult if a child is alleged to have committed a felony offense as part of, or subsequent to, the delinquent act of escape from confinement to a local juvenile correctional facility; making it a crime for an alleged or adjudicated juvenile delinquent who is 18 years old to escape from a local juvenile correctional facility; amending Minnesota Statutes 1988, sections 260.015, subdivision 5; and 609.485, subdivisions 2 and 4; and Minnesota Statutes 1989 Supplement, section 260.125, subdivision 3.

The bill was read for the first time.

Greenfield moved that S. F. No. 2208 and H. F. No. 2367, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2281, A bill for an act relating to port authorities; allowing a port authority to use foreign trade zone powers, if granted, outside its port district; amending Minnesota Statutes 1988, section 469.059, subdivision 14.

The bill was read for the first time.

Rice moved that S. F. No. 2281 and H. F. No. 2384, now on General

Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1150, A bill for an act relating to creditors remedies; regulating executions and garnishments; amending Minnesota Statutes 1988, section 550.142; proposing coding for new law in Minnesota Statutes, chapters 550 and 557; proposing coding for new law as Minnesota Statutes, chapter 551; repealing Minnesota Statutes 1988, sections 550.041; 550.05; 550.14; 550.141; 571.41; 571.42; 571.43; 571.44; 571.45; 571.46; 571.471; 571.495; 571.50; 571.51; 571.52; 571.53; 571.54; 571.55; 571.56; 571.57; 571.58; 571.59; 571.60; 571.61; 571.62; 571.63; 571.64; 571.65; 571.66; 571.67; 571.68; and 571.69.

The bill was read for the first time.

Pugh moved that S. F. No. 1150 and H. F. No. 1439, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1968, A bill for an act relating to pet or companion animals; permitting restrictions to be imposed on persons convicted of mistreating animals; amending Minnesota Statutes 1988, section 343.21, by adding a subdivision.

The bill was read for the first time.

Simoneau moved that S. F. No. 1968 and H. F. No. 2099, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2229, A bill for an act relating to elections; clarifying language and changing procedures for voter registration, absentee voters, and polling place rosters; defining certain terms; changing certain time limits; providing for certain services to disabled persons at state political party conventions; providing for persons who are permanently ill or disabled to automatically receive absentee ballot applications before each election; modifying election procedures for town supervisors; requiring a report; amending Minnesota Statutes 1988, sections 200.02, by adding a subdivision; 201.022; 201.023; 201.054, subdivision 1; 201.061, subdivision 1; 201.071, subdivisions 3 and 4; 201.081; 201.091; 201.12, subdivision 2; 201.121, subdivisions 1 and 2; 201.171; 201.211; 201.221; 201.27, subdivision 1; 203B.04, by adding a subdivision; 203B.09; 203B.12, subdivisions 2 and 3; 204B.28, subdivision 2; 204B.45, subdivision 2; 204C.10; 204C.12, subdivision 4; 204C.27; 367.03, subdivision 1; 367.33, subdivision 4; Minnesota Statutes 1989 Supplement, sections 202A.13; 203B.13, subdivision 3a; proposing coding for new law in

Minnesota Statutes, chapter 201; and repealing Minnesota Statutes 1988, sections 201.061, subdivision 2; 201.071, subdivisions 5 and 6; and 201.091, subdivision 3.

The bill was read for the first time.

Scheid moved that S. F. No. 2229 and H. F. No. 2041, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1729, A bill for an act relating to traffic regulations; requiring motorists to activate vehicle lights during inclement weather conditions; amending Minnesota Statutes 1988, section 169.48.

The bill was read for the first time.

Sviggum moved that S. F. No. 1729 and H. F. No. 1860, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1886, A bill for an act relating to agriculture; establishing the Minnesota forage task force.

The bill was read for the first time and referred to the Committee on Agriculture.

S. F. No. 2048, A bill for an act relating to education; clarifying legislative intent concerning corporal punishment; amending Minnesota Statutes 1989 Supplement, section 127.45.

The bill was read for the first time.

Pelowski moved that S. F. No. 2048 and H. F. No. 2685, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1870, A bill for an act relating to horse racing; increasing per diem rate for racing commissioners; requiring licenses for pari-mutuel clerks at county fairs; apportioning money for promotion of the breeding and racing industry; allowing supervision of administration of certain medications by designated persons; prohibiting acceptance of bets by telephone; reducing state tax withholding on pari-mutuel winnings; amending Minnesota Statutes 1988, sections 240.02, subdivision 3; 240.09, subdivision 2; 240.13, subdivision 8; 240.18; 240.24, subdivision 2; and 290.92, subdivision 27.

The bill was read for the first time.

Price moved that S. F. No. 1870 and H. F. No. 2171, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 1673, A bill for an act relating to occupations and professions; regulating the practice of pharmacy; amending Minnesota Statutes 1988, sections 151.01, subdivisions 3 and 11; 151.13, subdivision 1; and 151.34.

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:

Abrams	Girard	Lasley	Orenstein	Segal
Anderson, G.	Greenfield	Lieder	Osthoff	Simoneau
Anderson, R.	Gruenes	Limmer	Ostrom	Skoglund
Battaglia	Gutknecht	Long	Otis	Solberg
Bauerly	Hartle	Lynch	Ozment	Sparby
Beard	Hasskamp	Macklin	Pappas	Stanius
Begich	Haukoos	Marsh	Pauly	Steensma
Bennett	Hausman	McDonald	Pellow	Sviggum
Bertram	Heap	McEachern	Pelowski	Swenson
Bishop	Henry	McGuire	Peterson	Tjornhom
Blatz	Himle	McLaughlin	Poppenhagen	Tompkins
Boo	Hugoson	McPherson	Price	Trimble
Brown	Jacobs	Milbert	Pugh	Tunheim
Burger	Janezich	Morrison	Quinn	Uphus
Carlson, D.	Jaros	Munger	Redalen	Valento
Carlson, L.	Jefferson	Murphy	Reding	Vellenga
Carruthers	Jennings	Nelson, C.	Rest	Wagenius
Clark	Johnson, A.	Nelson, K.	Richter	Waltman
Cooper	Johnson, R.	Neuenschwander	Rodosovich	Weaver
Dauner	Johnson, V.	O'Connor	Rukavina	Welle
Dawkins	Kahn	Ogren	Runbeck	Wenzel
Dempsey	Kelly	Olsen, S.	Sarna	Williams
Dorn	Kinkel	Olson, E.	Schafer	Winter
Forsythe	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Frederick	Kostohryz	Omamn	Schreiber	
Frerichs	Krueger	Onnen	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 1879 was reported to the House.

Tunheim moved that H. F. No. 1879 be placed on General Orders. The motion prevailed.

H. F. No. 2133 was reported to the House.

Greenfield moved that H. F. No. 2133 be continued on the Consent Calendar. The motion prevailed.

H. F. No. 2500, A bill for an act relating to insurance; modifying the effective date of the statutory notice requirement for cancellation or nonrenewal of individual life policies; amending Laws 1989, chapter 330, section 38.

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:

Abrams	Girard	Lasley	Orenstein	Segal
Anderson, G.	Greenfield	Lieder	Osthoff	Simoneau
Anderson, R.	Gruenes	Limmer	Ostrom	Skoglund
Battaglia	Gutknecht	Long	Otis	Solberg
Bauerly	Hartle	Lynch	Ozment	Sparby
Beard	Hasskamp	Macklin	Pappas	Stanius
Begich	Haukoos	Marsh	Pauly	Steensma
Bennett	Hausman	McDonald	Pellow	Sviggun
Bertram	Heap	McEachern	Pelowski	Swenson
Bishop	Henry	McGuire	Peterson	Tjornhom
Blatz	Himle	McLaughlin	Poppenhagen	Tompkins
Boo	Hugoson	McPherson	Price	Trimble
Brown	Jacobs	Milbert	Pugh	Tunheim
Burger	Janezich	Morrison	Quinn	Uphus
Carlson, D.	Jaros	Munger	Redalen	Valento
Carlson, L.	Jefferson	Murphy	Reding	Vellenga
Carruthers	Jennings	Nelson, C.	Rest	Wagenius
Clark	Johnson, A.	Nelson, K.	Richter	Waltman
Cooper	Johnson, R.	Neuenschwander	Rodosovich	Weaver
Dauner	Johnson, V.	O'Connor	Rukavina	Welle
Dawkins	Kahn	Ogren	Runbeck	Wenzel
Dempsey	Kelly	Olsen, S.	Sarna	Williams
Dorn	Kinkel	Olson, E.	Schafer	Winter
Forsythe	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Frederick	Kostohryz	Omam	Schreiber	
Frerichs	Krueger	Onnen	Seaberg	

The bill was passed and its title agreed to.

S. F. No. 1663, A bill for an act relating to Redwood and Lyon counties; abandoning judicial ditch number 37.

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:

Abrams	Girard	Lieder	Osthoff	Skoglund
Anderson, G.	Greenfield	Limmer	Ostrom	Solberg
Anderson, R.	Gruenes	Long	Otis	Sparby
Battaglia	Gutknecht	Lynch	Ozment	Stanius
Bauerly	Hartle	Macklin	Pappas	Steensma
Beard	Hasskamp	Marsh	Pauly	Swiggum
Begich	Haukoos	McDonald	Pellow	Swenson
Bennett	Hausman	McEachern	Pelowski	Tjornhom
Bertram	Heap	McGuire	Peterson	Tompkins
Bishop	Henry	McLaughlin	Poppenhagen	Trimble
Blatz	Himle	McPherson	Price	Tunheim
Boo	Hugoson	Milbert	Quinn	Uphus
Brown	Jacobs	Morrison	Redalen	Valento
Burger	Jaros	Munger	Reding	Vellenga
Carlson, D.	Jefferson	Murphy	Rest	Wagenius
Carlson, L.	Jennings	Nelson, C.	Richter	Waltman
Carruthers	Johnson, A.	Nelson, K.	Rodosovich	Weaver
Clark	Johnson, R.	Neuenschwander	Rukavina	Welle
Cooper	Johnson, V.	O'Connor	Runbeck	Wenzel
Dauner	Kahn	Ogren	Sarna	Williams
Dawkins	Kelly	Olsen, S.	Schafer	Winter
Dempsey	Kinkel	Olsen, E.	Scheid	Spk. Vanasek
Dorn	Knickerbocker	Olson, K.	Schreiber	
Forsythe	Kostohryz	Omann	Seaberg	
Frederick	Krueger	Onnen	Segal	
Frerichs	Lasley	Orenstein	Simoneau	

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Long, 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 21, 1990:

H. F. Nos. 1913, 2156, 1918, 2189, 2277, 1928, 2374, 2131, 2056, 2163, 2219, 2050, 2393 and 2448.

SPECIAL ORDERS

H. F. No. 2162 was reported to the House.

Williams moved that H. F. No. 2162 be continued on Special Orders. The motion prevailed.

H. F. No. 1897 was reported to the House.

Winter moved that H. F. No. 1897 be continued on Special Orders. The motion prevailed.

H. F. No. 2084, 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 1988, chapters 367, as amended; and 368, 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Lasley	Orenstein	Segal
Anderson, G.	Greenfield	Lieder	Osthoff	Simoneau
Anderson, R.	Gruenes	Limmer	Ostrom	Skoglund
Battaglia	Gutknecht	Long	Otis	Solberg
Bauerly	Hartle	Lynch	Ozment	Sparby
Beard	Hasskamp	Macklin	Pappas	Stanius
Begich	Haukoos	Marsh	Pauly	Steensma
Bennett	Hausman	McDonald	Pellow	Svigium
Bertram	Heap	McEachern	Pelowski	Swenson
Bishop	Henry	McGuire	Peterson	Tjornhom
Blatz	Himle	McLaughlin	Poppenhagen	Tompkins
Boo	Hugoson	McPherson	Price	Trimble
Brown	Jacobs	Milbert	Pugh	Tunheim
Burger	Janezich	Morrison	Quinn	Uphus
Carlson, D.	Jaros	Munger	Redalen	Valento
Carlson, L.	Jefferson	Murphy	Reding	Vellenga
Carruthers	Jennings	Nelson, C.	Rest	Wagenius
Clark	Johnson, A.	Nelson, K.	Richter	Waltman
Cooper	Johnson, R.	Neuenschwander	Rodosovich	Weaver
Dauner	Johnson, V.	O'Connor	Rukavina	Welle
Dawkins	Kahn	Ogren	Runbeck	Wenzel
Dempsey	Kelly	Olsen, S.	Sarna	Williams
Dorn	Kinkel	Olson, E.	Schafer	Winter
Forsythe	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Frederick	Kostohryz	Omann	Schreiber	
Frerichs	Krueger	Onnen	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 2343 was reported to the House.

Haukoos and Skoglund moved to amend H. F. No. 2343, the first engrossment, as follows:

Page 3, line 2, after the period insert:

“Sec. 4. Minnesota Statutes 1988, section 62E.14, is amended by adding a subdivision to read:

Subd. 5a. [DEPENDENTS OF TERMINATED EMPLOYEES.] A dependent of a terminated employee shall be able to enroll within 60 days of termination of coverage with a waiver of the preexisting condition limitation set forth in subdivision 3 and a waiver of the evidence of rejection set forth in subdivision 1, paragraph (c).

Sec. 5. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Gutknecht moved to amend H. F. No. 2343, the first engrossment, as amended, as follows:

Page 3, after line 2, insert:

“Sec. 4. Minnesota Statutes 1988, section 62E.15, subdivision 4, is amended to read:

Subd. 4. Every insurer which rejects or applies underwriting restrictions to an applicant for accident and health insurance shall: (1) provide the applicant with a written notice of rejection or the underwriting restrictions applied to the applicant; (2) notify the applicant of the existence of the state plan, the requirements for being accepted in it, and the procedure for applying to it; and (3) provide the applicant with written materials explaining the state plan in greater detail. This written material shall be provided by the association to every insurer at no charge.”

Amend the title as follows:

Page 1, line 5, after the semicolon insert “requiring insurers to provide written materials on the Minnesota comprehensive health insurance plan;”

Page 1, line 7, delete “and”

Page 1, line 8, after "subdivision" insert "; and 62E.15, subdivision 4"

The motion prevailed and the amendment was adopted.

H. F. No. 2343, A bill for an act relating to insurance; accident and health; providing for the classification and disclosure of certain comprehensive health insurance data; regulating the Minnesota comprehensive health insurance plan; requiring insurers to provide written materials on the Minnesota comprehensive health insurance plan; amending Minnesota Statutes 1988, sections 13.71, by adding a subdivision; 62E.10, subdivision 9; 62E.14, by adding subdivisions; and 62E.15, subdivision 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:

Abrams	Girard	Lasley	Osthoff	Simoneau
Anderson, G.	Greenfield	Lieder	Ostrom	Skoglund
Anderson, R.	Gruenes	Limmer	Otis	Solberg
Battaglia	Gutknecht	Long	Ozment	Sparby
Bauerly	Hartle	Lynch	Pappas	Stanius
Beard	Hasskamp	Macklin	Pauly	Steensma
Begich	Haukoos	Marsh	Pellow	Sviggum
Bennett	Hausman	McDonald	Pelowski	Swenson
Bertram	Heap	McEachern	Peterson	Tjornhom
Bishop	Henry	McGuire	Poppenhagen	Tompkins
Blatz	Himle	McLaughlin	Price	Trimble
Boo	Hugoson	Milbert	Pugh	Tunheim
Brown	Jacobs	Morrison	Quinn	Uphus
Burger	Janezich	Munger	Redalen	Valento
Carlson, D.	Jaros	Murphy	Reding	Vellenga
Carlson, L.	Jefferson	Nelson, C.	Rest	Wagenius
Carruthers	Jennings	Nelson, K.	Richter	Waltman
Clark	Johnson, A.	Neuenschwander	Rodosovich	Weaver
Cooper	Johnson, R.	O'Connor	Rukavina	Welle
Dauner	Johnson, V.	Ogren	Runbeck	Wenzel
Dawkins	Kahn	Olsen, S.	Sarna	Williams
Dempsey	Kelly	Olson, E.	Schafer	Winter
Dorn	Kinkel	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Knickerbocker	Omann	Schreiber	
Frederick	Kostohryz	Onnen	Seaberg	
Frerichs	Krueger	Orenstein	Segal	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2381 was reported to the House.

Nelson, K., moved that H. F. No. 2381 be continued on Special Orders. The motion prevailed.

S. F. No. 2353, A bill for an act relating to vocational rehabilitation; providing for supported employment programs; amending Minnesota Statutes 1988, section 129A.01, subdivisions 11, 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 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Lasley	Onnen	Schreiber
Anderson, G.	Girard	Lieder	Orenstein	Seaberg
Anderson, R.	Greenfield	Limmer	Osthoff	Segal
Battaglia	Gruenes	Long	Ostrom	Simoneau
Bauerly	Gutknecht	Lynch	Otis	Skoglund
Beard	Hartle	Macklin	Ozment	Sparby
Begich	Hasskamp	Marsh	Pappas	Stanius
Bennett	Haukoos	McDonald	Pauly	Steensma
Bertram	Hausman	McEachern	Pellow	Sviggum
Bishop	Heap	McGuire	Pelowski	Swenson
Blatz	Henry	McLaughlin	Peterson	Tjornhom
Boo	Hugoson	McPherson	Poppenhagen	Tompkins
Brown	Jacobs	Milbert	Price	Trimble
Burger	Janezich	Morrison	Pugh	Tunheim
Carlson, D.	Jaros	Munger	Quinn	Uphus
Carlson, L.	Jefferson	Murphy	Redalen	Valento
Carruthers	Jennings	Nelson, C.	Reding	Wagenius
Clark	Johnson, A.	Nelson, K.	Rest	Waltman
Cooper	Johnson, R.	Neuenschwander	Richter	Weaver
Dauner	Johnson, V.	O'Connor	Rodosovich	Welle
Dawkins	Kelly	Ogren	Rukavina	Wenzel
Dempsey	Kinkel	Olsen, S.	Runbeck	Williams
Dorn	Knickerbocker	Olson, E.	Sarna	Winter
Forsythe	Kostohryz	Olson, K.	Schafer	Spk. Vanasek
Frederick	Krueger	Omann	Scheid	

The bill was passed and its title agreed to.

H. F. No. 1960, A bill for an act relating to natural resources; amending certain provisions concerned with the management of wildlife; amending Minnesota Statutes 1988, sections 97A.135, by adding a subdivision; and 97A.445, by adding a subdivision; and Minnesota Statutes 1989 Supplement, section 97B.603.

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:

Abrams	Girard	Lieder	Osthoff	Simoneau
Anderson, G.	Greenfield	Limmer	Ostrom	Skoglund
Anderson, R.	Gruenes	Long	Otis	Solberg
Battaglia	Gutknecht	Lynch	Ozment	Sparby
Bauerly	Hartle	Macklin	Pappas	Stanius
Beard	Hasskamp	Marsh	Pauly	Steensma
Begich	Haukoos	McDonald	Pellow	Swiggum
Bennett	Hausman	McEachern	Pelowski	Swenson
Bertram	Heap	McGuire	Peterson	Tjornhom
Bishop	Henry	McLaughlin	Poppenhagen	Tompkins
Blatz	Hugoson	McPherson	Price	Trimble
Boo	Jacobs	Milbert	Pugh	Tunheim
Brown	Janezich	Morrison	Quinn	Uphus
Burger	Jaros	Munger	Redalen	Valento
Carlson, D.	Jefferson	Murphy	Reding	Vellenga
Carlson, L.	Jennings	Nelson, C.	Rest	Wagenius
Carruthers	Johnson, A.	Nelson, K.	Richter	Waltman
Clark	Johnson, R.	Neuenschwander	Rodosovich	Weaver
Cooper	Johnson, V.	O'Connor	Rukavina	Welle
Dauner	Kahn	Ogren	Runbeck	Wenzel
Dawkins	Kelly	Olsen, S.	Sarna	Williams
Dempsey	Kinkel	Olson, E.	Schafer	Winter
Dorn	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Kostohryz	Omann	Schreiber	
Frederick	Krueger	Onnen	Seaberg	
Frerichs	Lasley	Orenstein	Segal	

The bill was passed and its title agreed to.

S. F. No. 1922, A bill for an act relating to commerce; exempting credit unions from certain requirements for closing agents; amending Minnesota Statutes 1989 Supplement, section 82.20, subdivision 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:

Abrams	Carruthers	Haukoos	Kinkel	Milbert
Anderson, G.	Clark	Hausman	Knickerbocker	Morrison
Anderson, R.	Cooper	Heap	Kostohryz	Munger
Battaglia	Dauner	Henry	Krueger	Murphy
Bauerly	Dawkins	Himle	Lasley	Nelson, C.
Beard	Dempsey	Hugoson	Lieder	Nelson, K.
Begich	Dorn	Jacobs	Limmer	Neuenschwander
Bennett	Forsythe	Janezich	Long	O'Connor
Bertram	Frederick	Jaros	Lynch	Ogren
Bishop	Frerichs	Jefferson	Macklin	Olsen, S.
Blatz	Girard	Jennings	Marsh	Olsen, E.
Boo	Greenfield	Johnson, A.	McDonald	Olson, K.
Brown	Gruenes	Johnson, R.	McEachern	Omann
Burger	Gutknecht	Johnson, V.	McGuire	Onnen
Carlson, D.	Hartle	Kahn	McLaughlin	Orenstein
Carlson, L.	Hasskamp	Kelly	McPherson	Osthoff

Ostrom	Pugh	Schafer	Steensma	Wagenius
Otis	Quinn	Scheid	Svigum	Waltman
Ozment	Redalen	Schreiber	Swenson	Weaver
Pappas	Reding	Seaberg	Tjornhom	Welle
Pauly	Rest	Segal	Tompkins	Wenzel
Pellow	Richter	Simoneau	Trimble	Williams
Pelowski	Rodosovich	Skoglund	Tunheim	Winter
Peterson	Rukavina	Solberg	Uphus	Spk. Vanasek.
Poppenhagen	Rumbeck	Sparby	Valento	
Price	Sarna	Stanius	Vellenga	

The bill was passed and its title agreed to.

H. F. No. 1913 was reported to the House.

Scheid and Dawkins moved to amend H. F. No. 1913, the first engrossment, as follows:

Pages 1 to 5, delete sections 2 and 3

Page 6, lines 7 and 8, delete "\$1,000" and insert "\$800"

Page 10, delete section 6

Page 12, delete section 8 and insert:

"Sec. 5. Minnesota Statutes 1988, section 325G.22, is amended by adding a subdivision to read:

Subd. 1a. [ADJUSTMENT OF DOLLAR AMOUNTS.] The dollar amount in subdivision 1 shall change periodically as provided in section 550.37, subdivision 4a."

Page 13, line 1, delete "8" and insert "5"

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, line 4, delete everything before the second "regulating"

Page 1, line 8, delete everything after the first semicolon

Page 1, line 9, delete "56.12;" and delete "2, and 6; and" and insert "and 2;"

Page 1, line 9, after "56.14;" insert "and 325G.22, by adding a subdivision."

Page 1, delete lines 10 and 11

The motion prevailed and the amendment was adopted.

H. F. No. 1913, A bill for an act relating to commerce; regulating dividends on claims in liquidation proceedings; regulating the lending practices of regulated lenders; specifying the loan fees and charges that may be imposed by regulated lenders; amending Minnesota Statutes 1988, sections 49.24, subdivision 9; 56.131, subdivisions 1 and 2; 56.14; and 325G.22, 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 76 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Limmer	Osthoff	Stanisus
Anderson, R.	Girard	Lynch	Ozment	Steensma
Bennett	Gruenes	Macklin	Pauly	Svigum
Bertram	Gutknecht	Marsh	Pellow	Swenson
Bishop	Hartle	McDonald	Pelowski	Tunheim
Boo	Haukoos	McGuire	Peterson	Valento
Burger	Heap	McPherson	Poppenhagen	Vellenga
Carlson, D.	Himle	Morrison	Pugh	Waltman
Carlson, L.	Hugoson	Munger	Redalen	Weaver
Carruthers	Janezich	Murphy	Rest	Welle
Cooper	Jennings	Nelson, C.	Rodosovich	Wenzel
Dawkins	Johnson, V.	Neuenschwander	Runbeck	Spk. Vanasek
Dempsey	Kinkel	O'Connor	Schafer	
Dorn	Knickerbocker	Olsen, S.	Scheid	
Forsythe	Kostohryz	Olson, E.	Schreiber	
Frederick	Lieder	Omann	Seaberg	

Those who voted in the negative were:

Battaglia	Hasskamp	Krueger	Orenstein	Simoneau
Bauerly	Hausman	Lasley	Ostrom	Skoglund
Beard	Henry	McEachern	Price	Sparby
Begich	Jacobs	McLaughlin	Quinn	Tjornhom
Blatz	Jaros	Nelson, K.	Reding	Trimble
Clark	Jefferson	Ogren	Rukavina	Wagenius
Dauner	Johnson, A.	Olson, K.	Sarna	Winter
Greenfield	Johnson, R.	Onnen	Segal	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2156, A bill for an act relating to counties; regulating performance bonds; amending Minnesota Statutes 1988, section 375.21, 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:

Abrams	Girard	Lasley	Orenstein	Segal
Anderson, G.	Greenfield	Lieder	Osthoff	Simoneau
Anderson, R.	Gruenes	Limmer	Ostrom	Skoglund
Battaglia	Gutknecht	Long	Otis	Solberg
Bauerly	Hartle	Lynch	Ozment	Sparby
Beard	Hasskamp	Macklin	Pappas	Stanius
Begich	Haukoos	Marsh	Pauly	Steensma
Bennett	Hausman	McDonald	Pellow	Sviggum
Bertram	Heap	McEachern	Pelowski	Swenson
Bishop	Henry	McGuire	Peterson	Tjornhom
Blatz	Himle	McLaughlin	Poppenhagen	Tompkins
Boo	Hugoson	McPherson	Price	Trimble
Brown	Jacobs	Milbert	Pugh	Tunheim
Burger	Janezich	Morrison	Quinn	Uphus
Carlson, D.	Jaros	Munger	Redalen	Valento
Carlson, L.	Jefferson	Murphy	Reding	Vellenga
Carruthers	Jennings	Nelson, C.	Rest	Wagenius
Clark	Johnson, A.	Nelson, K.	Richter	Waltman
Cooper	Johnson, R.	Neuenschwander	Rodosovich	Weaver
Dauner	Johnson, V.	O'Connor	Rukavina	Welle
Dawkins	Kahn	Ogren	Runbeck	Wenzel
Dempsey	Kelly	Olsen, S.	Sarna	Williams
Dorn	Kinkel	Olsen, E.	Schafer	Winter
Forsythe	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Frederick	Kostohryz	Omman	Schreiber	
Frerichs	Krueger	Onnen	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 1918, A bill for an act relating to waste; providing for criminal and civil penalties for violations of pretreatment standards and requirements in the metropolitan area and for violations in the Western Lake Superior Sanitary District; amending Laws 1971, chapter 478, section 17, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 473.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Beard	Blatz	Carlson, L.	Dawkins
Anderson, G.	Begich	Boo	Carruthers	Dempsey
Anderson, R.	Bennett	Brown	Clark	Dorn
Battaglia	Bertram	Burger	Cooper	Forsythe
Bauerly	Bishop	Carlson, D.	Dauner	Frederick

Frerichs	Johnson, V.	Murphy	Poppenhagen	Stanius
Girard	Kahn	Nelson, C.	Price	Steensma
Greenfield	Kelly	Nelson, K.	Pugh	Sviggum
Gruenes	Kinkel	Neuenschwander	Quinn	Swenson
Gutknecht	Knickerbocker	O'Connor	Redalen	Tjornhom
Hartle	Kostohryz	Ogren	Reding	Tompkins
Hasskamp	Krueger	Olsen, S.	Rest	Trimble
Haukoos	Lasley	Olsen, E.	Richter	Tunheim
Hausman	Lieder	Olson, K.	Rodosovich	Uphus
Heap	Limmer	Omann	Rukavina	Valento
Henry	Long	Onnen	Runbeck	Vellenga
Himle	Lynch	Orenstein	Sarna	Wagenius
Hugoson	Macklin	Ostrom	Schafer	Waltman
Jacobs	Marsh	Otis	Schreiber	Weaver
Janezich	McDonald	Ozment	Seaberg	Welle
Jaros	McGuire	Pappas	Segal	Wenzel
Jefferson	McLaughlin	Pauly	Simoneau	Williams
Jennings	McPherson	Pellow	Skoglund	Winter
Johnson, A.	Morrison	Pelowski	Solberg	Spk. Vanasek
Johnson, R.	Munger	Peterson	Sparby	

The bill was passed and its title agreed to.

H. F. No. 1928 was reported to the House.

Bishop, Hasskamp and Kelly moved to amend H. F. No. 1928, the first engrossment, as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1988, section 326.32, is amended by adding a subdivision to read:

Subd. 8a. [ARMED EMPLOYEE.] "Armed employee" means an employee of a private detective or protective agent who at any time in the performance of the employee's duties wears, carries, possesses, or has access to a firearm.

Sec. 2. [326.3361] [TRAINING.]

Subdivision 1. [RULES.] The board shall, by rule, prescribe the requirements, duration, contents, and standards for successful completion of training programs for employees, including:

(1) first aid and firearms training required for armed employees, including training in the legal limitations on the justifiable use of force and deadly force as specified in sections 609.06 and 609.065;

(2) training in the use of weapons other than firearms, including bludgeons, nightsticks, batons, chemical weapons, and electronic incapacitation devices, and in the use of restraint or immobilization techniques, including the carotid neck restraint;

(3) standards for weapons and equipment issued to or carried or used by employees;

(4) preassignment or on-the-job training, or its equivalent, required before applicants may be issued identification cards; and

(5) continuing training for employees and armed employees.

Subd. 2. [REQUIRED CONTENTS.] The rules adopted by the board must require:

(1) 12 hours of preassignment or on-the-job training within the first 21 days of employment, or evidence that the employee has successfully completed equivalent training before the start of employment;

(2) standards for certification of an employee, by the board, as qualified to carry or use a firearm, a weapon other than a firearm, or an immobilizing or restraint technique; and

(3) six hours a year of continuing training for all employees, and an additional six hours a year for armed employees, which must include annual certification of the armed employee.

Subd. 3. [USE OF WEAPONS; CERTIFICATION REQUIRED.] The rules must provide that no employee may carry or use a weapon or immobilizing or restraint technique without being certified by the board as qualified to do so.

Subd. 4. [FULL-TIME PEACE OFFICERS.] A person certified as a full-time peace officer by the board of peace officer standards and training meets the training requirements of this section."

Renumber the remaining sections

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing for training for armed employees of private detectives and protective agents;"

Page 1, line 5, delete "section" and insert "sections 326.32, by adding a subdivision; and"

Page 1, line 7, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 326"

A roll call was requested and properly seconded.

The question was taken on the Bishop et al amendment and the roll was called. There were 126 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Girard	Lieder	Ostrom	Skoglund
Anderson, G.	Greenfield	Limmer	Otis	Solberg
Anderson, R.	Gruenes	Long	Ozment	Sparby
Battaglia	Gutknecht	Lynch	Pappas	Stanius
Bauerly	Hartle	Macklin	Pauly	Steenasma
Beard	Hasskamp	McDonald	Pellow	Sviggum
Begich	Haukoos	McEachern	Pelowski	Swenson
Bennett	Hausman	McGuire	Peterson	Tjornhom
Bertram	Heap	McLaughlin	Poppenhagen	Tompkins
Bishop	Henry	McPherson	Price	Trimble
Blatz	Himle	Milbert	Pugh	Tunheim
Boo	Hugoson	Morrison	Quinn	Uphus
Brown	Jacobs	Munger	Redalen	Valento
Burger	Janezich	Murphy	Reding	Vellenga
Carlson, D.	Jaros	Nelson, C.	Rest	Wagenius
Carlson, L.	Jefferson	Nelson, K.	Richter	Waltman
Carruthers	Jennings	Neuenschwander	Rodosovich	Weaver
Clark	Johnson, A.	O'Connor	Rukavina	Welle
Cooper	Johnson, R.	Ogren	Runbeck	Wenzel
Dauner	Johnson, V.	Olsen, S.	Sarna	Williams
Dawkins	Kelly	Olson, E.	Schafer	Winter
Dempsey	Kinkel	Olson, K.	Scheid	Spk. Vanasek
Dorn	Knickerbocker	Omamm	Schreiber	
Forsythe	Kostohryz	Onnen	Seaberg	
Frederick	Krueger	Orenstein	Segal	
Frerichs	Lasley	Osthoff	Simoneau	

Those who voted in the negative were:

Marsh

The motion prevailed and the amendment was adopted.

Gruenes was excused for the remainder of today's session.

Neuenschwander moved to amend H. F. No. 1928, the first engrossment, as amended, as follows:

Page 1, line 23, after "when" insert "neither" and after "person" insert "nor the photographer" and delete "not"

Page 2, line 3, after the comma, insert "when neither the participant nor the person conducting the surveillance is on the premises being protected by the person described in paragraph (a), or of"

Page 2, line 6, delete "or" and insert "and"

Page 2, line 11, strike "license holder" and insert "person"

Page 2, line 12, strike "subdivision 1 or 1a" and insert "this section"

Page 2, lines 15 and 18, delete "violates" and insert "is convicted of a violation of"

A roll call was requested and properly seconded.

The question was taken on the Neuenschwander amendment and the roll was called. There were 66 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Limmer	Pauly	Tjornhom
Anderson, G.	Frerichs	Lynch	Pellow	Tompkins
Bauerly	Girard	Macklin	Peterson	Tunheim
Bennett	Gutknecht	Marsh	Poppenhagen	Uphus
Bertram	Hartle	McDonald	Redalen	Valento
Blatz	Haukoos	McPherson	Richter	Waltman
Boo	Heap	Morrison	Runbeck	Weaver
Burger	Henry	Neuenschwander	Schafer	Welle
Carlson, D.	Hugoson	Olsen, S.	Schreiber	Williams
Cooper	Jennings	Olsen, E.	Seaberg	Winter
Dauner	Johnson, V.	Omman	Stanius	
Dempsey	Knickerbocker	Onnen	Steenasma	
Dorn	Krueger	Ostrom	Sviggum	
Forsythe	Lieder	Ozment	Swenson	

Those who voted in the negative were:

Anderson, R.	Jacobs	McEachern	Osthoff	Scheid
Battaglia	Janezich	McGuire	Otis	Skoglund
Beard	Jaros	McLaughlin	Pappas	Solberg
Begich	Jefferson	Milbert	Pelowski	Trimble
Brown	Johnson, A.	Munger	Price	Vellenga
Carlson, L.	Johnson, R.	Murphy	Pugh	Wagenius
Carruthers	Kahn	Nelson, C.	Quinn	Wenzel
Clark	Kelly	Nelson, K.	Reding	Spk. Vanasek
Dawkins	Kinkel	O'Connor	Rest	
Greenfield	Kostohryz	Ogren	Rodosovich	
Hasskamp	Lasley	Olson, K.	Rukavina	
Hausman	Long	Orenstein	Sarna	

The motion prevailed and the amendment was adopted.

Sviggum offered an amendment to H. F. No. 1928, the first engrossment, as amended.

POINT OF ORDER

Begich raised a point of order pursuant to rule 3.9 that the Sviggum amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

H. F. No. 1928, A bill for an act relating to occupations and professions; providing for training for armed employees of private detectives and protective agents; prohibiting certain acts by protective agents and security guards during a labor dispute; amending Minnesota Statutes 1988, sections 326.32, by adding a subdivision; and 326.3384, by adding a subdivision; and amending Minnesota Statutes 1989 Supplement, section 326.3384, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 326.

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 68 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Lasley	Osthoff	Sarna
Anderson, R.	Hasskamp	Long	Ostrom	Scheid
Battaglia	Hausman	McEachern	Otis	Skoglund
Bauerly	Jacobs	McGuire	Ozment	Solberg
Beard	Janezich	McLaughlin	Pappas	Trimble
Begich	Jaros	Milbert	Pelowski	Tunheim
Bishop	Jefferson	Munger	Peterson	Vellenga
Brown	Johnson, A.	Murphy	Price	Wagenius
Carlson, D.	Johnson, R.	Nelson, C.	Pugh	Wenzel
Carlson, L.	Kahn	Nelson, K.	Quinn	Williams
Carruthers	Kelly	O'Connor	Reding	Winter
Clark	Kinkel	Ogren	Rest	Spk. Vanasek
Cooper	Kostohryz	Olson, K.	Rodosovich	
Dawkins	Krueger	Orenstein	Rukavina	

Those who voted in the negative were:

Abrams	Girard	Lieder	Omann	Stanis
Bennett	Gutknecht	Limmer	Onnen	Sviggum
Bertram	Hartle	Lynch	Pauly	Swenson
Blatz	Haukoos	Macklin	Pellow	Tjornhom
Boo	Heap	Marsh	Poppenhagen	Tompkins
Burger	Henry	McDonald	Redalen	Uphus
Dauner	Himle	McPherson	Richter	Valento
Dempsey	Hugoson	Morrison	Runbeck	Waltman
Forsythe	Jennings	Neuenschwander	Schafer	Weaver
Frederick	Johnson, V.	Olsen, S.	Schreiber	Welle
Frerichs	Knickerbocker	Olson, E.	Seaberg	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2374 was reported to the House.

Bauerly moved to amend H. F. No. 2374, as follows:

Page 1, line 15, strike "Hubbard," and insert "and" and strike "and Ottertall"

Page 2, after line 7, insert:

“Sec. 2. [EFFECTIVE DATE.]

Section 1 relating to the removal of Hubbard and Ottertail counties from area one is effective July 1, 1991.”

The motion prevailed and the amendment was adopted.

Haukoos moved to amend H. F. No. 2374, as amended, as follows:

Page 2, after line 7, insert:

“Sec. 2. [21.1196] [“GROWER’S OWN” SEED POTATOES.]

Subdivision 1. [CERTIFICATION OF SEED POTATOES AND PLOT.] A potato grower in Freeborn, Steele, or Mower county may seek certification of seed potatoes grown by the potato grower exclusively for the grower’s own use and not for sale.

A seed plot used to produce potatoes under this subdivision must pass all the requirements for certification of seed potatoes under section 21.1195 and rules adopted by the commissioner.

Subd. 2. [“GROWER’S OWN.”] Seed potatoes produced on seed plots certified under subdivision 1 are “grower’s own” seed potatoes and must not be sold or exchanged as seed.

Subd. 3. [LIMITATION.] “Grower’s own” seed potatoes may not represent more than 15 percent of the acreage a grower plants in potatoes in a year. “Grower’s own” seed potatoes may be used to plant all of the grower’s potato crop the following year except the following year’s “grower’s own” seed potato plot.”

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 Haukoos amendment and the roll was called. There were 67 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Lasley	Onnen	Seaberg
Anderson, G.	Frerichs	Limmer	Orenstein	Stanius
Anderson, R.	Girard	Lynch	Ozment	Swiggum
Beard	Gutknecht	Macklin	Pauly	Swenson
Bennett	Hartle	Marsh	Pellow	Tjornhom
Bishop	Haukoos	McDonald	Poppenhagen	Tompkins
Blatz	Heap	McPherson	Redalen	Valento
Boo	Henry	Milbert	Reding	Waltman
Brown	Himle	Morrison	Richter	Weaver
Burger	Hugoson	O'Connor	Runbeck	Welle
Carlson, D.	Jacobs	Ogren	Sarna	Winter
Dempsey	Jennings	Olsen, S.	Schafer	
Dorn	Johnson, V.	Olsen, K.	Scheid	
Forsythe	Knickerbocker	Omann	Schreiber	

Those who voted in the negative were:

Battaglia	Hausman	Lieder	Ostrom	Solberg
Bauerly	Janezich	Long	Pappas	Sparby
Begich	Jaros	McEachern	Pelowski	Steensma
Bertram	Jefferson	McGuire	Peterson	Trimble
Carlson, L.	Johnson, A.	McLaughlin	Pricc	Tunheim
Carruthers	Johnson, R.	Munger	Quinn	Vellenga
Cooper	Kahn	Murphy	Rest	Wagenius
Dauner	Kelly	Nelson, C.	Rukavina	Wenzel
Dawkins	Kinkel	Nelson, K.	Segal	Williams
Greenfield	Kostohryz	Olson, E.	Simoneau	Spk. Vanasek
Hasskamp	Krueger	Osthoff	Skoglund	

The motion prevailed and the amendment was adopted.

H. F. No. 2374, A bill for an act relating to agriculture; changing the makeup of potato research and promotion councils; providing for the certification of seed potatoes; amending Minnesota Statutes 1988, section 17.54, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 21.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Carlson, D.	Gutknecht	Johnson, A.	Macklin
Anderson, G.	Carlson, L.	Hartle	Johnson, R.	Marsh
Anderson, R.	Carruthers	Hasskamp	Johnson, V.	McDonald
Battaglia	Cooper	Haukoos	Kahn	McEachern
Bauerly	Dauner	Hausman	Kelly	McGuire
Beard	Dawkins	Heap	Kinkel	McLaughlin
Begich	Dempsey	Henry	Knickerbocker	McPherson
Bennett	Dorn	Himle	Kostohryz	Milbert
Bertram	Forsythe	Hugoson	Krueger	Morrison
Bishop	Fredrick	Jacobs	Lasley	Munger
Blatz	Frerichs	Janezich	Lieder	Murphy
Boo	Girard	Jaros	Limmer	Nelson, C.
Brown	Greenfield	Jefferson	Long	Nelson, K.
Burger		Jennings	Lynch	O'Connor

Ogren	Pauly	Rodosovich	Sparby	Wagenius
Olsen, S.	Pellow	Rukavina	Stanius	Waltman
Olson, E.	Pelowski	Runbeck	Steensma	Weaver
Olson, K.	Peterson	Sarna	Sviggum	Welle
Omann	Poppenhagen	Schafer	Swenson	Wenzel
Onnen	Price	Scheid	Tjornhom	Williams
Orenstein	Pugh	Schreiber	Tompkins	Winter
Osthoff	Quinn	Seaberg	Trimble	Spk. Vanasek
Ostrom	Redalen	Segal	Tunheim	
Otis	Reding	Simoneau	Uphus	
Ozment	Rest	Skoglund	Valento	
Pappas	Richter	Solberg	Vellenga	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2131, A bill for an act relating to crimes; prohibiting wild land arson fires; providing penalties; 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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Lieder	Osthoff	Simoneau
Anderson, G.	Greenfield	Limmer	Ostrom	Skoglund
Anderson, R.	Gutknecht	Long	Otis	Solberg
Battaglia	Hartle	Lynch	Ozment	Sparby
Bauerly	Hasskamp	Macklin	Pappas	Stanius
Beard	Haukoos	Marsh	Pauly	Steensma
Begich	Hausman	McDonald	Pellow	Sviggum
Bennett	Heap	McEachern	Pelowski	Swenson
Bertram	Henry	McGuire	Peterson	Tjornhom
Bishop	Himle	McLaughlin	Poppenhagen	Tompkins
Blatz	Hugoson	McPherson	Price	Trimble
Boo	Jacobs	Milbert	Pugh	Tunheim
Brown	Janezich	Morrison	Quinn	Uphus
Burger	Jaros	Munger	Redalen	Valento
Carlson, D.	Jefferson	Murphy	Reding	Vellenga
Carlson, L.	Jennings	Nelson, C.	Rest	Wagenius
Carruthers	Johnson, A.	Nelson, K.	Richter	Waltman
Clark	Johnson, R.	Neuenschwander	Rodosovich	Weaver
Cooper	Johnson, V.	O'Connor	Rukavina	Welle
Dauner	Kahn	Ogren	Runbeck	Wenzel
Dawkins	Kelly	Olsen, S.	Sarna	Williams
Dempsey	Kinkel	Olson, E.	Schafer	Winter
Dorn	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Kostohryz	Omann	Schreiber	
Frederick	Krueger	Onnen	Seaberg	
Frerichs	Lasley	Orenstein	Segal	

The bill was passed and its title agreed to.

H. F. No. 2056, A bill for an act relating to public safety; making it a crime for a driver to flee a peace officer from another state into

Minnesota; authorizing a peace officer of another state to enter Minnesota in fresh pursuit for traffic and misdemeanor offenses; authorizing the admissibility of relevant evidence obtained in another state into evidence at Minnesota civil and criminal trials; granting peace officers of other states the authority to transport persons in legal custody under certain circumstances; amending Minnesota Statutes 1988, section 609.487, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 626 and 634.

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:

Abrams	Girard	Limmer	Ostrom	Skoglund
Anderson, G.	Greenfield	Long	Otis	Solberg
Anderson, R.	Gutknecht	Lynch	Ozment	Sparby
Battaglia	Hartle	Macklin	Pappas	Stanius
Bauerly	Hasskamp	Marsh	Pauly	Steensma
Beard	Haukoos	McDonald	Pellow	Sviggum
Begich	Hausman	McEachern	Pelowski	Swenson
Bennett	Heap	McGuire	Peterson	Tjornhom
Bertram	Henry	McLaughlin	Poppenhagen	Tompkins
Bishop	Himle	McPherson	Price	Trimble
Blatz	Hugoson	Milbert	Pugh	Tunheim
Boo	Jacobs	Morrison	Quinn	Uphus
Brown	Janezich	Munger	Redalen	Valento
Burger	Jefferson	Murphy	Reding	Vellenga
Carlson, D.	Jennings	Nelson, C.	Rest	Wagenius
Carlson, L.	Johnson, A.	Nelson, K.	Richter	Waltman
Carruthers	Johnson, R.	Neuenschwander	Rodosovich	Weaver
Clark	Johnson, V.	O'Connor	Rukavina	Welle
Cooper	Kahn	Ogren	Runbeck	Wenzel
Dauner	Kelly	Olsen, S.	Sarna	Williams
Dawkins	Kinkel	Olson, E.	Schafer	Winter
Dempsey	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Dorn	Kostohryz	Omann	Schreiber	
Forsythe	Krueger	Onnen	Seaberg	
Frederick	Lasley	Orenstein	Segal	
Frerichs	Lieder	Osthoff	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 2163, A bill for an act relating to minimum wages; defining the term "employee" to exclude certain seasonal children's resident or day camp employees; amending Minnesota Statutes 1988, section 177.23, 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 109 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Limmer	Otis	Skoglund
Anderson, G.	Gutknecht	Long	Osment	Sparby
Anderson, R.	Hartle	Lynch	Pappas	Stanius
Battaglia	Hasskamp	Macklin	Pauly	Steensma
Bauerly	Haukoos	Marsh	Pellow	Swiggum
Begich	Hausman	McDonald	Pelowski	Swenson
Bennett	Heap	McGuire	Peterson	Tjornhom
Bertram	Henry	McPherson	Poppenhagen	Tompkins
Blatz	Himle	Milbert	Price	Trimble
Boo	Hugoson	Morrison	Pugh	Tunheim
Brown	Jacobs	Munger	Redalen	Uphus
Burger	Janezich	Murphy	Reding	Valento
Carlson, D.	Jefferson	Nelson, C.	Rest	Vellenga
Carlson, L.	Jennings	Nelson, K.	Richter	Wagenius
Cooper	Johnson, A.	Neuenschwander	Rodosovich	Waltman
Dauner	Johnson, R.	Olsen, S.	Rukavina	Weaver
Dempsey	Johnson, V.	Olson, E.	Runbeck	Welle
Dorn	Kinkel	Olson, K.	Schafer	Wenzel
Forsythe	Knickerbocker	Omamm	Schreiber	Williams
Frederick	Kostohryz	Onnen	Seaberg	Winter
Frerichs	Krueger	Orenstein	Segal	Spk. Vanasek
Girard	Lieder	Ostrom	Simoneau	

Those who voted in the negative were:

Beard	Dawkins	Lasley	Osthoff	Solberg
Bishop	Jaros	McLaughlin	Quinn	
Carruthers	Kahn	O'Connor	Sarna	
Clark	Kelly	Ogren	Scheid	

The bill was passed and its title agreed to.

H. F. No. 2050, A bill for an act relating to human services; authorizing the lease of property to provide state-operated, community-based programs; 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 97 yeas and 28 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carlson, L.	Heap	Kinkel	Milbert
Anderson, R.	Carruthers	Himle	Knickerbocker	Morrison
Battaglia	Clark	Jacobs	Kostohryz	Munger
Bauerly	Cooper	Janezich	Krueger	Murphy
Beard	Dauner	Jaros	Lasley	Nelson, C.
Begich	Dawkins	Jefferson	Lieder	Nelson, K.
Bertram	Dorn	Jennings	Long	Neuenschwander
Bishop	Forsythe	Johnson, A.	Lynch	O'Connor
Blatz	Greenfield	Johnson, R.	Macklin	Ogren
Boo	Hartle	Johnson, V.	McEachern	Olsen, S.
Brown	Hasskamp	Kahn	McGuire	Olson, E.
Carlson, D.	Hausman	Kelly	McLaughlin	Olson, K.

Omamn	Peterson	Rukavina	Sparby	Welle
Orenstein	Poppenhagen	Runbeck	Steensma	Wenzel
Osthoff	Price	Sarna	Swenson	Williams
Ostrom	Pugh	Scheid	Tjornhom	Winter
Otis	Quinn	Segal	Trimble	Spk. Vanasek
Ozment	Reding	Simoneau	Tunheim	
Pappas	Rest	Skoglund	Vellenga	
Pelowski	Rodosovich	Solberg	Wagenius	

Those who voted in the negative were:

Abrams	Girard	McDonald	Richter	Tompkins
Bennett	Gutknecht	McPherson	Schafer	Valento
Burger	Haukoos	Onnen	Schreiber	Waltman
Dempsey	Henry	Pauly	Seaberg	Weaver
Frederick	Limmer	Pellow	Stanius	
Ferichs	Marsh	Redalen	Svigum	

The bill was passed and its title agreed to.

H. F. No. 2393 was reported to the House.

Milbert moved that H. F. No. 2393 be continued on Special Orders. The motion prevailed.

Long moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Long moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Girard moved that the name of Kalis be added as an author on H. F. No. 1792. The motion prevailed.

Schreiber moved that the name of McLaughlin be added as an author on H. F. No. 1877. The motion prevailed.

Lasley moved that the name of Steensma be stricken and the name of McPherson be added as an author on H. F. No. 1898. The motion prevailed.

Reding moved that the name of Tjornhom be added as an author on H. F. No. 1918. The motion prevailed.

Skoglund moved that the names of Wagenius and Johnson, A., be added as authors on H. F. No. 1983. The motion prevailed.

Kelly moved that the name of Tjornhom be added as an author on H. F. No. 2086. The motion prevailed.

Lieder moved that the name of Knickerbocker be added as an author on H. F. No. 2614. The motion prevailed.

Kinkel moved that the name of Johnson, R., be added as an author on H. F. No. 2748. The motion prevailed.

Kalis moved that the name of Dille be added as an author on H. F. No. 2769. The motion prevailed.

Peterson moved that S. F. No. 1813 be recalled from the Committee on Health and Human Services and be re-referred to the Committee on Appropriations. The motion prevailed.

Long moved that H. F. No. 1970, now on General Orders, be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

Janezich moved that H. F. No. 2786 be recalled from the Committee on Environment and Natural Resources and be re-referred to the Committee on Taxes. The motion prevailed.

Olson, E., moved that H. F. No. 984 be returned to its author. The motion prevailed.

Knickerbocker moved that H. F. No. 1015 be returned to its author. The motion prevailed.

Reding moved that H. F. No. 1328 be returned to its author. The motion prevailed.

Quinn moved that H. F. No. 2122 be returned to its author. The motion prevailed.

Quinn moved that H. F. No. 2123 be returned to its author. The motion prevailed.

Otis moved that H. F. No. 2590 be returned to its author. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

It is the policy of the House that any proposal, whether bill or amendment to a bill, which establishes or renews a board, commission, task force, advisory committee or council, or any other such entity on which members of the House are represented, shall have a specific, separate appropriation relating to the expenses to be incurred by that entity. If such appropriation is not provided, the House will charge per diem, mileage and any other expenses incurred by any such entity to the House committee in which the bill or amendment originated.

ADJOURNMENT

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Thursday, March 22, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SEVENTY-FIFTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 22, 1990

The House of Representatives convened at 2:30 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Father Ralph Zimmerman, St. Mary's Catholic Church, Melrose, Minnesota.

The roll was called and the following members were present:

Abrams	Greenfield	Krueger	Omann	Schreiber
Anderson, G.	Gruenes	Lasley	Onnen	Seaberg
Anderson, R.	Gutknecht	Lieder	Orenstein	Segal
Battaglia	Hartle	Limmer	Ostrom	Skoglund
Bauerly	Hasskamp	Long	Otis	Solberg
Beard	Haukoos	Lynch	Ozment	Sparby
Begich	Hausman	Macklin	Pappas	Stanius
Bennett	Heap	Marsh	Pauly	Steensma
Bertram	Henry	McDonald	Pellow	Sviggum
Bishop	Himle	McEachern	Pelowski	Swenson
Blatz	Hugoson	McGuire	Peterson	Tjornhom
Boo	Jacobs	McLaughlin	Poppenhagen	Tompkins
Brown	Janezich	McPherson	Price	Trimble
Burger	Jaros	Milbert	Pugh	Tunheim
Carlson, D.	Jefferson	Miller	Quinn	Uphus
Carlson, L.	Jennings	Morrison	Redalen	Valento
Carruthers	Johnson, A.	Munger	Reding	Vellenga
Clark	Johnson, R.	Murphy	Rest	Wagenius
Dauner	Johnson, V.	Nelson, C.	Rice	Waltman
Dawkins	Kahn	Nelson, K.	Richter	Weaver
Dempsey	Kalis	Neuenschwander	Rodosovich	Welle
Dorn	Kelly	O'Connor	Rukavina	Wenzel
Forsythe	Kelso	Ogren	Runbeck	Williams
Frederick	Kinkel	Olsen, S.	Sarna	Winter
Frerichs	Knickerbocker	Olsen, E.	Schafer	Spk. Vanasek
Girard	Kostohryz	Olsen, K.	Scheid	

A quorum was present.

Cooper and Simoneau were excused.

Dille was excused until 3:25 p.m. Osthoff was excused until 3:55 p.m.

The Chief Clerk proceeded to read the Journal of the preceding

day. Valento 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. 2480, 274, 596, 1025, 1463, 1860, 1890, 1908, 2027, 2064, 2118, 2218, 2367, 2373, 2382, 2457, 2652, 2656, 2658, 2678, 2695, 2706, 2709, 2735, 2099, 2351, 2343, 1913, 1928 and 2374 and S. F. Nos. 838, 1851, 1897, 2046, 1670, 1698, 1879, 1927, 1980, 2092, 2090, 2172, 1920, 1983, 2039, 772, 2079, 1162, 2267, 2381, 2424, 2119, 2373, 2383, 2216, 2224, 2302, 1686, 1752, 1822, 2115, 2159, 2354, 1726, 1739, 1768, 2179, 2127, 2208, 2281, 1150, 1968, 2229, 1729, 1886, 2048, 1870, 1691, 1692 and 1852 have been placed in the members' files.

S. F. No. 1150 and H. F. No. 1439, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Pugh moved that the rules be so far suspended that S. F. No. 1150 be substituted for H. F. No. 1439 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1670 and H. F. No. 2092, 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. 1670 be substituted for H. F. No. 2092 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1698 and H. F. No. 2168, 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.

1698 be substituted for H. F. No. 2168 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1729 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

Sviggum moved that the rules be so far suspended that S. F. No. 1729 be substituted for H. F. No. 1860 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1752 and H. F. No. 2064, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Brown moved that the rules be so far suspended that S. F. No. 1752 be substituted for H. F. No. 2064 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1870 and H. F. No. 2171, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Price moved that the rules be so far suspended that S. F. No. 1870 be substituted for H. F. No. 2171 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1879 and H. F. No. 1939, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Kinkel moved that the rules be so far suspended that S. F. No. 1879 be substituted for H. F. No. 1939 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1968 and H. F. No. 2099, 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. 1968 be substituted for H. F. No. 2099 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1983 and H. F. No. 2313, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Omann moved that the rules be so far suspended that S. F. No. 1983 be substituted for H. F. No. 2313 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2424 and H. F. No. 2572, 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. 2424 be substituted for H. F. No. 2572 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2302 and H. F. No. 2528, 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. 2302 be substituted for H. F. No. 2528 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2383 and H. F. No. 2683, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Bertram moved that the rules be so far suspended that S. F. No. 2383 be substituted for H. F. No. 2683 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2267 and H. F. No. 2397, 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. 2267 be substituted for H. F. No. 2397 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2229 and H. F. No. 2041, 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. 2229 be substituted for H. F. No. 2041 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2172 and H. F. No. 2299, 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. 2172 be substituted for H. F. No. 2299 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2127 and H. F. No. 2382, 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. 2127

be substituted for H. F. No. 2382 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2092 and H. F. No. 2318, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Uphus moved that the rules be so far suspended that S. F. No. 2092 be substituted for H. F. No. 2318 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2090 and H. F. No. 2266, 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. 2090 be substituted for H. F. No. 2266 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2048 and H. F. No. 2685, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Pelowski moved that the rules be so far suspended that S. F. No. 2048 be substituted for H. F. No. 2685 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2281 and H. F. No. 2384, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Rice moved that S. F. No. 2281 be substituted for H. F. No. 2384 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1897 and H. F. No. 2189, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Bauerly moved that S. F. No. 1897 be substituted for H. F. No. 2189 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1980 and H. F. No. 2187, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Lieder moved that S. F. No. 1980 be substituted for H. F. No. 2187 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1920 and H. F. No. 1870, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

McEachern moved that S. F. No. 1920 be substituted for H. F. No. 1870 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2119 and H. F. No. 2078, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Dorn moved that S. F. No. 2119 be substituted for H. F. No. 2078 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2224 and H. F. No. 2346, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Trimble moved that S. F. No. 2224 be substituted for H. F. No. 2346 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2046 and H. F. No. 2277, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Pappas moved that S. F. No. 2046 be substituted for H. F. No. 2277 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1726 and H. F. No. 2132, which had been referred to the

Chief Clerk for comparison, were examined and found to be identical.

Greenfield moved that S. F. No. 1726 be substituted for H. F. No. 2132 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1927 and H. F. No. 2011, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Price moved that S. F. No. 1927 be substituted for H. F. No. 2011 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1739 and H. F. No. 2083, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Skoglund moved that S. F. No. 1739 be substituted for H. F. No. 2083 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2179 and H. F. No. 2250, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Hausman moved that S. F. No. 2179 be substituted for H. F. No. 2250 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2079 and H. F. No. 2219, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Rodosovich moved that S. F. No. 2079 be substituted for H. F. No. 2219 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2373 and H. F. No. 2448, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Bishop moved that S. F. No. 2373 be substituted for H. F. No. 2448 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2381 and H. F. No. 2608, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Rodosovich moved that S. F. No. 2381 be substituted for H. F. No. 2608 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2159 and H. F. No. 2418, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Otis moved that S. F. No. 2159 be substituted for H. F. No. 2418 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2039 and H. F. No. 2621, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Kalis moved that S. F. No. 2039 be substituted for H. F. No. 2621 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2208 and H. F. No. 2367, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Greenfield moved that S. F. No. 2208 be substituted for H. F. No. 2367 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1930, A bill for an act relating to health; authorizing the creation of a technical advisory task force for emergency dispatch services; requiring the submission of a multidisciplinary report on training needs of emergency dispatchers operating within 911 systems.

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. 2420, A bill for an act relating to traffic safety; allowing impoundment of license plates by administrative action for repeat violations of the driving while intoxicated provisions; amending Minnesota Statutes 1988, section 168.041, subdivision 3a, and by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PLATE IMPOUNDMENT BY ADMINISTRATIVE ACTION

Section 1. Minnesota Statutes 1988, section 168.041, subdivision 3, is amended to read:

Subd. 3. Except as otherwise provided in ~~subdivision 3a~~ section 168.042, if a person is convicted of an offense that makes mandatory the revocation of the person's driver's license, 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 certificate of any motor vehicle owned by the person or any motor vehicle registered in the person's name to be surrendered to the court.

Sec. 2. Minnesota Statutes 1989 Supplement, section 168.041, subdivision 4, is amended to read:

Subd. 4. If the court issues an impoundment order, the registration plates and certificates must be surrendered to the court either three days after the order is issued or on the date specified by the court, whichever date is later. The court shall forward surrendered registration certificates to the registrar of motor vehicles within seven days after their surrender. The court may destroy the surrendered registration plates. Except as provided in subdivision 1a, ~~4a, 5, 6, or 7~~, no new registration plates may be issued to the violator or owner until the 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.

Sec. 3. Minnesota Statutes 1988, section 168.041, subdivision 8, is amended to read:

Subd. 8. Nothing contained in this section or section 168.042 is intended to change or modify any provision of this chapter, with respect to the taxation of motor vehicles or the time within which motor vehicle taxes must be paid.

Sec. 4. Minnesota Statutes 1988, section 168.041, subdivision 10, is amended to read:

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. 5. [168.042] [ADMINISTRATIVE IMPOUNDMENT OF REGISTRATION PLATES FOR ALCOHOL-RELATED DRIVER'S LICENSE REVOCATIONS.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given.

(b) "Violator" means a person who was driving, operating, or in physical control of the motor vehicle when the violation occurred.

(c) "Violation" means a violation of section 169.123 or an impaired driving conviction as defined in section 169.121, subdivision 3, that results in the revocation of a person's driver's license or driving privileges, and also includes an alcohol-related license revocation from another state.

Subd. 2. [VIOLATION AND ISSUANCE OF IMPOUNDMENT ORDER.] The commissioner shall issue a registration plate impoundment order when a person's driver's license or driving privileges are revoked for a third violation within five years or a fourth or subsequent violation within ten years. The order shall require the impoundment of the registration plates of the vehicle involved in the violation and all vehicles owned by or registered or leased in the name of the violator, including vehicles registered jointly or leased in the names of the violator and another. An impoundment order shall not be issued for the registration plates of a rental vehicle as defined in section 168.041, subdivision 10, or a vehicle registered in another state.

Subd. 3. [NOTICE OF IMPOUNDMENT.] An impoundment order is effective when the commissioner or a peace officer acting on behalf of the commissioner notifies the violator of the intent to

impound and the order of impoundment. If the registered owner is not the violator, the commissioner shall notify the registered owner of the impoundment. The notice must advise the violator of the duties and obligations set forth in subdivision 6 and of the right to obtain administrative and judicial review. The notice must also advise the violator and the registered owner who is not the violator of the procedure and eligibility criteria for obtaining special registration plates under subdivision 12. The notice to the registered owner who is not the violator must also include the procedure to obtain new registration plates under subdivision 8. If mailed, the notice and order of impoundment is deemed received three days after mailing to the last known address of the violator or the registered owner.

Subd. 4. [PEACE OFFICER AS AGENT FOR NOTICE OF IMPOUNDMENT.] On behalf of the commissioner, a peace officer issuing a notice of intent to revoke and of revocation under section 169.123 shall also serve a notice of intent to impound and an order of impoundment if the violation is the third violation within five years or the fourth or subsequent violation within ten years. If the vehicle involved in the violation is accessible to the officer at the time the impoundment order is issued, the officer shall seize the registration plates subject to the impoundment order. The officer shall destroy all plates seized or impounded under this section. The officer shall send to the commissioner copies of the notice of intent to impound and the order of impoundment and a notice that registration plates impounded and seized under this section have been destroyed.

Subd. 5. [TEMPORARY PERMIT.] If the vehicle is registered to the violator, the officer shall issue a temporary vehicle permit that is valid for seven days when the officer issues the notices under subdivision 4. If the vehicle is registered in the name of another, the officer shall issue a temporary vehicle permit that is valid for 45 days when the notices are issued under subdivision 3. The permit must be in a form determined by the registrar and whenever practicable must be posted on the left side of the inside rear window of the vehicle. A permit is valid only for the vehicle for which it is issued.

Subd. 6. [VEHICLES SUBJECT TO IMPOUNDMENT ORDERS.] Within seven days after issuance of the impoundment notice, a person who receives a notice of impoundment and an impoundment order shall surrender all registration plates subject to the impoundment order that were not seized by a peace officer under subdivision 4. Registration plates required to be surrendered under this subdivision must be surrendered to a Minnesota police department, sheriff, or the state patrol, along with a copy of the impoundment order. A law enforcement agency receiving registration plates under this subdivision shall destroy the plates and notify the commissioner that they have been destroyed. The notification to the

commissioner shall also include a copy of the impoundment order. If any person fails to surrender registration plates as required by this subdivision, the commissioner shall direct a peace officer to order the person to surrender the plates to the officer.

Subd. 7. [VEHICLE NOT OWNED BY THE VIOLATOR.] A violator may file a sworn statement with the commissioner within seven days of the issuance of an impoundment order stating any material information relating to the impoundment order, including that the vehicle has been sold or destroyed, and supplying the date, name, location, and address of the person or entity that purchased or destroyed the vehicle. The commissioner shall rescind the impoundment order if the violator shows that the impoundment order was not properly issued.

Subd. 8. [REISSUANCE OF REGISTRATION PLATES.] (a) The commissioner shall rescind the impoundment order if a person subject to an impoundment order under this section, other than the violator, files with the commissioner an acceptable sworn statement that the person:

(1) is the registered owner of the vehicle from which the plates have been impounded under this section;

(2) is the current owner and possessor of the vehicle used in the violation;

(3) was not a passenger in the vehicle at the time of the violation of section 169.121 or 169.129; and

(4) knows that the violator may not drive, operate, or be in physical control of a vehicle without a valid driver's license.

(b) If the order is rescinded, the owner shall receive new registration plates at no cost if the plates were seized and destroyed.

Subd. 9. [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. On 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 to the registered owner of the vehicle if the registered owner's license or driving

privileges were not revoked under section 169.123 or as a result of an impaired driving conviction as defined in section 169.121, subdivision 3.

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. 10. [PETITION FOR JUDICIAL REVIEW.] (a) Within 30 days following receipt of a notice and an order of impoundment under this section, a person may petition the court for review. The petition must include the petitioner's date of birth, driver's license number, and date of the violation. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order for impoundment. The petition may be combined with any petition filed under section 169.123, subdivision 5c.

(b) Except as otherwise provided in this section, the judicial review and hearing are governed by section 169.123, subdivisions 5c and 6, and shall take place at the same time as any judicial review of the person's license revocation under section 169.123. The filing of the petition shall not stay the impoundment order. The reviewing court may order a stay of the balance of the impoundment period if the hearing has not been conducted within 60 days after filing of the petition upon terms the court deems proper. The court shall order either that the impoundment be rescinded or sustained and forward the order to the commissioner of public safety. The court shall file its order within 14 days following the hearing.

(c) In addition to the issues described in section 169.123, subdivision 5c, the scope of a hearing under this subdivision is limited to:

(1) whether the violator owns, is the registered owner, possesses, or has access to the vehicle used in the violation; and

(2) whether a member of the violator's household has a valid driver's license, the violator or registered owner has a limited license issued under section 171.30, the registered owner is not the violator and the registered owner has a valid or limited driver's license, or a member of the registered owner's household has a valid driver's license.

(d) In a hearing under this subdivision, the following shall be admissible in evidence:

(1) certified copies of the violator's driving record; and

(2) certified copies of vehicle registration records bearing the violator's name.

Subd. 11. [RESCISSION OF REVOCATION AND ISSUANCE OF NEW PLATES.] 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 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. 12. [ISSUANCE OF SPECIAL REGISTRATION PLATES.] A violator or registered owner may apply to the commissioner for new registration plates, which must bear a special series of numbers or letters so as to be readily identified by traffic law enforcement officers. 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 registered owner has a limited license issued under section 171.30;

(3) the registered owner is not the violator and the registered owner has a valid or limited driver's license; or

(4) a member of the registered 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.

Subd. 13. [SALE OF VEHICLE SUBJECT TO IMPOUNDMENT ORDER.] A registered owner may not sell a motor vehicle during the time its registration plates have been ordered impounded or during the time its registration plates bear a special series number, unless:

(1) the sale is for a valid consideration;

(2) the transferee does not reside in the same household as the registered owner; and

(3) all elements of section 168A.10 are satisfied. The registrar may then transfer the title to the new owner upon proper application and issue new registration plates.

Subd. 14. [MISDEMEANOR OFFENSES.] A person is guilty of a misdemeanor who:

(1) fails to comply with an impoundment order under this section;

(2) files a false statement under subdivision 7 or 8;

(3) operates a motor vehicle on a street or highway when the vehicle is subject to an impoundment order issued under this section; or

(4) fails to notify the commissioner of the impoundment order when requesting new plates.

Sec. 6. Minnesota Statutes 1989 Supplement, section 169.123, subdivision 5c, is amended to read:

Subd. 5c. [PETITION FOR JUDICIAL REVIEW.] Within 30 days following receipt of a notice and order of revocation or disqualification pursuant to this section, a person may petition the court for review, unless the person is entitled to review under section 171.166. The petition shall be filed with the district court administrator in the county where the alleged offense occurred, together with proof of service of a copy on the commissioner of public safety, and accompanied by the standard filing fee for civil actions. No responsive pleading shall be required of the commissioner of public safety, and no court fees shall be charged for the appearance of the commissioner of public safety in the matter.

The petition shall be captioned in the full name of the person making the petition as petitioner and the commissioner of public safety as respondent. The petition must include the petitioner's date of birth, driver's license number, and date of the offense, and a copy of the notice of revocation or disqualification. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order of revocation, disqualification, or denial and state the facts underlying each claim asserted.

The filing of the petition shall not stay the revocation, disqualification, or denial. The reviewing court may order a stay of the balance of the revocation or disqualification if the hearing has not been conducted within 60 days after filing of the petition upon terms the court deems proper. Judicial reviews shall be conducted according to the rules of civil procedure.

Sec. 7. [REPEALER.]

Minnesota Statutes 1988, section 168.041, subdivisions 3a and 4a, are repealed.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 5 and 7 are effective January 1, 1991.

ARTICLE 2
CRIMINAL VEHICULAR HOMICIDE

Section 1. Minnesota Statutes 1989 Supplement, section 609.21, is amended to read:

609.21 [CRIMINAL VEHICULAR OPERATION HOMICIDE AND INJURY.]

Subdivision 1. [~~RESULTING IN DEATH~~ CRIMINAL VEHICULAR HOMICIDE.] Whoever causes the death of a human being not constituting murder or manslaughter as a result of operating a motor vehicle as defined in section 169.01, subdivision 2, or an aircraft or watercraft,

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements; or
- (3) ~~in a negligent manner~~ while having an alcohol concentration of 0.10 or more;;
- (4) while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving; or
- (5) in a negligent manner while having an alcohol concentration of 0.07 or more, if the actor has previously been convicted of violating section 169.121 or 169.129 once within the past five years or two or more times within the past ten years,

is guilty of criminal vehicular ~~operation~~ homicide resulting in death and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

Subd. 2. [~~RESULTING IN INJURY GREAT BODILY HARM.~~] Whoever causes great bodily harm to another, as defined in section 609.02, subdivision 8, not constituting attempted murder or assault, as a result of operating a motor vehicle defined in section 169.01, subdivision 2, or an aircraft or watercraft,

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements; or
- (3) ~~in a negligent manner~~ while having an alcohol concentration of 0.10 or more;;

(4) while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving; or

(5) in a negligent manner while having an alcohol concentration of 0.07 or more, if the actor has previously been convicted of violating section 169.121 or 169.129 once within the past five years or two or more times within the past ten years,

is guilty of criminal vehicular operation resulting in injury great bodily harm and may be sentenced to imprisonment for not more than five years or the to payment of a fine of not more than \$10,000, or both.

Subd. 2a. [RESULTING IN SUBSTANTIAL BODILY HARM.] Whoever causes substantial bodily harm to another as a result of operating a motor vehicle,

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements;

(3) while having an alcohol concentration of 0.10 or more;

(4) while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving; or

(5) in a negligent manner while having an alcohol concentration of 0.07 or more, if the actor has previously been convicted of violating section 169.121 or 169.129 once within the past five years or two or more times within the past ten years,

is guilty of criminal vehicular operation resulting in substantial bodily harm and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$10,000, or both.

Subd. 3. [RESULTING IN DEATH TO AN UNBORN CHILD.] Whoever causes the death of an unborn child as a result of operating a motor vehicle defined in section 169.01, subdivision 2, or an aircraft or watercraft,

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements; or

(3) in a negligent manner while having an alcohol concentration of 0.10 or more;

(4) while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving; or

(5) in a negligent manner while having an alcohol concentration of 0.07 or more, if the actor has previously been convicted of violating section 169.121 or 169.129 once within the past five years or two or more times within the past ten years,

is guilty of criminal vehicular operation resulting in death to an unborn child and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both. A prosecution for or conviction of a crime under this subdivision is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

Subd. 4. [RESULTING IN INJURY TO UNBORN CHILD.] Whoever causes great bodily harm, as defined in section 609.02, subdivision 8, to an unborn child who is subsequently born alive, as a result of operating a motor vehicle defined in section 169.01, subdivision 2, or an aircraft or watercraft,

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements; or

(3) ~~in a negligent manner~~ while having an alcohol concentration of 0.10 or more;

(4) while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving; or

(5) in a negligent manner while having an alcohol concentration of 0.07 or more, if the actor has previously been convicted of violating section 169.121 or 169.129 once within the past five years or two or more times within the past ten years,

is guilty of criminal vehicular operation resulting in injury to an unborn child and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both. A prosecution for or conviction of a crime under this subdivision is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

Subd. 5. [DEFINITION.] For purposes of this section, "motor vehicle" has the meaning given in section 609.52, subdivision 1.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1990, and applies to crimes committed on or after that date.

ARTICLE 3

OPEN BOTTLE LAW

Section 1. Minnesota Statutes 1988, section 169.122, subdivision 2, is amended to read:

Subd. 2. No person shall have in possession ~~on the person~~ while in a private motor vehicle upon a public highway, any bottle or receptacle containing intoxicating liquor or nonintoxicating malt liquor which has been opened, or the seal broken, or the contents of which have been partially removed. For purposes of this section, "possession" means either that the person had actual possession of the bottle or receptacle or that the person exercised dominion and control over the bottle or receptacle. This subdivision does not apply to a bottle or receptacle that is in the trunk of the vehicle if it is equipped with a trunk, or that is in another area of the vehicle not normally occupied by the driver and passengers if the vehicle is not equipped with a trunk.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1990, and applies to violations occurring on or after that date.

ARTICLE 4

EXPANDED DWI SANCTIONS FOR REPEAT OFFENDERS

Section 1. Minnesota Statutes 1989 Supplement, section 169.121, subdivision 1a, is amended to read:

Subd. 1a. [REFUSAL TO SUBMIT TO TESTING; CRIME.] It is a crime for any person to refuse to submit to a chemical test of the person's blood, breath, or urine under section 169.123 if the person's driver's license has been suspended, revoked, canceled, or denied once within the past five years, or two or more times within the past ten years, under any of the following: this section, or; section 169.123, 171.04, 171.14, 171.16, 171.17, or 171.18 because of an alcohol-related incident; section 609.21, subdivision 1, clause (2) or (3); 609.21, subdivision 2, clause (2) or (3); 609.21, subdivision 3, clause (2) or (3); or 609.21, subdivision 4, clause (2) or (3).

Sec. 2. Minnesota Statutes 1988, section 169.121, is amended by adding a subdivision to read:

Subd. 3c. [NOTICE OF ENHANCED PENALTIES.] When a court sentences a person for a misdemeanor violation of this section, it shall inform the defendant of the statutory provisions that provide for enhancement of criminal penalties for repeat violators. The failure of a court to provide this information to a defendant does not affect the future applicability of these enhanced penalties to that defendant.

Sec. 3. Minnesota Statutes 1988, section 169.129, is amended to read:

169.129 [AGGRAVATED VIOLATIONS; PENALTY.]

Any person is guilty of a gross misdemeanor who drives, operates, or is in physical control of a motor vehicle, the operation of which requires a driver's license, within this state or upon the ice of any boundary water of this state in violation of section 169.121 or an ordinance in conformity with it before the person's driver's license or driver's privilege has been reinstated following its cancellation, suspension or revocation (1) because the person drove, operated, or was in physical control of a motor vehicle while under the influence of alcohol or a controlled substance or while the person had an alcohol concentration of 0.10 or more or (2) because the person refused to take a test which determines the presence of alcohol or a controlled substance when requested to do so by a proper authority, is guilty of a gross misdemeanor, or denial under any of the following: section 169.121, 169.123, 171.04, 171.14, 171.16, 171.17, or 171.18 because of an alcohol-related incident; section 609.21, subdivision 1, clause (2) or (3); 609.21, subdivision 2, clause (2) or (3); 609.21, subdivision 3, clause (2) or (3); or 609.21, subdivision 4, clause (2) or (3). Jurisdiction over prosecutions under this section is in the county court.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 3 are effective August 1, 1990, and apply to violations occurring on or after that date.

ARTICLE 5

AIRCRAFT OPERATION WHILE INTOXICATED PROVISIONS

Section 1. Minnesota Statutes 1989 Supplement, section 169.121, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL PENALTIES.] (a) A person who violates subdivision 1 or an ordinance in conformity with it is guilty of a misdemeanor.

(b) A person is guilty of a gross misdemeanor who violates

subdivision 1 or an ordinance in conformity with it within five years of a prior impaired driving conviction, or within ten years of the first of two or more prior impaired driving convictions.

For purposes of this paragraph, a prior impaired driving conviction is a prior conviction under this section, section 84.91, subdivision 1, paragraph (a), 169.129, 361.12, subdivision 1, paragraph (a), 609.21, subdivision 1, clause (2) or (3), 609.21, subdivision 2, clause (2) or (3), 609.21, subdivision 3, clause (2) or (3), 609.21, subdivision 4, clause (2) or (3), section 4, or an ordinance from this state, or a statute or ordinance from another state in conformity with any of them. A prior impaired driving conviction also includes a prior juvenile adjudication that would have been a prior impaired driving conviction if committed by an adult.

(c) A person who violates subdivision 1a is guilty of a gross misdemeanor.

(d) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor violations of this section.

When an attorney responsible for prosecuting gross misdemeanors under this section requests criminal history information relating to prior impaired driving convictions from a court, the court must furnish the information without charge.

Sec. 2. Minnesota Statutes 1988, section 360.075, subdivision 1, is amended to read:

Subdivision 1. [MISDEMEANOR.] Every person who:

(1) Operates an aircraft either on or over land or water in this state without the consent of the owner of such aircraft; or

(2) Operates, or attempts to operate, any aircraft in this state while under the influence of intoxicating liquor or of any narcotic or other habit-forming drug; or

(3) Knowingly permits any individual who may be under the influence of intoxicating liquor or of any narcotic or other habit-forming drug to operate any aircraft owned by or in the custody or control of such person; or

(4) Operates aircraft while in the possession of any federal license, certificate, or permit or any certificate of registration issued by the transportation department of this state, or displays, or causes or permits to be displayed, such federal license, certificate, or permit or

such state certificate of registration, knowing either to have been canceled, revoked, suspended, or altered; or

(5) (3) Lends to, or knowingly permits the use of by, one not entitled thereto of any federal airman's or aircraft license, certificate, or permit, or any state airman's or aircraft certificate of registration issued to that person; or

(6) (4) Displays or represents as the person's own any federal airman's or aircraft license, certificate, or permit or any state airman's or aircraft certificate of registration not issued to that person; or

(7) (5) Tampers with, climbs upon or into, makes use of, or navigates any aircraft without the knowledge or consent of the owner or person having control thereof, whether while the same is in motion or at rest, or hurls stones or any other missiles at aircraft, or the occupants thereof, or otherwise damages or interferes with the same, or places upon any portion of any airport any object, obstruction, or other device tending to injure aircraft or parts thereof; or

(8) (6) Uses a false or fictitious name, gives a false or fictitious address, knowingly makes any false statement or report, or knowingly conceals a material fact, or otherwise commits a fraud in any application or form required under the provisions of sections 360.011 to 360.076, or by any rules or orders of the commissioner; or

(9) (7) Operates any aircraft in such a manner as to indicate either a willful or a wanton disregard for the safety of persons or property; or

(10) (8) Carries on or over land or water in this state in an aircraft other than a public aircraft any explosive substance except as permitted by the Federal Explosives Act, being the Act of October 6, 1917, as amended by Public Law Number 775, 77th Congress, approved November 24, 1942; or

(11) (9) Discharges a gun, pistol, or other weapon in or from any aircraft in this state except as the hunting of certain wild animals from aircraft may be permitted by other laws of this state, or unless the person is the pilot or officer in command of the aircraft or a peace officer or a member of the military or naval forces of the United States, engaged in the performance of duty; or

(12) (10) Carries in any aircraft, other than a public aircraft, any shotgun, rifle, pistol, or small arms ammunition except in the manner in which such articles may be lawfully carried in motor vehicles in this state, or is a person excepted from the provisions of clause (11) (9); or

~~(13)~~ (11) Engages in acrobatic or stunt flying without being equipped with a parachute and without providing any other occupants of the aircraft with parachutes and requiring that they be worn; or

~~(14)~~ (12) While in flying over a thickly inhabited area or over a public gathering in this state, engages in trick or acrobatic flying or in any acrobatic feat; or

~~(15)~~ (13) Except while in landing or taking off, flies at such low levels as to endanger persons on the surface beneath, or engages in advertising through the playing of music or transcribed or oral announcements, or makes any noise with any siren, horn, whistle, or other audible device which is not necessary for the normal operation of the aircraft, except that sound amplifying devices may be used in aircraft when operated by or under the authority of any agency of the state or federal government for the purpose of giving warning or instructions to persons on the ground; or

~~(16)~~ (14) Drops any object, except loose water, loose fuel, or loose sand ballast, without the prior written consent of the commissioner of transportation and the prior written consent of the municipality or property owner where objects may land; drops objects from an aircraft that endanger person or property on the ground, or drops leaflets for any purpose whatsoever; or

~~(17)~~ (15) While in flight in an aircraft, whether as a pilot, passenger, or otherwise, endangers, kills or attempts to kill any birds or animals or uses any aircraft for the purpose of concentrating, driving, rallying, or stirring up migratory waterfowl, except as may be permitted by other laws of this state shall be guilty of a misdemeanor.

Sec. 3. Minnesota Statutes 1988, section 360.075, subdivision 6, is amended to read:

Subd. 6. [ADDITIONAL PENALTIES, CERTAIN VIOLATIONS.] For any violation of subdivisions 1 and 5, section 4, or of any rule issued pursuant to section 360.015, in addition to the penalties provided in this section or section 4, or as a condition to the suspension of a sentence which may be imposed pursuant thereto, the court in its discretion may prohibit the violator from operating an aircraft within the state for such period as it may determine, but not to exceed one year. Violation of the duly imposed prohibition of the court may be punished as a contempt of court. Upon a plea of guilty or conviction under said sections, in any case involving an airman, the court shall issue an order prohibiting the airman from exercising, in the state of Minnesota, the privileges granted to the airman by federal certificate for a period, in the discretion of the court, not to exceed one year, and shall notify the commissioner of any action involving a violation under this section or section 4 by

mailing a report to the commissioner showing the name and address of the violator, the offense charged, the time and place of violation, the plea, the finding of the court or jury, and the penalty imposed.

Sec. 4. [360.0752] [AIRCRAFT OPERATORS UNDER THE INFLUENCE OF ALCOHOL OR CONTROLLED SUBSTANCES.]

Subdivision 1. [DEFINITION.] As used in this section and section 5, "operate" includes the acts of all crew members with responsibility to operate the aircraft.

Subd. 2. [CRIME.] It is a crime for any person to operate or attempt to operate an aircraft on or over land or water within this state or over any boundary water of this state:

(a) when the person is under the influence of alcohol;

(b) when the person is under the influence of a controlled substance, as defined in section 152.01, subdivision 4;

(c) when the person is under the influence of a combination of any two or more of the elements named in clauses (a), (b), and (f);

(d) when the person's alcohol concentration is 0.04 or more;

(e) when the person's alcohol concentration as measured within two hours of the time of operation or attempted operation is 0.04 or more;

(f) when the person is knowingly under the influence of any chemical compound or combination of chemical compounds that is listed as a hazardous substance in rules adopted under section 182.655 and that affects the nervous system, brain, or muscles of the person so as to substantially impair the person's ability to operate the aircraft; or

(g) within eight hours of having consumed any alcoholic beverage or used any controlled substance.

Subd. 3. [ALLOWING OPERATION.] It is a crime for any person to knowingly permit any individual who is in violation of subdivision 2 to operate any aircraft owned by or in the custody or control of the person.

Subd. 4. [ARREST.] A peace officer may lawfully arrest a person for violation of subdivision 2 without a warrant upon probable cause, without regard to whether the violation was committed in the officer's presence. The express grant of arrest powers in this subdivision does not limit the arrest powers of peace officers pursuant to

sections 626.65 to 626.70 or section 629.40 in cases of arrests for violation of subdivision 2 or any other provision of law.

Subd. 5. [EVIDENCE.] Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for operating or attempting to operate an aircraft in violation of subdivision 2, 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.

Evidence of the refusal to take a test is admissible into evidence in a prosecution under this section.

If proven by a preponderance of the evidence, it shall be an affirmative defense to a violation of subdivision 2, clause (e), that the defendant consumed a sufficient quantity of alcohol after the time of the violation and before the administration of the evidentiary test to cause the defendant's alcohol concentration to exceed 0.04; provided, that this evidence may not be admitted unless notice is given to the prosecution prior to the omnibus or pretrial hearing in the matter.

The foregoing provisions do not limit the introduction of any other competent evidence bearing upon the question whether or not the person violated this section, including tests obtained more than two hours after the alleged violation and results obtained from partial tests on an infrared breath-testing instrument. A result from a partial test is the measurement obtained by analyzing one adequate breath sample, as defined in section 5, subdivision 4, paragraph (b).

Subd. 6. [CRIMINAL PENALTIES.] (a) A person who violates subdivision 2, clause (g); or 3 is guilty of a misdemeanor.

(b) A person who violates subdivision 2, clauses (a) to (f), is guilty of a gross misdemeanor.

(c) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations shall also be responsible for prosecution of gross misdemeanor violations of this section.

Subd. 7. [PRELIMINARY SCREENING TEST.] When a peace officer has reason to believe that a person may be violating or has violated subdivision 2, the officer may require the person to provide a sample of the person's breath for a preliminary screening test using a device approved by the commissioner of public safety or the commissioner of transportation for this purpose. The results of this preliminary screening test shall be used for the purpose of deciding whether to require the tests authorized in section 5, but shall not be used in any court action except to prove that a test was properly

required of a person pursuant to section 5. Following the screening test, additional tests may be required of the person pursuant to the provisions of section 5.

A person who refuses to furnish a sample of the person's breath is subject to the provisions of section 5 unless, in compliance with section 5, the person submits to a blood, breath, or urine test to determine the presence of alcohol or a controlled substance.

Sec. 5. [360.0753] [TESTING PROCEDURES.]

Subdivision 1. [PEACE OFFICER DEFINED.] For purposes of this section, the term "peace officer" means an employee of a political subdivision or state law enforcement agency who is licensed by the Minnesota board of peace officers standards and training, who is charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state, and who has full power of arrest, and shall also include the Minnesota state patrol and metropolitan airports commission peace officers, but does not include employees of the department of natural resources.

Subd. 2. [IMPLIED CONSENT; CONDITIONS; ELECTION AS TO TYPE OF TEST.] (a) Any person who operates or attempts to operate an aircraft in or over this state or over any boundary water of this state consents, subject to the provisions of this section and section 4, to a chemical test of that person's blood, breath, or urine for the purpose of determining the presence of alcohol or a controlled substance. The test shall be administered at the direction of a peace officer. The test may be required of a person when an officer has probable cause to believe the person was operating or attempting to operate an aircraft in violation of section 4 and one of the following conditions exist:

(1) the person has been lawfully placed under arrest for violation of section 4;

(2) the person has been involved in an aircraft accident or collision resulting in property damage, personal injury, or death;

(3) the person has refused to take the screening test provided for by section 4;

(4) the screening test was administered and recorded an alcohol concentration of 0.04 or more; or

(5) the officer had probable cause to believe that the person was operating or attempting to operate an aircraft with any amount of alcohol present in the person's body.

(b) At the time a test is requested, the person shall be informed:

(1) that Minnesota law requires the person to take a test to determine the presence of alcohol or to determine if the person is under the influence of alcohol or a controlled substance;

(2) that if testing is refused, the person will be disqualified from operating an aircraft for a minimum period of one year;

(3) that if a test is taken and the results indicate an alcohol concentration of 0.04 or more or that the person is under the influence of a controlled substance, the person will be subject to criminal penalties and the person may be prohibited from operating an aircraft in this state for up to one year;

(4) that after submitting to testing, the person has the right to consult with an attorney and to have additional tests made by someone of the person's own choosing; and

(5) that if the person refuses to take a test, the refusal will be offered into evidence against the person at trial.

(c) The peace officer who requires a test pursuant to this subdivision may direct whether the test shall be of blood, breath, or urine. Action may be taken against a person who refuses to take a blood test only if an alternative test was offered and action may be taken against a person who refuses to take a urine test only if an alternative test was offered.

Subd. 3. [REQUIREMENT OF URINE OR BLOOD TEST.] Notwithstanding subdivision 2, if there is probable cause to believe there is impairment by a controlled substance that is not subject to testing by a breath test, a urine or blood test may be required even after a breath test has been administered. Action may be taken against a person who refuses to take a blood test under this subdivision only if a urine test was offered and action may be taken against a person who refuses to take a urine test only if a blood test was offered.

Subd. 4. [BREATH TEST USING AN INFRARED BREATH-TESTING INSTRUMENT.] (a) In the case of a breath test administered using an infrared breath-testing instrument, the test shall consist of analyses in the following sequence: one adequate breath sample analysis, one calibration standard analysis, and a second, adequate breath sample analysis.

(b) In the case of a test administered using an infrared breath-testing instrument, a sample is adequate if the instrument analyzes the sample and does not indicate the sample is deficient.

(c) For purposes of this section, when a test is administered using an infrared breath-testing instrument, failure of a person to provide two separate, adequate breath samples in the proper sequence constitutes a refusal.

Subd. 5. [CONSENT OF PERSON INCAPABLE OF REFUSAL NOT WITHDRAWN.] A person who is unconscious or who is otherwise in a condition rendering the person incapable of refusal is deemed not to have withdrawn the consent provided by subdivision 2 and the test may be given.

Subd. 6. [MANNER OF MAKING TEST; ADDITIONAL TESTS.] Only a physician, medical technician, physician's trained mobile intensive care paramedic, registered nurse, medical technologist, or laboratory assistant acting at the request of a peace officer may withdraw blood for the purpose of determining the presence of alcohol or controlled substance. This limitation does not apply to the taking of a breath or urine sample. The person tested has the right to have someone of the person's own choosing administer a chemical test or tests in addition to any administered at the direction of a peace officer; provided, that the additional test sample on behalf of the person is obtained at the place where the person is in custody, after the test administered at the direction of a peace officer, and at no expense to the state. The failure or inability to obtain an additional test or tests by a person shall not preclude the admission in evidence of the test taken at the direction of a peace officer unless the additional test was prevented or denied by the peace officer. The physician, medical technician, physician's trained mobile intensive care paramedic, medical technologist, laboratory assistant, or registered nurse drawing blood at the request of a peace officer for the purpose of determining alcohol concentration shall in no manner be liable in any civil or criminal action except for negligence in drawing the blood. The person administering a breath test shall be fully trained in the administration of breath tests pursuant to training given by the commissioner of public safety or the commissioner of transportation.

Subd. 7. [REFUSAL TO PERMIT TEST; CEASE AND DESIST ORDER.] If a person under arrest refuses to permit chemical testing, none shall be given, but the commissioner of transportation, upon the receipt of a certificate of the peace officer that the officer had reasonable and probable grounds to believe the arrested person had been operating or attempting to operate an aircraft in violation of section 4 and that the person had refused to permit the test, shall issue a cease and desist order prohibiting the operation of an aircraft for a period of one year.

Subd. 8. [NOTICE OF CEASE AND DESIST ORDER; REQUEST FOR HEARING.] No cease and desist order under subdivision 7 shall be made until the commissioner notifies the person by certified mail of intention to issue a cease and desist order and allows the

person a 20-day period after the date of receiving the notice to request of the commissioner, in writing, a hearing as herein provided. If no request is filed within the 20-day period, the commissioner may then issue a cease and desist order. However, if a request for hearing is filed, no cease and desist order shall be made until final judicial determination resulting in an adverse decision to the person.

Subd. 9. [HEARING.] The hearing shall be before a district court in the county where the arrest occurred, unless there is agreement that the hearing may be held in some other county. The hearing shall be recorded and proceed as in a criminal matter, without the right of trial by jury, and its scope shall cover the issues of whether the peace officer had reasonable and probable grounds to believe the person was operating or attempting to operate an aircraft in violation of section 4; whether the person was lawfully placed under arrest; whether the person refused to permit the test, and if the person refused whether the person had reasonable grounds for refusing to permit the test; and whether at the time of request for the test the peace officer informed the person that the right to fly might be denied if the person refused to permit the test and of the right to have additional tests made by someone of the person's own choosing. The court shall order either that the denial be rescinded or sustained and refer the order to the commissioner of transportation for further action.

Subd. 10. [NOTICE OF ACTION TO OTHER STATES.] When it has been finally determined that a nonresident's privilege to operate an aircraft in this state has been denied, the commissioner shall give information in writing of the action taken to the appropriate federal authorities and any state in which the nonresident operates an aircraft or has a license to operate an aircraft.

Sec. 6. [REPEALER.]

Minnesota Statutes 1988, sections 360.075, subdivision 7; and 360.0751, are repealed."

Delete the title and insert:

"A bill for an act relating to traffic safety; providing for administrative impoundment of license plates of vehicles owned by repeat violators of laws relating to driving while intoxicated; providing for issuance of special plates to certain registered owners and certain members of the violator's household; requiring peace officers to serve a notice of intent to impound when serving a notice of intent to revoke the violator's driver's license; providing for administrative and judicial review of impoundment orders; expanding the crime of refusing to submit to an implied consent test; expanding the crime of aggravated driving while intoxicated; reclassifying the crime of

“criminal vehicular operation resulting in death” as “criminal vehicular homicide”; expanding the crime of criminal vehicular operation to include repeat DWI violators who negligently cause injury or death while having an alcohol concentration of 0.07 or more; removing requirement that negligence be proven for conviction of criminal vehicular operation if driver’s alcohol concentration was 0.10 or more; imposing penalties for criminal vehicular operation resulting in substantial bodily harm; prohibiting constructive possession of alcohol in a private motor vehicle; expanding the definition of possession; prohibiting operation of an aircraft while operator is under the influence of alcohol or a controlled substance; providing for testing for alcohol or controlled substance in aircraft operator and requiring testing under certain conditions; implying consent of aircraft operator to test for alcohol or controlled substance; regulating testing; providing for hearing and appeal; providing penalties; amending Minnesota Statutes 1988, sections 168.041, subdivisions 3, 8, and 10; 169.121, by adding a subdivision; 169.122, subdivision 2; 169.129; and 360.075, subdivisions 1 and 6; Minnesota Statutes 1989 Supplement, sections 168.041, subdivision 4; 169.121, subdivisions 1a and 3; 169.123, subdivision 5c; and 609.21; proposing coding for new law in Minnesota Statutes, chapters 168 and 360; repealing Minnesota Statutes 1988, sections 168.041, subdivisions 3a and 4a; 360.075, subdivision 7; and 360.0751.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2651, A bill for an act relating to bonds; authorizing the commissioner of finance to make certain covenants to the purchasers of certain bonds or certificates of indebtedness; requiring identification of certain accounts; providing for the reduction and cancellation of certain bond sale authorizations; appropriating money; amending Minnesota Statutes 1988, sections 16A.641, subdivision 6; and 16A.672, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 16A.631; and 16A.641, subdivision 7; repealing Minnesota Statutes 1988, section 16A.651.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [APPROPRIATIONS FOR CAPITAL IMPROVEMENTS.]

The dollar amounts in the column marked "APPROPRIATIONS" are appropriated from the state bond proceeds fund, or other named fund, to the state officials or agencies indicated, to be spent to acquire and to better public land and buildings and other public improvements of a capital nature, as specified in this act.

SUMMARY

COMMUNITY COLLEGES	\$ 23,390,000
STATE UNIVERSITIES	27,250,000
TECHNICAL COLLEGES	25,488,000
UNIVERSITY OF MINNESOTA	44,112,000
STATE ACADEMIES FOR THE BLIND AND DEAF	360,000
MAXIMUM EFFORT SCHOOL LOAN PROGRAM	36,630,000
SUPREME COURT	2,500,000
ADMINISTRATION	15,131,000
NATURAL RESOURCES	23,225,000
MINNESOTA ZOOLOGICAL GARDEN	1,028,000
POLLUTION CONTROL AGENCY	43,930,000
OFFICE OF WASTE MANAGEMENT	4,000,000
TRADE AND ECONOMIC DEVELOPMENT	11,550,000
MINNESOTA AMATEUR SPORTS COMMISSION	2,300,000
MILITARY AFFAIRS	950,000
TRANSPORTATION	19,774,000
PUBLIC SAFETY	830,000
MINNESOTA HISTORICAL SOCIETY	3,725,000
HUMAN SERVICES	23,649,000
CORRECTIONS	15,156,000
JOBS AND TRAINING	1,000,000
MINNESOTA VETERANS HOME BOARD	2,567,000
HEALTH	1,526,000
BOND SALE EXPENSES	318,000
TOTAL	330,389,000
General Fund	2,800,000
Reinvest in Minnesota Resources Fund	4,300,000
Trunk Highway Fund	11,018,000
Maximum Effort School Loan Fund	36,630,000
Transportation Fund	7,306,000
Airport Fund	50,000
Bond Proceeds Fund	268,285,000

APPROPRIATIONS

Sec. 2. COMMUNITY COLLEGES

Subdivision 1. (a) To the commissioner of administration for the purposes specified in this section

\$ 23,390,000

(b) Notwithstanding Minnesota Statutes, section 16B.24, subdivision 2, the state board for community colleges shall supervise and control the making of necessary repairs to all state community college buildings and structures during the biennium.

(c) The state board shall report to the house appropriations and senate finance committees by January 15 of each year on the status of the capital improvement projects in this section.

(d) During the biennium, as part of the planning process for a new or remodeled building, consideration must be given to the child care needs of a campus and the feasibility of locating child care facilities in the building. The board shall report on its consideration process and its decision for each project proposed in future bonding requests.

Subd. 2. Brainerd Community College

5,398,000

This appropriation is to construct and remodel space for drama, child care, campus center, physical education, laboratories, biology, a library, classrooms, an art studio and classroom, offices, parking, and storage areas.

Subd. 3. Cambridge Center

420,000

This appropriation is to prepare working drawings for classrooms, laboratories, offices, and other necessary purposes. This appropriation is available only after receipt of a gift of land upon which the structure is to be located.

Subd. 4. Fergus Falls Community College

3,629,000

This appropriation is to construct and remodel space for a campus center, child care, laboratories, offices, administration and counseling, classrooms,

continuing education, physical education, parking, and storage.

Subd. 5. Lakewood Community College 600,000

This appropriation is to construct and remodel space for a child care center.

Subd. 6. Willmar Community College 3,393,000

This appropriation is to construct and remodel space for laboratories, a library, offices, parking, heating/air systems, fine arts, and classroom areas.

Subd. 7. Systemwide 8,800,000

This appropriation is for miscellaneous capital improvements at community colleges statewide, including roofs, hazardous material abatement, repair or construction of parking lots, electrical, mechanical, and other physical plant repairs and betterments. Up to \$650,000 of this appropriation may be used to construct additional parking space at the Normandale campus.

Subd. 8. Land Acquisition 1,150,000

This appropriation is to the state board for community colleges to acquire land for Lakewood, North Hennepin, and Brainerd community colleges.

Sec. 3. STATE UNIVERSITIES

Subdivision 1. (a) To the state university board for the purposes specified in this section 27,250,000

(b) Notwithstanding Minnesota Statutes, sections 16B.30 and 16B.31, during the biennium, the state university board shall supervise and control the preparation of plans and specifications for the construction, alteration, or enlargement of the state university build-

ings, structures, and improvements provided for in this section.

(c) During the biennium, the state university board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

(d) Plans must be paid for out of this appropriation. The remainder of the appropriation must not be spent until the board has secured suitable plans and specifications, prepared by a competent architect or engineer. The plans and specifications must be accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided in this act.

(e) The board shall report to the house appropriations and senate finance committees by January 15 of each year on the status of the capital improvement projects in this section.

(f) Notwithstanding Minnesota Statutes, section 16B.24, subdivision 2, the state university board shall supervise and control the making of necessary repairs to all state university buildings and structures during the biennium.

(g) Notwithstanding other law, during the biennium the state university board may purchase property adjacent to or in the vicinity of the campuses as necessary for the development of the universities. Before taking action, the board shall consult with the chairs of

the senate finance committee and the house appropriations committee about the proposed action. The board shall explain the need to acquire property, specify the property to be acquired, and indicate the source and amount of money needed for the acquisition. Should either chair object to the proposed purchase, then further action must be suspended pending presentation of the proposal to the legislature for consideration.

(h) During the biennium, the state university board may pay relocation costs, at its discretion, when acquiring property.

(i) During the biennium, as part of the planning process for a new or remodeled building, consideration must be given to the child care needs of a campus and the feasibility of locating child care facilities in the building. The board shall report on its consideration process and its decision for each project proposed in future bonding requests.

Subd. 2. Bemidji Campus		5,210,000
(a) Heating plant rehabilitation	4,340,000	
(b) Emergency generator system	870,000	
Subd. 3. Mankato Campus		10,720,000
(a) Heating plant rehabilitation	3,720,000	
(b) Construct Phase I addition to Trafton Hall	7,000,000	
Subd. 4. Metropolitan Campus		6,250,000

Remodel existing building, purchase property, remove asbestos, meet code requirements, and convert heating plant on Dayton's Bluff site

Subd. 5. Moorhead Campus

The appropriation in Laws 1987, chapter 400, section 19, subdivision 4, item (c), may be used to acquire land adjacent to, or in the vicinity of, Moorhead State University as needed to develop

the campus, and may be used to construct parking spaces on the campus.

Subd. 6. This appropriation is for capital improvements on state university campuses statewide

3,320,000

(a) Abate hazardous materials

2,105,000

(b) Roof replacements on the Bemidji, Moorhead, St. Cloud, Southwest, and Winona campuses

1,215,000

Subd. 7. This appropriation is to acquire land adjacent to or in the vicinity of the St. Cloud campus

1,750,000

Sec. 4. TECHNICAL COLLEGES

Subdivision 1. (a) To the state board of vocational technical education for the purposes specified in this section

\$25,488,000

(b) Notwithstanding Minnesota Statutes, section 475.61, subdivision 4, the state board of vocational technical education may approve a request by a local school board to use any unobligated balance in the debt redemption fund to pay the district's share of construction projects authorized in this section.

(c) The state board shall report to the house appropriations and senate finance committees by January 15 of each year on the status of the capital improvement projects in this section.

(d) During the biennium, as part of the planning process for a new or remodeled building, consideration must be given to the child care needs of a campus and the feasibility of locating child care facilities in the building. The board shall report on its consideration process and its decision for each project proposed in future bonding requests.

(e) Notwithstanding Minnesota Statutes, section 136C.44, during the biennium the state board of vocational technical education must not make

grants to school districts, but shall directly supervise and control the preparation of plans and specifications to construct, alter, or enlarge the technical college buildings, structures, and improvements provided for in this section. The state board of vocational technical education may provide grants to school districts for land purchases authorized in this act. The school district must still finance 15 percent of the cost of each project, other than in a joint vocational technical district as defined in Minnesota Statutes, section 136C.60.

(f) During the biennium, the state board of vocational technical education shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

(g) During the biennium, the state board may delegate the authority provided in this section to the campus director for repair and replacement projects with a total cost of less than \$50,000, if the state board determines that the projects can be efficiently managed at the campus level.

(h) Plans must be paid for out of this appropriation. The remainder of the appropriation must not be spent until the board has secured suitable plans and specifications, prepared by a competent architect or engineer. The plans and specifications must be accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless

otherwise provided in this act. The state board of vocational technical education may employ appropriate staff to implement this subdivision and may delegate responsibilities to technical college staff.

Subd. 2. For post-secondary vocational technical construction at the technical colleges in the school districts listed in this subdivision:

(a) Independent School District No. 11,
Anoka Technical College

4,333,000

This appropriation is to remodel and construct space for classrooms, warehouse areas, and the main entrance, the reworking of the heating, ventilation, air conditioning, and sprinkling systems and the refacing of the building exterior. The total cost of this project must not exceed \$5,098,000 whether paid from state, local, or federal money.

(b) Independent School District No. 22,
Detroit Lakes Technical College

4,429,000

This appropriation is to remodel and construct space for classrooms, a telecommunications center, child care, laboratories, staff work areas, and parking/site improvements. The total cost of this project must not exceed \$5,211,000 whether paid from state, local, or federal money.

(c) Independent School District No. 709,
Duluth Technical College

2,140,000

This appropriation is to remodel and construct space for a child care development program and center, a sprinkling system, and for exterior wall stabilization and repair. The total cost of this project must not exceed \$2,387,000 whether paid from state, local, or federal money.

(d) Independent School District No.
256, Red Wing Technical College

The appropriation in Laws 1987, chapter 400, section 17, subdivision 2, item (n) may be used for the design and development planning of a new technical college campus.

(e) Independent School District No. 625, St. Paul Technical College

\$289,800 of the unencumbered balance remaining from the appropriation in Laws 1989, chapter 300, section 2, subdivision 3, item (a), may be used for schematic designs for an addition on the present campus.

(f) Independent School District No. 564, Thief River Falls Technical College

2,338,000

This appropriation is to remodel and construct space for classrooms, an airplane hangar, staff work areas, storage, and parking/site work. The total cost of this project must not exceed \$2,751,000 whether paid from state, local, or federal money.

(g) Independent School District No. 861, Winona Technical College

4,666,000

This appropriation is to remodel and construct space for an aviation center, classrooms, laboratories, staff work areas, hangar space, storage and parking/site improvement. The total cost of this project must not exceed \$5,489,000 whether paid from state, local, or federal money.

(h) Joint Vocational Technical District No. 900, Southwestern Technical College

500,000

This appropriation is to construct classrooms, labs, and connecting links between buildings.

(i) Special Intermediate School District No. 917, Dakota County Technical College

1,122,000

This appropriation is to purchase land and construct a decision driving range and truck driving area. The total cost of

this project must not exceed \$1,320,000 whether paid from state, local, or federal money.

(j) Special Intermediate District No. 287, Hennepin Technical College

Special Intermediate School District No. 287, Hennepin Technical College, is authorized to construct classrooms, labs, staff work areas, parking/site work, and make energy modifications. The total cost of the project must not be more than \$1,727,000, paid from local money.

Subd. 3. Statewide

5,760,000

This appropriation is for capital improvement grants to school districts for roofs, parking lots, hazardous material abatement, fuel tank removal, electrical, mechanical, and other physical plant repairs and betterments at technical college campuses.

Subd. 4. Feasibility study

200,000

This appropriation is for the State Board of Vocational Technical Education for a feasibility study of a joint campus for Brainerd Technical College and Brainerd Community College.

Sec. 5. UNIVERSITY OF MINNESOTA

Subdivision 1. (a) To the regents of the University of Minnesota for the purposes specified in this section

44,112,000

(b) The regents shall report to the house appropriations and senate finance committees by January 15 of each year of the biennium on the status of the capital improvement projects in this section.

(c) During the biennium as part of the planning process for a new or remodeled building, consideration must be given to the child care needs of a cam-

pus and the feasibility of locating child care facilities in the building. The board shall report on its consideration process and its decision for each project proposed in future bonding requests.

Subd. 2. Morris Campus 3,471,000
Construct addition to student center

Subd. 3. Twin Cities Campuses 40,641,000

(a) Construct Biological Sciences Addition 17,394,000

(b) Remodel Wilson Library 2,080,000

(c) Construct music performance hall addition to Ferguson Hall 5,200,000

This amount must be matched by a minimum of \$2,000,000 from nonstate sources.

(d) Construct addition to and renovate veterinary diagnostic lab 8,467,000

(e) Construct an Integrated Waste Management Facility 7,500,000

(f) Folwell Hall

The appropriations in Laws 1978, chapter 792, section 11, subdivision 2, item (e); and in Laws 1984, chapter 597, section 16, subdivision 2, item (f), to remodel Folwell Hall on the Twin Cities campus of the University of Minnesota may be added to the appropriation in Laws 1987, chapter 400, section 20, subdivision 7, item (l), to remodel Folwell Hall, phase II.

Subd. 4. Systemwide

The regents are requested to fund the capital needs of the agricultural experiment stations from university resources.

Sec. 6. DEPARTMENT OF EDUCATION

Subdivision 1. To the commissioner of education for the purposes specified in this section

360,000

Subd. 2. For the Minnesota state academies for the deaf and blind, Faribault

(a) \$128,000 to upgrade the mechanical systems in the activities building.

(b) \$182,000 to replace windows in Mott Hall and Lauritsen Gymnasium.

(c) \$50,000 to retrofit science laboratories to comply with safety standards for school science facilities.

Sec. 7. OSAKIS SCHOOL DISTRICT

A capital loan in an amount not to exceed \$4,755,000 to independent school district No. 213, Osakis, is approved.

Sec. 8. NEW LONDON-SPICER SCHOOL DISTRICT

A capital loan in an amount not to exceed \$8,577,000 to independent school district No. 345, New London-Spicer, is approved.

Sec. 9. ROSEAU SCHOOL DISTRICT

A capital loan in an amount not to exceed \$9,348,000 to independent school district No. 682, Roseau, is approved.

Sec. 10. SARTELL SCHOOL DISTRICT

A capital loan in an amount not to exceed \$3,194,000 to independent school district No. 748, Sartell, is approved.

Sec. 11. ST. MICHAEL-ALBERTVILLE SCHOOL DISTRICT

A capital loan in an amount not to exceed \$10,756,000 to independent school district No. 885, St. Michael-Albertville, is approved.

Sec. 12. SUPREME COURT

Judicial Building

\$ 2,500,000

This appropriation is to the commissioner of administration, in consultation with the supreme court and the

capitol area architectural and planning board, to complete phase I of the judicial building.

Sec. 13. ADMINISTRATION

Subdivision 1. To the Commissioner of Administration for the purposes in this section

\$15,131,000

Subd. 2. (a) To remove or contain asbestos in state buildings

1,500,000

(b) For parking lot/ramp security and lighting

1,128,000

Notwithstanding any law to the contrary, during the biennium all metered parking on Aurora Avenue between Cedar Street and Constitution Avenue must be made available to the public at all times.

(c) For renovation of the first and second floor office space in the Centennial building

5,000,000

(d) To repair of the ventilation system in the Ford building

150,000

(e) For demolition of the Capitol Square building

750,000

(f) For a public broadcasting equipment grant

703,000

This appropriation is a grant to Thief River Falls technical college for equipment and construction costs associated with a public broadcasting tower.

(g) For the Itasca Center Project

3,100,000

This appropriation is for a grant to Itasca county for construction of the Itasca Center.

(h) The commissioner of administration, in cooperation with the commissioner of finance, shall develop a building classification system for state-owned buildings. Each class shall represent a different quality of building construction. The commissioner of ad-

ministration shall prepare a report on the building classification system to be delivered to the legislature no later than January 15, 1991, with recommendations for incorporating the classification system into the capital budget format and instructions.

Subd. 3. Agency Relocation

2,800,000

This appropriation is to the commissioner of administration from the general fund and is to provide for moving costs and estimated increased rental costs associated with agency relocations and shall not be used for the purchase of furniture related to agency relocations.

Notwithstanding any other law to the contrary, during the biennium in selecting sites for relocations, the commissioner shall place a priority on housing agencies in state-owned buildings whenever possible or when a lease in a non-state-owned facility is necessary, first priority must be given to lease-purchase agreements.

Sec. 14. NATURAL RESOURCES

Subdivision 1. To the commissioner of administration or the commissioner of natural resources, as specified, for the purposes specified in this section

23,225,000

Subd. 2. To the commissioner of natural resources to acquire and to better public outdoor recreational lands and natural areas and capital improvements as specified in this subdivision

18,125,000

(a) To acquire state forest lands in the Richard J. Dorer Memorial Hardwood Forest

500,000

(b) For betterment of state parks according to the management plans required in Minnesota Statutes, chapter 86A

2,000,000

\$350,000 of this appropriation is for renovation of the Tettegouche camp facilities in Tettegouche State Park.

(c) \$100,000 of the \$200,000 appropriated in Laws 1984, chapter 597, section 5, subdivision 4, for the River Bend Nature Center is canceled and reappropriated for betterment projects within Nerstrand Woods State Park.

(d) To acquire and to better state trails 4,600,000

This appropriation is to acquire and to develop the Barnum to Carlton segment of the Willard Munger Trail, the Soo Line Trail, and the Paul Bunyan Trail.

(e) For office consolidation and renovation at the Bemidji regional headquarters 3,000,000

(f) To construct a fish barrier on the outlet of Heron Lake 225,000

(g) For flood plain management for grants under Minnesota Statutes, section 104.11 3,200,000

This appropriation is to be used to match federal funds for projects within the jurisdictions of the city of Chaska, the Bassett Creek Water Management Commission, and the city of Houston. If federal funds are not appropriated for one or more of these projects, this appropriation must be made available for the remaining flood plain management projects.

(h) To acquire and to better public water access sites under Minnesota Statutes, section 97A.141 1,400,000

(i) For phase 1 construction of the International Wolf Center 1,700,000

This appropriation is for a grant to Vermilion community college for construction of phase 1 of the International Wolf Center.

(j) For phase 1 construction of the Kettle River Environmental Learning Center 1,500,000

This appropriation is for a grant to the city of Sandstone for phase 1 construction of the Kettle River Environmental Learning Center.

(k) The commissioner in cooperation with other affected agencies and residential and nonresidential learning center directors shall develop a long-range plan for the development and program coordination of environmental learning centers statewide. The plan must focus on identifying programming needs, geographic areas to locate facilities, capital cost estimates for development and creation of a phased-in implementation strategy. The plan must be completed for presentation to the legislature by January 1, 1992.

Subd. 3. To the commissioner of natural resources for dam safety projects under Minnesota Statutes, section 105.482

800,000

Up to \$300,000 of this appropriation is for repair of Lake Bronson dam.

Subd. 4. For the reinvest in Minnesota program under Minnesota Statutes, sections 40.40 to 40.45

4,300,000

The appropriations in this subdivision are from the reinvest in Minnesota resources fund.

(a) Fish and wildlife habitat

1,500,000

This appropriation is to acquire and to better land for fish and wildlife habitat under the comprehensive fish and wildlife management plan required by Minnesota Statutes, section 84.942, to be available until expended. The commissioner shall provide the necessary professional services for the performance of duties under this paragraph from the amount appropriated.

(b) To acquire land in the Savage Fen Scientific and Natural Area	600,000
(c) For the waterbank program under Minnesota Statutes, section 105.392	1,200,000
(d) For fishing pier construction under Minnesota Statutes, section 97A.065, subdivision 3, paragraph (a), clause (2)	500,000
(e) For critical habitat private sector matching account	500,000

This appropriation is for transfer to the critical habitat private sector matching account.

(f) Notwithstanding any other law, during the biennium easements granted under this act may be permanent or if of limited duration then must be for at least 20 years with provisions for renewal for at least another 20-year period. Highest priority during the biennium must be given to permanent easements consistent with the purposes of this act.

(g) The commissioner, in cooperation with the Minnesota Historical Society and the Chippewa Area Soil and Water Conservation District shall develop a plan for a visitor center at Lac Qui Parle Wildlife Management Area to be located at the historic mission site. This center must include sufficient facilities to accommodate the needs of the Minnesota Historical Society to provide displays and interpretive facilities for the Native American culture and history of the area. The plan must allow for the development of the site in accordance with Minnesota Statutes, chapter 138 and be completed for presentation to the legislature by January 1, 1991.

Sec. 15. MINNESOTA ZOOLOGICAL GARDEN

1,028,000

(a) This appropriation is to the Minnesota zoological garden board for the purposes listed in this section.

(b) \$70,000 is for life safety and health safety improvements.

(c) \$57,000 is for the replacement of the roof on the animal health and research building.

(d) \$32,000 is for roof repairs to the shops building.

(e) \$21,000 is for the replacement of the roof on the vehicle maintenance building.

(f) \$232,000 is for roof repairs to the tropics building.

(g) \$18,000 is for replacement of the roof on the nursery/tiger den.

(h) \$208,000 is for storm sewer installation.

(i) \$390,000 is for expansion of the children's zoo lab and educational facility. An exhibit in the zoo must include Spheniscus demersus.

Sec. 16. POLLUTION CONTROL AGENCY

(a) To the commissioner of the pollution control agency for the purposes specified in this section

43,930,000

(b) Construction grants for wastewater treatment facilities

15,750,000

This includes the grants available under Minnesota Statutes, section 116.18, subdivision 3a, paragraph (c).

(c) Combined sewer overflow

14,580,000

Notwithstanding any law to the contrary, the city of St. Paul shall use all revenues derived from its clawback funding of sewer financing only for sewer separation projects that directly result in the elimination of combined sewer overflow.

(d) For match to the federal revolving loan program 8,900,000

(e) For supplemental grant adjustments to those municipalities identified in Minnesota Statutes, section 116.18, subdivision 3d. A supplemental grant must not exceed five percent of the total eligible construction costs. 4,700,000

(f) Any money in excess of the amounts required under paragraphs (d) and (e) that are needed for the 20 percent state match to the federal grant, revolving loan program or supplemental grant program may be used for the state independent grants programs under Minnesota Statutes, section 116.18, subdivisions 2a and 3a.

(g) \$100,000 of the \$200,000 appropriated in Laws 1984, chapter 597, section 5, subdivision 4, for the River Bend Nature Center is canceled and reappropriated for a grant to Thomson township for sanitary sewage facilities constructed during fiscal years 1989 through 1991.

(h) During the biennium, the pollution control agency may transfer appropriations to the public facilities authority as necessary for implementation of the programs in this section.

Sec. 17. OFFICE OF WASTE MANAGEMENT

Subdivision 1. (a) To the director of the office of waste management for Capital Assistance Program Grants \$ 4,000,000

(b) \$2,000,000 of this appropriation is for a state grant to Scott and Carver counties for a joint solid waste compost facility.

(c) \$2,000,000 is for a grant to the East Central Solid Waste Commission for a solid waste compost facility.

(d) Projects receiving grants issued under this subdivision must comply with the requirements contained in Minnesota Statutes, sections 115A.54 to 115A.541.

Sec. 18. TRADE AND ECONOMIC DEVELOPMENT

Subdivision 1. To the commissioner of trade and economic development for the purposes specified in this section

\$11,550,000

Subd. 2. For outdoor Recreation

(a) For local Recreation Grants

1,250,000

This appropriation is to acquire and to better recreation open space projects upon application by local units of government and Indian tribes and bands recognized by the federal government. Projects that receive federal grants must be given priority. A grant under this paragraph is not contingent upon the receipt of federal grants. A project may receive grant assistance of up to 50 percent of the total capital cost of the project or, if federal money is used, 50 percent of the local share. A project must not receive grant assistance of more than \$400,000. A local unit of government must not receive more than one grant during each fiscal biennium.

\$625,000 is granted for projects outside the metropolitan area that is defined in Minnesota Statutes, section 473.121, subdivision 2.

Up to ten percent of the appropriation for local recreation grants may be used for acquisition of park land that is currently used as a park and is being leased by a local unit of government. This portion of the appropriation is not subject to the 50 percent local match. A local unit of government receiving a grant under this provision must agree to operate and maintain the park.

(b) For metropolitan Open Space 10,300,000

This appropriation is for payment by the commissioner of trade and economic development to the metropolitan council established under Minnesota Statutes, section 473.123. The commissioner shall transfer the amount to the metropolitan council upon receipt of a certified copy of a council resolution requesting payment. The appropriation must be used to pay only acquisition costs of specific identified parcels, relocation costs, and tax equivalency payments by the metropolitan council and local government units for regional recreational open space lands in accordance with the council's policy plan as provided in Minnesota Statutes, sections 473.315 and 473.341, and as required to be paid by Minnesota Statutes, sections 473.315 and 473.341. No more than \$400,000 may be used for staff and independent services necessary to acquire open space.

(c) Using the authority granted in Minnesota Statutes, section 473.325, the metropolitan council may authorize the issuance of general obligation bonds of the council for the acquisition and betterment of regional recreational open space, in an amount determined by the council, not to exceed a dollar for dollar match of this appropriation. The bonds must be issued as provided in and subject to the dollar limitation of Minnesota Statutes, section 473.325.

Sec. 19. MINNESOTA AMATEUR
SPORTS COMMISSION

2,300,000

This appropriation is to the Minnesota amateur sports commission for a national speed skating and bandy center in the city of Roseville. Funding for the project is contingent on the project being located in the city of Roseville and being named in honor of state representative John Rose.

Sec. 20. MILITARY AFFAIRS

950,000

(a) This appropriation is to the adjutant general for asbestos removal at state armories.

(b) The adjutant general shall use the unencumbered balance from the appropriation in Laws 1984, chapter 597, section 9, paragraph (d), for the planning of a new armory and military affairs building in or near the capitol complex. The department of military affairs shall continue to occupy the veterans service building until the department has secured the federal funds and the legislature has acted on a governor's recommendation for funding of a new armory/military affairs building in or near the capitol complex.

(c) Notwithstanding any law to the contrary, during the biennium the removal of fuel tanks at state armories is an allowable expense of the petroleum clean up fund under Minnesota Statutes, chapter 115C.

Sec. 21. TRANSPORTATION

Subdivision 1. To the commissioner of transportation for the purposes specified in this section

19,774,000

The appropriations in subdivisions 2 to 13 are from the trunk highway fund.

Subd. 2. For asbestos removal and reinsulation in Minnesota department of transportation facilities statewide	250,000
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Subd. 3. To construct Marshall area maintenance building	600,000
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Subd. 4. For underground storage tank replacement at Minnesota department of transportation facilities statewide	750,000
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Subd. 5. To construct chemical storage sheds at Minnesota department of transportation facilities statewide	405,000
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Subd. 6. For land acquisition	145,000
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The commissioner may purchase land for truck stations at Roseau, Pine City, Northfield, and Pipestone.

Subd. 7. To construct pole type storage sheds at Minnesota department of transportation facilities statewide 375,000

Subd. 8. For Detroit Lakes laboratory addition 344,000

Subd. 9. To construct Brainerd district headquarters building 6,525,000

Subd. 10. To construct Mahnomen a truck station 420,000

Subd. 11. To construct St. James truck station 420,000

Subd. 12. To construct Staples vicinity rest area 224,000

Subd. 13. For Class II rest area construction at Minnesota department of transportation facilities statewide 310,000

Subd. 14. For the Bemidji rest area and travel information center 1,650,000

\$1,400,000 of this amount is from the state bond proceeds fund. \$250,000 of this amount is from the trunk highway fund.

Subd. 15. For planning for airport hangar at St. Paul downtown airport 50,000

This appropriation is from the state airports fund.

Subd. 16. For the federal aid demonstration program 5,606,000

This appropriation is from the state transportation fund.

The money needed to pay the principal and interest due and to become due on bonds issued to fund this appropriation is appropriated annually from an account created for the purpose in the state transportation fund. Notwithstanding Minnesota Statutes 1989 Supplement, section 297B.09, subdivi-

sion 1, money must be transferred to the account as necessary from the proceeds of the motor vehicle excise tax after the reductions are made under section 297B.09, subdivision 1, paragraph (e), that would otherwise be transferred from the general fund to the highway user tax distribution fund until June 30, 1991, and to the trunk highway fund thereafter.

Subd. 17. For the interstate substitution program 1,700,000

This appropriation is from the state transportation fund.

Sec. 22. PUBLIC SAFETY

Subdivision 1. To the commissioner of public safety for the purposes specified in this section 830,000

Subd. 2. For Bureau of Criminal Apprehension building code compliance remodeling 545,000

Subd. 3. To construct three vehicle inspection buildings 285,000

Sec. 23. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. To the Minnesota Historical Society for the purposes specified in this section 3,725,000

Subd. 2. For construction assistance 2,200,000

This appropriation is for construction assistance purposes of the State History Center project.

Subd. 3. For historic site stabilization 175,000

This appropriation is for restoration needs of the Split Rock Lighthouse.

Subd. 4. For heritage zone grant-in-aid 150,000

This appropriation is for grant-in-aid purposes of the St. Anthony Falls Her-

itage Preservation Zone. Grants may be made for public improvements of a capital nature according to the St. Anthony Falls interpretive plan for preservation of interpretive components. The matching requirements for the grants may be established by the St. Anthony Falls Heritage Board.

Subd. 5. For special projects 400,000

This appropriation is available until expended for the following purposes:

(a) \$100,000 for the Leech Lake Band of Chippewa Indians for project planning including preliminary design relating to Battle Point historic site.

(b) \$300,000 for the Red Lake independent school district No. 38 for the Red Lake Tribal Information Center. These funds are to finalize construction documents and operating agreements prior to project bidding.

Subd. 6. For Meighen store complex restoration and reconstruction 50,000

Subd. 7. For the labor history center 750,000

This appropriation is to plan and design the Labor History Center. The society shall develop a program document that defines the space and programming needs of the center including operating expenses. The society shall determine, through a site location assessment study, the location of the center on a site adjacent to the history center and prepare working drawings for the project. The society may acquire surplus highway property with this appropriation to assist in locating the center. If the center is located on the same site as the Minnesota History Center, the center's design must be performed by the State History Center design competition winner. If the Labor History Center is located on a site adjacent to the history center site, the design must be selected

by an architectural competition conducted by the Capitol Area Architectural and Planning Board. If the Labor History Center is located on a site adjacent to the Capitol Area, the site of the center is added to and included in the Capitol Area as defined by Minnesota Statutes, section 15.50, subdivision 2, paragraph (a). Cost estimates for all elements necessary to complete the project must be submitted to the chairs of the agriculture, transportation, and semi-states divisions of the senate finance and house appropriations committees for their recommendations. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation. The total cost of the project must not exceed \$12,500,000. The project cost may include exhibits and audio-visual devices and systems.

Subd. 8. For site improvements

Notwithstanding any other law to the contrary, unencumbered balances from appropriations in Laws 1981, chapter 4, section 11, are reappropriated to the Minnesota Historical Society for site contamination and access requirements. The Minnesota Historical Society shall report to the chair of the senate committee on finance and the chair of the house of representatives committee on appropriations on expenditures made under this subdivision. The purpose of the reappropriation is to cover existing projects and not to cover new projects.

Sec. 24. HUMAN SERVICES

Subdivision 1. To the commissioner of administration for the purposes specified in this section

\$23,649,000

Subd. 2. Regional Treatment Centers

\$7,350,000

(a) At Anoka-Metro Regional Treatment Center, prepare working draw-

ings and begin site preparation for a 204 bed facility for people with mental illness, with construction to begin in 1991. The plan for construction shall include utility infrastructure sufficient to enable the addition of up to 96 beds, if necessary.

(b) At Fergus Falls Regional Treatment Center, develop schematics and working drawings for a new 95 to 125 bed free-standing facility for people with mental illness. Utilize existing support services where practicable. Begin site preparation and demolition of existing buildings required to be removed for progress toward completion. The plan and working drawings must, if possible, be drafted in a manner that will allow for all construction to be completed in totality or in phases. The first phase must provide for completion of all support services.

(c) At Moose Lake Regional Treatment Center, develop schematics and working drawings for a new 197 to 255 bed facility. Select and prepare the site and begin construction of a road to the site. Planning for the facility must include proposals for alternative uses of existing buildings which would be vacated under the proposal, including additional prison space.

(d) Per bed cost estimates for the recapitalization at the Anoka-Metro, Fergus Falls, and Moose Lake Regional Treatment Centers must be comparable and cost-effective. Upon completion of the schematics for Moose Lake and Fergus Falls, and the working drawings for Anoka, the commissioner shall consult with the chairs of the House Appropriations Committee, and the Senate Finance Committee, the Health and Human Services Division of the House Appropriations Committee and the Health and Human Services Division of the Senate Finance Committee before proceeding with additional designs or site preparation.

(e) Recapitalization efforts must be coordinated with the development of a community-based state-operated residential service system for people with mental illness.

Subd. 3. Construct 16 additional state-operated community services for people with developmental disabilities	4,140,000
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Subd. 4. Reconfigure roads, walks, and lots at Faribault Regional Treatment Center in conjunction with the Department of Corrections development of the Minnesota Correctional Facility-Faribault	537,000
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Subd. 5. Complete the skilled nursing facility remodeling at Brainerd (80 beds), Cambridge (70 beds), and Fergus Falls (70 beds) Regional Treatment Centers	6,872,000
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Subd. 6. State-operated community-based service system	200,000
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(a) This appropriation is to plan, program, and design state-operated community-based residential services for people with mental illness.

(b) The commissioner shall begin development of a state-operated community-based service system to provide residential services to people with mental illness. The community-based service system must expand the array of services available to people with mental illness. The system should be designed to maximize federal financial reimbursement.

(c) An advisory task force must be appointed by the commissioner to assist in the development of the state-operated community-based residential service system. Membership must include employee union representatives, mental health consumers and their advocates, representatives of the state advisory council on mental health, and established regional treatment center coalitions and local mental health ad-

visory committee members from affected communities.

Subd. 7. State-operated community-based residences 2,700,000

This appropriation is to plan, design, renovate, or construct 48 to 60 residential service slots in state-operated community-based residences for people with mental illness. Each facility must have no more than 16 beds and must be located in conformance with deconcentration requirements. Before beginning construction, the commissioner shall consult with the chairs of the Health and Human Services Division of the House Appropriations Committee and the Health and Human Services Division of the Senate Finance Committee.

Subd. 8. Construct water line to Cambridge Regional Treatment Center 200,000

Subd. 9. Remodel, upgrade, and re-equip dietary and kitchen facilities at Ah-Gwah-Ching, Brainerd Human Services Center, and St. Peter Regional Treatment Center 774,000

Subd. 10. Remodel or upgrade resident living and program areas at St. Peter Regional Treatment Center 450,000

Subd. 11. Repair and replace roofs at Faribault, Fergus Falls, and Cambridge Regional Treatment Centers 426,000

Sec. 25. DEPARTMENT OF CORRECTIONS

Subdivision 1. To the commissioner of administration for the purposes specified in this section 15,156,000

Subd. 2. Minnesota Correctional Facility - Stillwater

(a) Replace locks in cell hall B 594,000

(b) Convert auditorium building #13 to an education and casework unit and a scaled down mini-auditorium facility 2,706,000

Subd. 3. Minnesota Correctional Facility – Faribault

Construct phase II of the conversion of a part of the Faribault Regional Center into a medium security correctional facility and remodel or renovate Spruce and Pine buildings 2,058,000

Subd. 4. Minnesota Correctional Facility – St. Cloud

Complete the “Replace Steam/Condensate Lines” Project 224,000

Subd. 5. Minnesota Correctional Facility – Willow River/Moose Lake

Expand and improve the wastewater treatment system 85,000

Subd. 6. Minnesota Correctional Facility – Shakopee

Development of program and schematic plans for a vocational training building, a close custody security cottage, and a medium security cottage 340,000

Subd. 7. Minnesota Correctional Facility – Red Wing

Replace hot water lines from the industrial building throughout the tunnel system of the facility and remove asbestos 402,000

Subd. 8. Minnesota Correctional Facility – Lino Lakes

(a) Expand the production area of the “Q” building 529,000

(b) Replace the emergency power generator 318,000

(c) Construct two medium security cottages 6,695,000

(d) Connect the Lino Lakes Facility to the city water/sewer system 955,000

(e) Direct any remaining funds from the Lino Lakes projects toward the conversion of the current education space in the Stillwater facility

Subd. 9. Systemwide Window replacement and tuckpointing at state correctional facilities throughout the system

250,000

Sec. 26. DEPARTMENT OF JOBS AND TRAINING

To the commissioner of administration

1,000,000

This appropriation is for construction and renovation costs for the development of two regional job service offices in Minneapolis.

Sec. 27. MINNESOTA VETERANS HOME BOARD

Subdivision 1. To the commissioner of administration for the purposes specified in this section

2,567,000

Subd. 2. (a) \$1,165,000 is for the state's contribution to renovate the Minnesota Veterans Home, Hastings, to comply with health, building, and safety codes in buildings 23 and 25 and to replace the roof in building 20. Priority must be given to the use of state money to expand and upgrade the heating and air conditioning systems, install energy efficient windows, replace the roof on building 20 and part of the roof on building 23, and prepare detailed drawings to reconfigure domiciliary rooms in building 23.

(b) \$1,402,000 is for part of the state's contribution to renovate the Minnesota Veterans Home, Minneapolis, to expand, remodel, or alter existing buildings and grounds including accessways and approaches to ensure compliance with health and safety codes and to upgrade the equipment needs of the home. Priority must be given to the use of state funds to construct additional space for nursing care units and feeding and lounge areas on the second, third, and fourth floors of building 17, restore the bridge over Minnehaha

Creek, buy a central standby generator, install pipe insulation in building 10, repair the roof on building 15, construct a walkway between buildings 15 and 17, and buy artwork.

(c) The \$840,000 cumulative unencumbered balance in the appropriations from Laws 1987, chapter 400, section 11, is reappropriated to the commissioner of administration for the rest of the state's contribution under paragraph (b).

(d) The Minnesota Veterans Home Board must apply for the federal share of the projects under paragraphs (a) and (b). The commissioner of administration shall receive the federal share and make the money available to the Veteran's Home Board to spend for completion of the projects.

(e) The Veterans Home Board shall make a special effort to purchase artwork from female artists in greater Minnesota.

(f) The Veterans Home Board must develop options to a tunnel walkway between buildings 10 and 17 and present them to the legislature by January 15, 1991.

Sec. 28. DEPARTMENT OF HEALTH

1,526,000

(a) This appropriation is to the Capitol Area Architectural and Planning Board to develop, in cooperation with the Departments of Health and Administration, a preliminary facility program, site study, and design framework for a new Department of Health building in the Capitol Area

150,000

(b) This appropriation is to the commissioner of administration to remodel the laboratory space to meet safety requirements and minimal HVAC modifications

1,376,000

Sec. 29. BOND SALE EXPENSES

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8

318,000

Sec. 30. DEBT SERVICE

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 1991, no more than \$419,372,900 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. Before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 31. [BOND SALE.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this act from the state bond proceeds fund the commissioner of finance on request of the governor shall sell and issue bonds of the state in an amount up to \$268,285,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [REINVEST IN MINNESOTA FUND.] To provide the money appropriated in this act from the reinvest in Minnesota fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$4,300,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the reinvest in Minnesota resources fund.

Subd. 3. [TRANSPORTATION FUND.] To provide the money appropriated in this act from the state transportation fund the commissioner of finance on request of the governor shall sell and issue bonds of the state in an amount up to \$7,306,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 32. [CONSULTATION REQUIRED.]

During the biennium, land must not be purchased and a building must not be purchased, constructed, or erected on land of the University of Minnesota until the regents have first consulted with the chair of the senate finance committee and the chair of the house appropriations committee and obtained their advisory recommendations.

Sec. 33. [REVIEW OF PLANS.]

An agency to whom an appropriation is made in this act must not prepare final plans and specifications for any construction or major remodeling authorized by this act until the agency that will use the project has presented the program and schematic plans and cost estimates for all elements necessary to complete the project to the chair of the senate finance committee and the chair of the house appropriations committee and the chairs have made their recommendations. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is considered a negative recommendation.

Sec. 34. [APPROPRIATIONS FOR CONSTRUCTION; TRANSFER.]

Upon the awarding of final contracts for the completion of a project for construction or other permanent improvement authorized by this act, or upon the abandonment of the project, the agency to whom the appropriation is made in this act may transfer the

unencumbered balance in the project account to another project enumerated in the same section. The transfer must be made only to cover bids for the other project that were higher than was estimated when the appropriation for the other project was made and not to cover an expansion of the other project. The money transferred under this section is appropriated for the purposes for which transferred. For transfers by the state board of vocational technical education, the total cost of both projects and the required local share for both projects are adjusted accordingly. The commissioners and boards shall report to the chair of the senate finance committee and the chair of the house appropriations committee before a transfer is made under this section.

Sec. 35. [APPROPRIATIONS FOR CONSTRUCTION; FEDERAL MONEY; EXCEEDING AUTHORIZED COST.]

An agency that receives an appropriation in this act shall apply for the maximum federal share for each capital improvement project for which money is appropriated by this act. Encumbrance or expenditure of money in excess of the project authorization may be made only after the agency has consulted with the chair of the senate finance committee and the chair of the house appropriations committee and the chairs have made their recommendations. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is considered a negative recommendation.

Sec. 36. [METHODS OF ACQUISITION.]

If money has been appropriated by this act to the commissioner of administration to acquire lands or sites for public buildings or real estate, the acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings must be under Minnesota Statutes, chapter 117.

Sec. 37. [PLANNING.]

During the biennium, in its planning for new program offerings at a particular institution, each public post-secondary education governing board shall consider the availability of physical space and the adequacy of facilities at that institution. If the board determines that new space or facilities are required, it shall examine the feasibility of developing the program at a different institution within its system or in cooperation with other systems.

Sec. 38. [APPROPRIATION REDUCTIONS AND CANCELLATIONS.]

The bond sale authorization in Laws 1979, chapter 300, section 4, subdivision 3 for construction of local dams is reduced by \$129,000.

Sec. 39. Minnesota Statutes 1989 Supplement, section 16A.631, is amended to read:

16A.631 [BOND PROCEEDS FUND.]

The bond proceeds fund is established to receive state bond the proceeds appropriated to agencies to acquire and to better public land and buildings and other public improvements of a capital nature, as authorized by of all state bonds issued under the constitution, article XI, section 5, clause (a). The commissioner shall establish in the fund accounts having titles that reflect the state purpose or program for which the bond proceeds are appropriated and authorized to be expended.

Sec. 40. Minnesota Statutes 1988, section 16A.641, subdivision 6, is amended to read:

Subd. 6. [TAXABILITY; CERTIFICATION.] The commissioner shall ascertain from state records and certify to the holders of each series of state bonds, subject to the approval of the attorney general, that all conditions exist and all actions have been taken that are needed to make the bonds valid and binding general obligations of the state in accordance with their terms. The commissioner shall also certify for the state the facts, estimates, and circumstances on the date of issue that lead the commissioner reasonably to expect that the proceeds will not be used in a way that would make the bonds arbitrage bonds under section 103(e) of the Internal Revenue Code and related federal regulations.

The bonds may be issued with or without regard to whether the interest to be paid on them is includable in gross income for federal tax purposes. If it is intended that the interest on the bonds be exempt from federal income taxes, the commissioner shall certify for the state on the date of issue the facts, estimates, and circumstances that lead the commissioner reasonably to expect that the proceeds of the bonds and the projects financed by them will not be used in a way that would cause the interest on the bonds to be subject to federal income taxes. The commissioner may covenant with the holders of the bonds that the state will comply with the provisions of the United States Internal Revenue Code then or later enacted that apply 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. The commissioner and all other state officers shall act or refrain from acting as necessary to comply with the covenants. A sum sufficient to meet the cost of compliance is annually appropriated to the commissioner from the general fund.

Sec. 41. Minnesota Statutes 1989 Supplement, section 16A.641, subdivision 7, is amended to read:

Subd. 7. [CREDIT OF PROCEEDS.] (a) Proceeds of bonds issued

under each law must be credited by the commissioner to a special fund, as provided in this subdivision.

(b) Accrued interest and any premium received on sale of the bonds must be credited to the state bond fund created by the constitution, article XI, section 7.

(c) Proceeds of state ~~building~~ bonds issued under the constitution, article XI, section 5, clause (a), must be credited to the bond proceeds fund ~~under established by~~ section 16A.631.

(d) Proceeds of state highway bonds must be credited to the trunk highway fund under the constitution, article XIV, section 6.

(e) Proceeds of bonds issued for programs of grants or loans to political subdivisions must be credited to special accounts in the bond proceeds fund or to special funds established by laws stating the purposes of the grants or loans, and the standards and criteria under which an executive agency is authorized to make them.

(f) Proceeds of refunding bonds must be credited to the state bond fund as provided in section 16A.66, subdivision 1.

(g) Proceeds of other bonds shall be credited as provided in the law authorizing their issuance.

Sec. 42. Minnesota Statutes 1988, section 16A.672, is amended by adding a subdivision to read:

Subd. 9a. [TAXABILITY; CERTIFICATION.] Certificates may be issued with or without regard to whether the interest to be paid on them is includable in gross income for federal tax purposes. If it is intended that the interest on the certificates be exempt from federal income taxes, the commissioner shall certify for the state on the date of issue the facts, estimates, and circumstances that lead the commissioner reasonably to expect that the proceeds of the certificates will not be used in a way that would cause the interest on the certificates to be subject to federal income taxes. The commissioner may covenant with the holders of the certificates that the state will comply with the provisions of the United States Internal Revenue Code then or later enacted that apply or may apply to the certificates and that establish conditions under which the interest to be paid on the certificates will not be subject to federal income taxes. The commissioner and all other state officers shall act or refrain from acting as necessary to comply with the covenants. A sum sufficient to meet the cost of compliance is annually appropriated to the commissioner from the general fund.

Sec. 43. Minnesota Statutes' 1989 Supplement, section 16A.69, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATIONS INTO SINGLE PROJECT ACCOUNT.] The commissioner shall place the money from two or more appropriations for the same or related projects in one account if all the appropriations do not lapse until their purposes are accomplished or abandoned. The commissioner of administration agency to whom the appropriation was made shall first certify which accounts are involved to the commissioner.

Sec. 44. Minnesota Statutes 1988, section 16B.24, subdivision 5, is amended to read:

Subd. 5. [RENTING OUT STATE PROPERTY.] (a) [AUTHORITY.] The commissioner may rent out state property, real or personal, that is not needed for public use, if the rental is not otherwise provided for or prohibited by law. The property may not be rented out for more than five years at a time without the approval of the state executive council and may never be rented out for more than 25 years.

(b) [RESTRICTIONS.] Paragraph (a) does not apply to state trust fund lands, other state lands under the jurisdiction of the department of natural resources, lands forfeited for delinquent taxes, lands acquired under section 298.22, or lands acquired under section 41.56 which are under the jurisdiction of the department of agriculture.

(c) [FORT SNELLING CHAPEL; RENTAL.] The Fort Snelling Chapel, located within the boundaries of Fort Snelling State Park, is available for use only on payment of a rental fee. The commissioner shall establish rental fees for both public and private use. The rental fee for private use by an organization or individual must reflect the reasonable value of equivalent rental space. Rental fees collected under this section must be deposited in the general fund.

(d) [RENTAL OF LIVING ACCOMMODATIONS.] The commissioner shall establish rental rates for all living accommodations provided by the state for its employees. Money collected as rent by state agencies pursuant to this paragraph must be deposited in the state treasury and credited to the general fund.

(e) [LEASE OF SPACE IN CERTAIN STATE BUILDINGS TO STATE AGENCIES.] The commissioner may lease portions of the state owned buildings in the capitol complex, the capitol square building, the health building, and the building at 1246 University Avenue, St. Paul, Minnesota, to state agencies and charge rent on the basis of space occupied. Notwithstanding any law to the contrary, all money collected as rent pursuant to the terms of this section shall be deposited in the state treasury. Money collected as rent to recover the depreciation cost of a building built with state dedicated funds shall be credited to the dedicated fund which funded the original acquisition or construction. All other money received shall be credited to the general services revolving fund.

(f) [RENTAL OF STATE LAND, BUILDINGS FOR PUBLIC USE.] The commissioner may rent state land for no more than 30 years if the lease provides that the lessee shall design, develop, and construct on the land premises for public use and that the state has the option to lease the premises under subdivision 6, paragraph (a); has a lease-purchase agreement covering the premises under subdivision 6, paragraph (b); or has an agreement covering the premises providing for a lease with option to buy under subdivision 6, paragraph (c). A lease or lease-purchase agreement entered into under this paragraph is 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.

Sec. 45. Minnesota Statutes 1988, 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. If the commissioner enters into a lease-purchase agreement for buildings or substantial portions of buildings within the capitol area, the commissioner shall require that any new construction of non-state-owned buildings conform to design guidelines of the capitol area architectural and planning board. Lands needed by the department of transportation for storage of vehicles or road materials may be rented for five years or less, such leases for terms over two years being subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use.

(b) [LEASE-PURCHASE.] The commissioner may lease land or buildings for no more than 30 years if the lease agreement provides for the transfer of the ownership of the leased land and buildings upon normal termination of the lease for an amount not to exceed \$1. The commissioner must not enter into a lease-purchase agreement for the use 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 and the chair of the appropriations committee of the house and the chair of the finance committee of the senate. A lease-purchase agreement entered into under this paragraph is 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.

(c) [LEASE WITH OPTION TO BUY.] The commissioner may

lease land or premises for no more than 30 years if the lease agreement provides the state a unilateral right to purchase all leased land and premises. The unilateral right must:

(1) be available at any time during the lease agreement; and

(2) provide for a decreasing purchase price reflecting a mortgage balance that would reach zero in no more than 30 years from the beginning of the initial lease period. The commissioner must not enter an agreement providing for a lease with option to buy covering land or premises within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board.

(d) [CANCELLATION.] A lease with option to buy agreement entered into under paragraph (c) is 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.

(e) [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.

(e) (f) [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.

(e) (g) [RECYCLING SPACE.] Leases for space of 30 days or more for 5,000 square feet or more must require that space be provided for recyclable materials.

(h) [REQUIRED CLAUSE.] A lease, lease-purchase, or lease with option to buy agreement authorized by this section is not valid unless it includes a clause explicitly reserving to the legislature the right to terminate the agreement by nonappropriation.

Sec. 46. Minnesota Statutes 1989 Supplement, section 16B.335, subdivision 2, is amended to read:

Subd. 2. [OTHER PROJECTS.] All other projects paid for with appropriations in an omnibus capital improvements bonding bill,

whether from the bond proceeds fund or another fund, including building improvements, small structures at experiment stations, asbestos removal, life safety, PCB removal, tuckpointing, roof repair, code compliance, landscaping, drainage, electrical and mechanical systems work, paving of streets, parking lots, and the like must not proceed until the agency undertaking the project has notified the chair of the senate finance committee and the chair of the house appropriations committee that the work is ready to begin.

Sec. 47. Minnesota Statutes 1988, section 116.18, subdivision 3d, is amended to read:

Subd. 3d. [ADJUSTMENTS TO MATCHING GRANTS AND STATE INDEPENDENT GRANTS.] A municipality with a population of 25,000 or less that was tendered a state matching grant under subdivision 2a, or a state independent grant under subdivision 3a, or a federal grant under the federal Water Pollution Control Act, United States Code, title 33, sections 1281 to 1299, from October 1, 1984, through September 30, 1987, shall, after the municipality has awarded bids for construction of the treatment works, and upon request, receive a grant increase of 2.5 five percent of the total eligible costs of construction, up to the maximum entitlement for grants awarded on or after October 1, 1987, under subdivisions 2a and 3a. The municipality must inform other entities that are providing funding for construction of the treatment works of the grant increase, and repay any funds to which it is not entitled. A municipality must not receive funding for more than 100 percent of the total costs of the treatment works. Documentation of money received from other sources must be submitted with the request for the grant increase. Money remaining after all grants have been awarded under this subdivision may be used for the award of grants under subdivisions 2a and 3a. An adjustment grant awarded after July 1, 1989, that is a continuation of a previously awarded adjustment grant must be awarded through a letter from the agency to the municipality stating the grant amount. A formal grant agreement is not required.

Sec. 48. [124.478] [BOND ISSUE; MAXIMUM EFFORT LOANS; 1990.]

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 \$36,630,000, 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. 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. 49. Minnesota Statutes 1988, section 136.62, is amended by adding a subdivision to read:

Subd. 8. [AUTHORIZATION TO SEEK FINANCING.] A community college must not seek financing for child care facilities through the higher education facilities authority, as provided in section 50, without the explicit authorization of the state board.

Sec. 50. Minnesota Statutes 1988, section 136A.28, subdivision 3, is amended to read:

Subd. 3. "Project" means a structure or structures available for use as a dormitory or other student housing facility, a dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, health care facility, child care facility, and maintenance, storage, or utility facility and other structures or facilities related thereto or required or useful for the instruction of students or the conducting of research or the operation of an institution of higher education, whether proposed, under construction, or completed, including parking and other facilities or structures essential or convenient for the orderly conduct of such institution for higher education, and shall also include landscaping, site preparation, furniture, equipment and machinery and other similar items necessary or convenient for the operation of a particular facility or structure in the manner for which its use is intended but shall not include such items as books, fuel, supplies or other items the costs of which are customarily deemed to result in a current operating charge, and shall not include any facility used or to be used for sectarian instruction or as a place of religious worship nor any facility which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

Sec. 51. Minnesota Statutes 1988, section 136A.28, subdivision 7, is amended to read:

Subd. 7. "Participating institution of higher education" means an institution of higher education ~~which, pursuant to that, under the provisions of sections 136A.25 to 136A.42, undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in sections 136A.25 to 136A.42.~~ Community colleges and technical colleges may be considered participating

institutions of higher education for the purpose of financing and constructing child care facilities.

Sec. 52. Minnesota Statutes 1988, section 136C.04, subdivision 4, is amended to read:

Subd. 4. [BUDGET REQUESTS.] The state board shall review and approve, disapprove, or modify the biennial budget requests for post-secondary vocational education operations and facilities submitted by the state director. The state board shall submit the approved biennial budget requests to the governor. A technical college must not seek financing for child care facilities through the higher education facilities authority, as provided in section 50, without the explicit authorization of the state board.

Sec. 53. Laws 1979, chapter 280, section 2, as amended by Laws 1982, chapter 617, section 25, Laws 1985, chapter 299, section 39, Laws 1985, First Special Session, chapter 16, article 2, section 16, and Laws 1989, chapter 300, article 1, section 34, is amended to read:

Sec. 2. [APPROPRIATION.] Subdivision 1. \$60,000,000, or so much thereof as is determined to be needed, is appropriated from the Minnesota state transportation fund to the department of transportation to be expended for disbursement in the form of grants by the commissioner of transportation for construction and reconstruction of key bridges on the state transportation system and shall be allocated pursuant to subdivisions 2 and 3. The appropriation shall not lapse, but shall remain available until expended.

Subd. 2. ~~\$58,500,000~~ \$59,309,000 or so much thereof as is needed, is available for expenditure for grants to political subdivisions for construction and reconstruction of key bridges on highways, streets and roads under their jurisdiction. The grants shall not exceed the following aggregate amounts:

(1) To counties ~~\$16,220,000~~ \$16,720,000

(2) To home rule charter and statutory cities ~~\$2,620,000~~
\$2,729,000

(3) To towns ~~\$23,160,000~~ \$23,360,000

Grants under clauses (1) to (3) may be used by political subdivisions to match federal-aid grants for construction and reconstruction of key bridges under their jurisdictions. Additional grants may be made in an aggregate amount not to exceed \$16,500,000 to the political subdivisions to match federal-aid grants for construction and reconstruction of key bridges under their jurisdiction. Appro-

priations made in subdivisions 1, 2, ~~or~~ and 3 may also be used for the following purposes:

(1) The costs of abandoning an existing bridge that is deficient and is in need of replacement, but where no replacement will be made.

(2) The costs of constructing a road or street that would facilitate the abandonment of an existing bridge determined to be deficient. The construction of the road or street must be judged to be more cost efficient than the reconstruction or replacement of the existing bridge.

Subd. 3. An additional amount not to exceed ~~\$1,500,000~~ \$691,000 is available for grants for preliminary engineering and environmental studies pursuant to ~~section 3~~ Minnesota Statutes, section 174.50, subdivision 6a.

Sec. 54. Laws 1989, chapter 329, article 5, section 21, subdivision 8, is amended to read:

Subd. 8. [MAXIMUM EFFORT SCHOOL LOAN FUND.] For the maximum effort school loan fund:

\$855,500 1990

~~\$2,100,000~~ \$3,656,000 1991

These appropriations shall be placed in the loan repayment account of the maximum effort school loan fund for the payment of the principal and interest on school loan bonds, as provided in Minnesota Statutes, section 124.46, to the extent that money in the fund is not sufficient to pay when due the full amount of principal and interest due on school loan bonds. The purpose of these appropriations is to ensure that sufficient money is available in the fund to prevent a statewide property tax levy as would otherwise be required pursuant to Minnesota Statutes, section 124.46, subdivision 3. Notwithstanding the provisions of Minnesota Statutes, section 124.39, subdivision 5, any amount of the appropriation made in this section which is not needed to pay when due the principal and interest due on school loan bonds shall not be transferred to the debt service loan account of the maximum effort school loan fund but instead shall cancel and revert to the general fund.

The 1990 appropriation does not cancel and is available until July 1, 1991.

Sec. 55. [LOANS NOT APPROVED IN 1990.]

Capital loans to independent school districts No. 115, Cass Lake; No. 192, Farmington; No. 390, Lake of the Woods; No. 484, Pierz;

and No. 533, Dover-Eyota are not approved. If these districts reapply for capital loans and meet the criteria in effect at that time, their loan applications must be approved by the state board and submitted to the legislature by the commissioner. Except for emergency requests, the school districts listed in this section shall be the top priority for funding capital loans in 1991.

Sec. 56. [REPEALER.]

Minnesota Statutes 1988, section 16A.651, is repealed.

Sec. 57. [EFFECTIVE DATE.]

This act is effective the day after its final enactment."

Delete the title and insert:

"A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature, with certain conditions; authorizing issuance of state bonds; authorizing the commissioner of finance to make certain covenants to the purchasers of certain bonds or certificates of indebtedness; requiring identification of certain accounts; providing for the reduction and cancellation of certain bond sale authorizations; approving capital loans to certain school districts; not approving capital loans to certain school districts; authorizing certain lease-purchase, lease with option to buy, and rental arrangements by the commissioner of administration; appropriating money; amending Minnesota Statutes 1988, sections 16A.641, subdivision 6; 16A.672, by adding a subdivision; 16B.24, subdivisions 5 and 6; 116.18, subdivision 3d; 136.62, by adding a subdivision; 136A.28, subdivisions 3 and 7; 136C.04, subdivision 4; Minnesota Statutes 1989 Supplement, sections 16A.631; 16A.641, subdivision 7; 16A.69, subdivision 1; 16B.335, subdivision 2; Laws 1979, chapter 280, section 2, as amended; Laws 1989, chapter 329, article 5, section 21, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 124; repealing Minnesota Statutes 1988, section 16A.651."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

S. F. No. 188, A bill for an act relating to commerce; requiring mortgage lenders and mortgage brokers to obtain a license from the

commissioner of commerce; requiring certain disclosures by mortgage lenders and mortgage brokers; prohibiting certain practices by mortgage lenders and mortgage brokers; appropriating money; amending Minnesota Statutes 1988, sections 82.17, subdivision 4; and 82.18; proposing coding for new law as Minnesota Statutes, chapter 57; repealing Minnesota Statutes 1988, section 82.175.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“ARTICLE 1

Section 1. [57.01] [SHORT TITLE.]

This chapter may be cited as the “mortgage banker and mortgage broker licensing act.”

Sec. 2. [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. [BORROWER.] “Borrower” means a natural person who has submitted an application for a loan to a mortgage banker.

Subd. 3. [BUSINESS.] “Business” means a commercial or industrial enterprise that is carried on for the purpose of active or passive investment or profit.

Subd. 4. [COMMISSIONER.] “Commissioner” means the commissioner of commerce.

Subd. 5. [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 or attempts to broker, place, assist in placement, or find mortgage loans for others.

Subd. 6. [INDIVIDUAL MORTGAGE BROKER.] “Individual mortgage broker” means one who acts on behalf of a general mortgage 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. 7. [LOAN ORIGINATOR OR MORTGAGE LOAN ORIGI-

NATOR.] "Loan originator" or "mortgage loan originator" means a person who acts or attempts to act on behalf of a mortgage banker with respect to soliciting or originating a mortgage loan with a borrower. The term includes both an officer or employee of a mortgage banker who is authorized to solicit or originate loans, and who regularly solicits or originates loans, and the person who is responsible for the day-to-day management of a branch office of a mortgage banker.

Subd. 8. [MORTGAGE BANKER.] "Mortgage banker" means a person making or servicing a mortgage loan.

Subd. 9. [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 does not include:

(1) a loan or extension of credit made by the seller of real property for the purchase of that property or the refinance of a contract for deed on that property; or

(2) a loan or advance of credit that is made primarily for a business or commercial purpose.

Subd. 10. [PERSON.] "Person" means an individual, firm, corporation, partnership, association, trust, or legal or commercial entity or group of individuals however organized.

Subd. 11. [SERVICING.] "Servicing" means the collection for any mortgage lender, noteowner, noteholder, or for the mortgage lender's own account, of payments, interest, principal, and escrow items such as hazard insurance and taxes on a mortgage loan in accordance with the terms of the mortgage loan. Servicing includes loan analysis, communications to mortgagors regarding loan payments, and the administration of escrow accounts for payment of items such as hazard insurance premiums and taxes.

Sec. 3. [57.03] [LICENSE REQUIREMENT.]

Subdivision 1. [GENERALLY.] A person shall not engage in business as a mortgage banker, loan originator, 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) persons whose primary responsibility is to process loan applications, unless the person is authorized to solicit or originate loans;

(2) persons making five 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 under 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) charitable corporations making mortgage loans to promote home ownership or improvements for the disadvantaged;

(5) 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;

(6) persons licensed by this state 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;

(7) attorneys authorized to practice law in this state, who, in the normal course of legal practice, assist a client in obtaining mortgage financing, if the attorneys do not receive a separate commission, fee, or other thing of value for the service;

(8) persons acting in a fiduciary capacity conferred by authority of a court; and

(9) persons who only negotiate assumptions, workouts, or conversions of existing loans.

Subd. 3. [LICENSED MORTGAGE BANKERS.] Persons licensed as mortgage bankers are not required to be licensed as mortgage brokers.

Sec. 4. [57.04] [APPLICATIONS FOR MORTGAGE BANKER OR GENERAL MORTGAGE BROKER LICENSE.]

Subdivision 1. [FORM.] An application for a license under this section must be made in writing, on a form approved by the commissioner.

Subd. 2. [CONTENTS.] The application for a mortgage banker or 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, and registered agent;
- (4) the addresses of all offices in this state where business will be conducted by the applicant and the name of the person responsible for the day-to-day management of each office; and
- (5) other information concerning the financial responsibility, background, experience, and activities of the applicant and its officers, directors, and employees as the commissioner requires.

Subd. 3. [FINANCIAL RESPONSIBILITY FOR MORTGAGE BANKERS.] (a) 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, including as a correspondent or sponsored mortgagee, or approval or certification of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association; or

(2) certify to the commissioner a surety bond; or

(3) provide evidence of, and continuously maintain, a line of credit for the funding of mortgage loans.

(b) If the applicant for a mortgage banker license provides a surety bond, it must be in the amount of \$100,000, issued by an insurer authorized to transact business in this state, with the state 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. The aggregate liability of the surety to all persons for all losses is limited to the amount of the bond. The bond must remain operative for the term of the license.

(c) If the applicant for a mortgage banker license provides a line of credit, it must be for at least \$250,000 with a licensed mortgage banker, a lending institution whose deposits are insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation, or a person who is otherwise acceptable to the commissioner.

The requirement of a line of credit shall be waived by the commissioner if all loans originated by the applicant are either closed in the name of a licensed mortgage banker or other financial institution or person approved by the commissioner under an agreement between the mortgage banker or other financial institution and the applicant, or assigned, under an agreement, to a licensed mortgage banker or other financial institution or person approved by the commissioner, simultaneously 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 will 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 banking 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.

Subd. 5. [MATERIAL CHANGES.] License holders shall notify the commissioner in writing of any material change in information contained in a license application. This notice must be sent within ten days of the change.

Sec. 5. [57.05] [APPLICATIONS FOR LOAN ORIGINATOR OR INDIVIDUAL MORTGAGE BROKER LICENSE.]

Subdivision 1. [CONTENTS.] The application for a loan originator or individual mortgage broker license must set forth the name and address of the applicant and other information concerning the financial responsibility, background, experience, and activities of the applicant as the commissioner requires.

Subd. 2. [MATERIAL CHANGES.] Licensed loan originators or individual mortgage brokers shall notify the commissioner in writing of any material change in information contained in a license application. This notice must be sent within ten days of the change.

Sec. 6. [57.06] [FEES.]

An application for license under this chapter must be accompanied by the payment of the following fees:

(1) \$375 for each mortgage banker and general mortgage broker license, and \$250 for each annual renewal;

(2) \$75 for each loan originator or individual mortgage broker license, and \$50 for each annual renewal;

(3) \$25 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 must be retained by the commissioner and are nonreturnable, except that an overpayment of a fee must be refunded upon proper application.

Sec. 7. [57.07] [EXAMINATIONS; EDUCATION REQUIREMENTS.]

Subdivision 1. [LOAN ORIGINATOR OR INDIVIDUAL MORTGAGE BROKER.] An applicant for a loan originator or individual mortgage broker license must pass an examination developed and conducted by the commissioner. The examination must be of sufficient scope to establish the competence and capacity of the applicant to act as a loan originator or individual mortgage broker.

Subd. 2. [EXAMINATION FREQUENCY.] The commissioner must hold an examination at least once every 60 days unless there are no applicants to be examined. The examination may be held more frequently upon demand and as the commissioner considers reasonable.

Subd. 3. [INSTRUCTION; NEW LICENSES.] An applicant for a loan originator or individual mortgage broker license must successfully complete a course of study in the mortgage banking field consisting of 45 hours of instruction approved by the commissioner under subdivision 6 before taking the examination specified in subdivision 1. An additional 45 hours of instruction must be successfully completed within one year of initial licensure. Instruction required under this subdivision must be approved by the commissioner, under subdivision 6.

Subd. 4. [EXEMPTION FROM EDUCATION REQUIREMENTS.] (a) The commissioner may waive the education requirements of subdivision 3 for a person applying for a loan originator or individual mortgage broker license who can demonstrate proficiency in mortgage banking.

(b) A person applying for a loan originator or individual mortgage broker license is exempt from the education requirements of subdivision 3 if the applicant:

(1) has applied for a license prior to October 1, 1990; and

(2) was employed by a mortgage banker or general mortgage broker as a mortgage loan originator or individual mortgage broker prior to October 1, 1990.

If a person described in this paragraph fails the examination required in subdivision 1, the person is unlicensed. The commissioner may allow the person to continue to conduct business for 120 days from the date of examination. If during the 120-day period the person reapplies for a license and passes the examination, the person may be licensed upon payment of the license fees.

Subd. 5. [CONTINUING EDUCATION.] (a) A loan originator or individual mortgage broker must successfully complete a course of study in the mortgage banking field consisting of 15 hours of continuing education approved by the commissioner, under subdivision 6, each license year, either as a student or a lecturer in an approved course.

(b) A person who is in the first year of licensure is not required to complete the continuing education requirements of this subdivision if the person has or is planning to complete the 45 hours of postexamination instruction required under subdivision 3.

Subd. 6. [APPROVED COURSES.] (a) The commissioner shall approve courses of study for purposes of subdivisions 3 and 5, which may include courses offered in educational institutions in this state, including degree programs, or developed by and offered under the auspices of national or state trade associations or private schools.

(b) The commissioner shall not approve any course of study offered by or sponsored by or affiliated with a person or company otherwise licensed by the commissioner.

Sec. 8. [57.08] [LICENSE TERM; TRANSFER RESTRICTIONS.]

Subdivision 1. [TERM.] A license is issued annually under this chapter and expires the next September 30.

Subd. 2. [LIMITATION.] A loan originator or individual mortgage broker must be licensed to act on behalf of (i) a licensed mortgage banker or general mortgage broker respectively, or (ii) a person who elects licensure for its employees under section 15. A loan originator or individual mortgage broker may not be licensed to act on behalf of more than one mortgage banker, general mortgage broker, or

person who elects licensure for its employees under section 15 in this state at the same time.

Subd. 3. [TRANSFERS.] (a) The commissioner shall establish the procedure for the transfer of a mortgage banker, general mortgage broker, loan originator, or individual mortgage broker license because of a merger or acquisition.

(b) When an individual mortgage broker or loan originator 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 the person's license. The transfer is effective upon mailing or personally delivering the required fee and the executed documents to the commissioner's office.

Subd. 4. [REINSTATEMENT.] 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 7, subdivision 3, if the person has been unlicensed for less than 12 months and reports 15 hours of continuing education credit for the year.

Sec. 9. [57.09] [RENEWAL APPLICATION.]

A person whose renewal application has been properly and timely filed and who has not received notice of denial or a renewed license may continue to transact business even if the renewed license has not been received by 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 of each year. Applications for renewal are considered properly filed if made upon forms duly executed and containing information the commissioner requires.

Sec. 10. [57.095] [DENIAL; SUSPENSION; REVOCATION OF LICENSE.]

The commissioner may by order deny, suspend, or revoke any license if the applicant or licensee:

(1) has filed an application for a license which is incomplete or contains any statement or material, in light of the circumstances under which it is made, is false or misleading with respect to any material fact;

(2) has engaged in a fraudulent, deceptive, or dishonest practice;

(3) is permanently or temporarily enjoined by any court of

competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the mortgage business;

(4) has failed, in the case of general mortgage brokers and mortgage bankers, to reasonably supervise loan originators or individual mortgage brokers so as to cause injury or harm to the public;

(5) has violated or failed to comply with any provision of this chapter or any rule under this chapter; or

(6) has, in the conduct of the licensee's affairs under the license, has shown to be incompetent, untrustworthy, or financially irresponsible.

Sec. 11. [57.10] [RETENTION OF BOOKS, ACCOUNTS, AND RECORDS.]

A mortgage banker or general mortgage broker shall maintain in its offices any books, accounts, and records the commissioner reasonably requires in order to determine whether the licensee is in compliance with this chapter and the rules adopted under it. The books, accounts, and records must be maintained separately from any other business in which the mortgage banker or general mortgage broker is involved.

Sec. 12. [57.11] [PROHIBITED PRACTICES.]

Subdivision 1. [GENERALLY.] A person licensed under this chapter shall not engage in any act or practice prohibited in chapter 57A.

Subd. 2. [GENERAL OR INDIVIDUAL MORTGAGE BROKERS.]

(a) A general or individual mortgage broker shall not:

(1) except for documented out-of-pocket expenses paid or to be paid to third parties and 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 person agreeing to make the loan;

(2) fail to deposit in a trust account in a depository financial institution located within this state, within 48 hours of receipt, all fees received before a loan is actually funded; or

(3) receive compensation from the borrower other than that specified in a written agreement signed by the borrower.

(b) The person shall not 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:

(1) identifies the trust account into which the fees or consideration will be deposited;

(2) sets forth the circumstances under which the general and individual mortgage broker will be entitled to disbursement from the trust account;

(3) sets forth the circumstances under which the borrower will be entitled to a refund of all or part of the fee;

(4) specifically describes the services to be provided by the general and individual mortgage broker and the dates by which the services will be performed;

(5) states the maximum rate of interest to be charged on any loan obtained;

(6) discloses, with respect to the 12-month period ending ten business days before 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 section); and

(7) discloses the cancellation rights and procedures in section 13.

Sec. 13. [57.12] [CANCELLATION.]

A customer of a general or individual mortgage broker who pays a fee before the loan is actually funded has an unconditioned right to rescind the contract for mortgage brokerage services before midnight of the third business day after the day the contract was 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. A customer of a general or individual mortgage broker may not waive the right to rescind provided in this section.

Sec. 14. [57.13] [RIGHT TO USE TERMS.]

A person making or brokering a mortgage loan, including a person exempt from the licensing requirements of this chapter, may not advertise or represent that the person is a mortgage banker,

mortgage loan originator, general mortgage broker, or individual mortgage broker unless licensed as provided in this chapter or unless the person elects licensure under section 15.

Sec. 15. [57.14] [ELECTION TO BE LICENSED.]

Notwithstanding the exemptions in section 3, an exempt person may elect licensing for its employees if each employee who performs the functions defined in section 2, subdivisions 6 and 7, holds a loan originator or individual mortgage broker license. Employees of exempt persons who hold a loan originator'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.

Sec. 16. [57.15] [RESPONSIBILITY FOR EMPLOYEES.]

Notwithstanding the licensure of certain of its employees, a mortgage banker or a general mortgage broker is responsible for exercising reasonable care that its employees, including those licensed, comply with the requirements of this chapter.

Sec. 17. [57.16] [REPORT OF VIOLATIONS TO COMMISSIONER.]

A mortgage banker or general mortgage broker including those electing licensing under section 15, shall report a violation of this chapter by a licensed employee to the commissioner. The report shall be made within a reasonable time after the 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 is not grounds for any action for libel, slander, or defamation by an employee against an employer or former employer, unless the employer knows that the report is false or acts with reckless disregard for the truth or falsity of the report.

Sec. 18. [57.17] [RULES.]

The commissioner shall adopt rules to administer this chapter.

Sec. 19. Minnesota Statutes 1988, 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;

(c) 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;

(e) (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;
or

(f) (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 1989 Supplement, 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 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;

(n) an accountant acting incident to the practice of the accounting profession if the accountant complies in all respects with the trust account provisions of this chapter; and

(o) any mortgage banker, loan originator, general mortgage broker, or individual mortgage broker licensed under sections 1 to 18 while engaged in the activities for which the license is required.

Sec. 21. Minnesota Statutes 1988, section 332.32, is amended to read:

332.32 [EXCLUSIONS.]

The term "collection agency" shall not include persons whose collection activities are confined to and are directly related to the operation of a business other than that of a collection agency such as, but not limited to banks when collecting accounts owed to the banks and when the bank will sustain any loss arising from uncollectible accounts, abstract companies doing an escrow business, real estate brokers, persons licensed under sections 1 to 18, public officers, persons acting under order of a court, lawyers, trust companies, insurance companies, credit unions, building and loan associations, savings and loan associations, loan or finance companies unless they are engaged in asserting, enforcing or prosecuting unsecured claims which have been purchased from any person, firm, or association when there is recourse to the seller for all or part of the claim if the claim is not collected.

Sec. 22. [APPROPRIATION.]

\$37,800 is appropriated from the general fund to the commissioner of commerce to administer sections 1 to 18 and is available

until June 30, 1991. The approved complement of the department of commerce is increased by one position.

Sec. 23. [TEMPORARY REGISTRATION.]

By July 1, 1990, every person who will be required to be licensed under section 3 must register with the department of commerce on a form the department prescribes.

Sec. 24. [REPEALER.]

Minnesota Statutes 1988, section 82.175, is repealed.

Sec. 25. [EFFECTIVE DATE; APPLICABILITY.]

Sections 1 to 21, 23, and 24 are effective the day following final enactment. A mortgage banker, loan originator, general mortgage broker, or individual mortgage broker need not be licensed before October 1, 1990.

ARTICLE 2

Section 1. [57A.01] [SCOPE.]

Subdivision 1. [RESIDENTIAL MORTGAGE LOANS.] This chapter applies to any entity that engages in the business of making, brokering, or servicing residential mortgage loans except for entities that are exempt under subdivision 2.

Subd. 2. [EXEMPTION.] This chapter does not apply to:

(1) entities making, brokering, or servicing five or fewer residential mortgage loans in a period of 12 consecutive months;

(2) charitable or nonprofit corporations making residential mortgage loans to promote home ownership or improvements for the disadvantaged;

(3) agencies of the federal government, or a state government, or a quasi-governmental agency making residential mortgage loans under the specific authority of the laws of a state or the United States; or

(4) entities acting in a fiduciary capacity conferred by authority of a court.

Sec. 2. [57A.02] [DEFINITIONS.]

Subdivision 1. [TERMS.] For purposes of this chapter, the terms

in this section have the meanings given them unless the context requires a different meaning.

Subd. 2. [ADVERTISEMENT.] “Advertisement” means an oral, written, graphic, or pictorial statement made in the course of solicitation of business. Advertisement includes, without limitation, a statement or representation made in a newspaper, magazine, or other publication, or contained in a notice, sign, billboard, poster, display, circular, pamphlet, or letter, or on radio or television.

Subd. 3. [BORROWER OR MORTGAGOR.] “Borrower” or “mortgagor” means a natural person who has submitted an application for a loan to a mortgage lender or has obtained a residential mortgage loan.

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. [ENTITY.] “Entity” means an individual acting as a sole proprietorship, corporation, partnership, association, trust, or any other commercial organization or group of individuals, however organized.

Subd. 7. [EQUAL CREDIT OPPORTUNITY ACT.] “Equal Credit Opportunity Act” means United States Code, title 15, sections 1691 to 1691F, and any regulations adopted under those sections.

Subd. 8. [ESCROW ACCOUNT.] “Escrow account” means an agency or similar account for the payment of taxes or insurance premiums with respect to a residential mortgage loan.

Subd. 9. [LENDER-IMPOSED FEES.] “Lender-imposed fees” means any fees charged to a borrower and retained by a lender including origination fees, discount points, commitment fees, and underwriting fees, which may be expressed as a percentage. Lender-imposed fees do not include interim interest, down payment, or any amount required to pay off an existing mortgage loan.

Subd. 10. [MORTGAGE BROKER.] “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. 11. [MORTGAGE LENDER.] “Mortgage lender” means an entity making or servicing a residential mortgage loan.

Subd. 12. [RESIDENTIAL MORTGAGE LOAN OR LOAN.] "Residential mortgage loan" or "loan" means a loan or advance of credit to an individual secured by a mortgage or other encumbrance upon real property of less than ten acres located in the state and 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 does include a refinance of an existing loan or advance of credit that is secured by a mortgage or other encumbrance upon real property. The term does not include:

(1) a loan or advance of credit that is made primarily for a business or commercial purpose;

(2) a loan or extension of credit made by the seller of real property for the purchase of the property provided the seller makes no more than five such loans or extensions of credit per year; or

(3) a loan for which less than 50 percent of the proceeds are intended to be used to acquire legal title to the property or to refinance the balance due on a contract for deed.

Subd. 13. [REAL ESTATE SETTLEMENT PROCEDURES ACT.] "Real Estate Settlement Procedures Act" means United States Code, title 12, sections 2601 to 2617, and any regulations adopted under those sections.

Subd. 14. [REFERRAL FEE.] "Referral fee" means the types of payments under the Real Estate Settlement Procedures Act.

Subd. 15. [SERVICING.] "Servicing" means the collection for any mortgage lender, noteowner, noteholder, or for the mortgage lender's own account of payments, interest, principal, and escrow items such as hazard insurance and taxes on a residential mortgage loan in accordance with the terms of the residential mortgage loan. Servicing includes loan analysis, communications to mortgagors regarding loan payments, and the administration of escrow accounts for payment of items such as hazard insurance premiums and taxes.

Subd. 16. [SETTLEMENT SERVICES.] "Settlement services" includes any service provided in connection with the settlement of a real estate transaction including, but not limited to, title searches, title examinations, the provision of title certificates, title insurance, services rendered by an attorney, the preparation of documents, property surveys, the rendering of credit reports or appraisals, services rendered by a real estate agent or broker, the handling of the closing or settlement, and inspections for pest, fungus, and other purposes.

Subd. 17. [TRUTH-IN-LENDING ACT.] "Truth-in-Lending Act"

means United States Code, title 15, sections 1601 to 1666j, and any regulations adopted under those sections.

Sec. 3. [57A.03] [PROHIBITED PRACTICES; GENERAL.]

(a) A mortgage lender, mortgage broker, or their employees, may not violate any provisions of the Equal Credit Opportunity Act, Real Estate Settlement Procedures Act, or the Truth-in-Lending Act in the making, brokering, or servicing of residential mortgage loans; or the regulations, where applicable, of the Secretary of the Department of Housing and Urban Development, Secretary of the Department of Veterans Affairs, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or Minnesota housing finance agency.

(b) A mortgage lender or mortgage broker shall not refuse to honor a provision of a written real estate purchase agreement between a borrower and a seller relating to which parties 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 under section 47.206, subdivision 3.

Sec. 4. [57A.04] [ADVERTISING PRACTICES.]

Subdivision 1. [PROHIBITION.] Advertisements by mortgage lenders or mortgage brokers shall not:

(1) state or imply that the advertised loan interest rates, points, terms, charges, or the contracts of services of the mortgage lender or mortgage broker are approved, recommended, or established by the state; or

(2) contain any statement that is false, misleading, or deceptive.

Subd. 2. [MORTGAGE BROKERS.] A mortgage broker must disclose in any advertisement of the broker's services or the broker's name that the mortgage broker does not make or fund loans and that any loan funds made available will be provided by another entity.

Sec. 5. [57A.05] [LOAN APPLICATION PRACTICES.]

Subdivision 1. [NOTICE.] At the time of the loan application, but before the borrower signs the application or pays any consideration to a mortgage lender, the mortgage lender must provide the borrower with:

(a) A separate, written notice in at least ten-point bold type, if printed, or in capital letters, if typewritten, which shall be in the following form:

"THIS DOCUMENT IS GIVEN TO YOU AS REQUIRED UNDER MINNESOTA LAW TO MAKE YOU AWARE OF SOME OF YOUR RIGHTS.

1. THE FOLLOWING ITEMS ARE ATTACHED TO THIS DOCUMENT:

a. AN ITEMIZED LIST OF ALL FEES YOU WILL BE REQUIRED TO PAY AT THE TIME OF APPLICATION. EACH FEE IS IDENTIFIED AS EITHER REFUNDABLE OR NONREFUNDABLE IN THE EVENT THAT YOUR APPLICATION IS DENIED, WITHDRAWN, OR THE LOAN DOES NOT CLOSE.

b. A GENERAL DESCRIPTION OF THE TYPES OF DOCUMENTS WE WILL ASK YOU TO PROVIDE US IN ORDER FOR US TO PROCESS YOUR LOAN APPLICATION.

c. A GENERAL DESCRIPTION OF THE STANDARDS WE USUALLY USE IN DECIDING WHETHER TO APPROVE A LOAN.

2. WE WILL GIVE YOU COPIES OF THE FOLLOWING ITEMS:

a. A BLANK SAMPLE OF THE MORTGAGE NOTE AND MORTGAGE CONTRACT THAT YOU WILL SIGN IF YOUR LOAN IS APPROVED AS APPLIED FOR.

b. A SAMPLE COMMITMENT LETTER [IF APPLICABLE].

c. A SAMPLE INTEREST RATE OR DISCOUNT POINT AGREEMENT [IF APPLICABLE].

3. YOU WILL BE GIVEN A COPY OF EACH DOCUMENT THAT YOU SIGN AT CLOSING.

4. WE WILL GIVE YOU COPIES OF ANY APPRAISAL REPORTS OR OTHER REPORTS YOU HAVE PAID FOR, EXCEPT CREDIT REPORTS. CREDIT INFORMATION IS AVAILABLE FROM THE CREDIT REPORTING AGENCY AND UPON REQUEST WE WILL PROVIDE YOU WITH THE NAME AND ADDRESS OF THE AGENCY.

5. WE CANNOT REQUIRE YOU TO USE A SPECIFIC COMPANY OR PERSON TO PROVIDE SETTLEMENT SERVICES, OTHER THAN CREDIT REPORTS AND APPRAISALS, SUCH AS PROPERTY TITLE SEARCHES, TITLE EXAMINATIONS, TITLE INSURANCE, PROPERTY SURVEYS, OR LOAN CLOSING SERVICES. WE CAN, HOWEVER, INSIST THAT A SPECIFIC COMPANY BE ACCEPTABLE TO US.

6. WE CANNOT REQUIRE YOU TO PURCHASE HAZARD INSURANCE FROM A SPECIFIC INSURANCE COMPANY, AGENT, OR AGENCY. WE CAN INSIST, HOWEVER, THAT YOUR INSURANCE POLICY BE ISSUED BY A COMPANY THAT IS AUTHORIZED TO DO BUSINESS IN MINNESOTA, OR PURCHASED FROM AN AGENT OR AGENCY THAT IS DULY LICENSED AS MINNESOTA LAW REQUIRES. WE CAN ALSO REFUSE TO ACCEPT COVERAGE WHERE WE HAVE REASONABLE GROUNDS TO BELIEVE THE INSURER IS INSOLVENT, OR WHERE THE INSURANCE OR CARRIER DOES NOT CONFORM WITH THE REQUIREMENTS OF THE FEDERAL NATIONAL MORTGAGE ASSOCIATION OR THE FEDERAL HOME LOAN MORTGAGE CORPORATION.

7. AT LEAST 24 HOURS BEFORE CLOSING, UPON REQUEST, WE WILL MAKE AVAILABLE TO YOU AT OUR OFFICE A FINAL LISTING OF ALL LENDER-IMPOSED FEES WE WILL CHARGE YOU AT CLOSING.

8. WE CANNOT CHARGE YOU ANY LENDER-IMPOSED FEE AT YOUR CLOSING IF THE AMOUNT OF THE FEE WAS NOT DISCLOSED UNDER ITEM 7 ABOVE.

9. IF YOUR LOAN DOES NOT CLOSE FOR ANY REASON, WE WILL REFUND TO YOU THE UNUSED OR UNEARNED PORTION OF ANY FEES YOU HAVE PAID TO US FOR ANY THIRD PARTY SERVICES SUCH AS CREDIT REPORTS AND APPRAISAL FEES.

10. IF WE DO NOT APPROVE YOUR LOAN, WE WILL REFUND TO YOU ANY FEE, INCLUDING ANY DISCOUNT POINTS, YOU HAVE PAID TO US FOR ENTERING INTO AN INTEREST RATE OR DISCOUNT POINT AGREEMENT, IF THE AGREEMENT IS FOR 90 DAYS OR LESS."

(b) The following items that must be attached to the notice required in paragraph (a):

(1) an itemized list of all fees the borrower will be required to pay at the time of application, and identification of each fee as either refundable or nonrefundable in the event that the application is denied, withdrawn, or the loan does not close;

(2) a general description of the types of documents the borrower is usually requested to provide in order for the mortgage lender to provide the loan; and

(3) a general description of the underwriting and other eligibility standards customarily used in determining whether a loan will be provided.

Subd. 2. [COPIES OF DOCUMENTS.] (a) A mortgage lender must provide a sample copy of a blank mortgage note and mortgage contract and, if either are offered by the mortgage lender, a sample interest rate or discount point agreement and a commitment letter to the borrower.

(b) A copy of each document signed by the borrower at closing must be provided to the borrower at closing.

Subd. 3. [COPIES OF REPORTS.] A mortgage lender must provide to the borrower, or send or transmit to another person as directed by the borrower, within two business days, a copy of any report for which the borrower has paid, excluding credit reports. If a credit report is requested by the borrower, the lender must disclose the name, address, and telephone number of the entity who prepared the credit report. If a lender or an affiliate, agency, or subsidiary of the lender does not possess a report, the lender must inform the borrower where the document may be obtained provided, however, that the lender must provide the borrower with a copy of the document or report if the lender comes into possession of it.

Subd. 4. [SETTLEMENT SERVICES.] A mortgage lender may not require a borrower to contract with any specific person for real estate settlement services. However, the lender may require that a person providing settlement services be acceptable to the lender.

Subd. 5. [INSURANCE.] (a) A mortgage lender may not require a borrower to purchase hazard insurance covering the property from a designated company, agent, or agency. This does not prohibit a lender from requiring that the insurance company meet the financial criteria under section 72A.31, subdivision 1.

(b) A mortgage lender may not require a borrower to obtain a policy of insurance covering the real property encumbered by the residential mortgage loan in an amount exceeding the amount of the mortgage.

Subd. 6. [CHANGING TERMS; PROHIBITED.] (a) A mortgage lender may not obtain any written agreement or instrument in which blanks are left to be filled in after execution of it by the parties, except for verification of employment, bank accounts, and other credit verification.

(b) A mortgage lender may not fill in or change the loan amount, interest rate, number of discount points, or other terms contained in any interest rate or discount point agreement after the interest rate or discount point agreement is executed by the parties.

Subd. 7. [SECURITY INTEREST; PERSONAL PROPERTY.] A mortgage lender may not accept, in connection with a residential

mortgage loan, a security interest in the borrower's personal property as described under Code of Federal Regulations, title 16, section 444.2(4).

Subd. 8. [REFERRAL FEES.] (a) A mortgage lender may not pay or accept a referral fee in connection with making or processing a mortgage loan to the extent prohibited under the Real Estate Settlement Procedures Act.

(b) Any payments permitted under the Real Estate Settlement Procedures Act for services performed may not be paid to or accepted by a real estate broker or real estate salesperson unless written disclosure is made to and acknowledged by the borrower before the services are to be performed.

Sec. 6. [57A.06] [CLOSING PRACTICES.]

Subdivision 1. [DISCLOSURE OF FEES.] A mortgage lender must make available to a borrower, upon request, at least 24 hours before closing, a final listing of all lender imposed fees the mortgage lender will charge the borrower at closing.

Subd. 2. [ACCEPTANCE OF MORTGAGE LENDER FEES NOT DISCLOSED; PROHIBITED.] A mortgage lender may not charge a lender-imposed fee, and a borrower may not be required to pay a lender-imposed fee at the closing of the residential mortgage loan if the amount of the fee was not previously disclosed as required by subdivision 1.

Subd. 3. [CONFESSION OF JUDGMENT.] A mortgage lender may not take a confession of judgment or a power of attorney to confess judgment, or appear for the borrower in any judicial proceeding, or place in mortgage loan documents any provision that would authorize or permit any such confession of judgment.

Sec. 7. [57A.07] [REFUNDS.]

Subdivision 1. [THIRD-PARTY SERVICES.] If a residential mortgage loan fails to close, the mortgage lender shall refund to the borrower the unused or unearned portion of any fees paid by the borrower to the mortgage lender for third-party services including, but not limited to, credit reports and appraisal fees.

Subd. 2. [LOCK-IN FEES.] If a borrower fails to qualify for a residential mortgage loan, the mortgage lender must refund any fee, including any discount points, paid by the borrower to the mortgage lender for entering into an interest rate or discount point agreement as defined under section 47.206. This subdivision does not apply to fees negotiated between the borrower and the mortgage lender for a period of price protection of 90 days or more.

Sec. 8. [57A.08] [LOAN SERVICING PRACTICES.]

Subdivision 1. [PROMPT CREDITING OF PAYMENTS.] In servicing a residential mortgage loan, a mortgage lender shall process and properly credit any regularly scheduled payment from the mortgagor to the mortgagor's residential mortgage loan account no later than one business day after receipt by the mortgage lender of the payment.

Subd. 2. [LATE PAYMENTS.] A mortgage lender shall not impose or collect any fee for late payments of principal, interest, or other sums due under a note, unless the late fee is authorized by the note and payment is not actually received by the mortgage lender by the due date provided for in the mortgage instrument.

Subd. 3. [COMMUNICATIONS WITH BORROWER.] In servicing a residential mortgage loan, a mortgage lender shall respond within ten business days to written communications from a mortgagor about the mortgagor's loan that reasonably indicate that a response is requested or needed, including requests for information about the terms and conditions under which private mortgage insurance may be discontinued, if applicable.

Subd. 4. [TOLL-FREE NUMBER.] (a) In servicing a residential mortgage loan, a mortgage lender shall establish a toll-free telephone number or provide an alternative toll-free telephone arrangement for receiving telephone calls from a Minnesota resident mortgagor calling from Minnesota to the mortgage lender or, if the mortgage lender's office servicing the loan is located in an area code different from the mortgagor's Minnesota residence. A mortgage lender may accept collect calls from Minnesota mortgagors in lieu of establishing a toll-free telephone arrangement.

(b) The toll-free telephone number or arrangement must be sufficient to accommodate the foreseeable demand for its use. A mortgage lender must take steps to reasonably insure that its mortgagors know of the availability of the toll-free or alternative telephone arrangement. A mortgage lender having to make a disclosure under section 47.205, subdivision 2, clause (1) or (2), must include with that disclosure the toll-free or alternative telephone arrangement number or a notice that the mortgage lender accepts collect calls.

Subd. 5. [PAYOFF REQUESTS.] A mortgage lender shall, within ten business days of receipt of a written request from the mortgagor, provide a payoff amount for the principal and interest owed as of a specific date.

Sec. 9. [57A.09] [ESCROW ANALYSIS.]

A mortgage lender administering an escrow account shall:

(1) perform an annual analysis of the escrow account except for the first analysis relating to loans for new construction, which may be made up to 18 months after settlement; and

(2) provide the mortgagor an annual statement of the escrow account.

Sec. 10. [57A.10] [WAIVER PROHIBITED.]

A waiver, modification, or attempt to waive or modify any of the borrower's or mortgagor's rights secured by this chapter is void as contrary to public policy.

Sec. 11. [57A.11] [MISREPRESENTATION.]

A mortgage lender or mortgage broker may not:

(1) engage in an act or practice constituting consumer fraud, false promise, misrepresentation, misleading statement, or deceptive practice, as prohibited under sections 325D.44 and 325F.69, subdivision 1; or

(2) fail to state a material fact if the failure has the effect of misrepresenting the terms or conditions of a residential mortgage loan.

Sec. 12. [57A.12] [RULES.]

The commissioner may adopt rules to administer this chapter.

Sec. 13. [57A.13] [APPROVAL OF FORMS.]

A mortgage lender or mortgage broker may request the commissioner to approve a disclosure governed by this chapter. A request for approval of a disclosure must be accompanied by a fee of \$100, or a fee of \$50 for an amendment to a disclosure that had been previously approved. The fee must be deposited in the state treasury and credited to the general fund. The commissioner must approve or disapprove the disclosure within 60 days after receipt.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective January 1, 1991."

Delete the title and insert:

"A bill for an act relating to financial institutions; regulating the

business of mortgage bankers, mortgage lenders, loan originators, general mortgage brokers, and individual mortgage brokers; establishing licensing requirements; detailing the supervising powers of the commissioner; regulating certain practices; prescribing penalties and providing remedies; appropriating money; amending Minnesota Statutes 1988, sections 82.17, subdivision 4; and 332.32; Minnesota Statutes 1989 Supplement, section 82.18; proposing coding for new law as Minnesota Statutes, chapters 57 and 57A; repealing Minnesota Statutes 1988, 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.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1930, 2420 and 2651 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1150, 1670, 1698, 1729, 1752, 1870, 1879, 1968, 1983, 2424, 2302, 2383, 2267, 2229, 2172, 2127, 2092, 2090, 2048, 2281, 1897, 1980, 1920, 2119, 2224, 2046, 1726, 1927, 1739, 2179, 2079, 2373, 2381, 2159, 2039 and 2208 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Kahn, Skoglund, Welle, Dille and Segal introduced:

H. F. No. 2799, A bill for an act relating to health; amending the clean indoor air act; amending Minnesota Statutes 1988, sections 144.413, subdivision 2, and by adding subdivisions; 144.414, subdivisions 1, 3, and by adding a subdivision; 144.415; 144.416; and 144.417, subdivision 2.

The bill was read for the first time and referred to the Committee on Health and Human Services.

HOUSE ADVISORIES

The following House Advisory was introduced:

Osthoff, Jacobs, Kahn, Abrams and Olsen, S., introduced:

H. A. No. 40, A proposal to study affirmative action programs of Minnesota financial institutions.

The advisory was referred to the Committee on Financial Institutions 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. 1893, A bill for an act relating to local government; authorizing certain towns to contribute to economic development organizations.

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. 2149, A bill for an act relating to port authorities; expanding the range of titles for certain offices; amending Minnesota Statutes 1988, section 469.051, subdivision 2.

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. 2508, A bill for an act relating to education; placing certain positions in special school district No. 1, Minneapolis, in the unclassified service; naming the appointing authority for the positions.

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. 2609, A bill for an act relating to capital improvements; providing for emergency capital expenses at Inver Hills Community College; authorizing sale of state bonds; appropriating money.

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. 951, A bill for an act relating to utilities; providing for the establishment of competitive electric utility rates for certain customers subject to effective competition; authorizing public utilities commission to require utility to initiate rate proceeding under limited circumstances; removing repealer of laws providing for establishment of flexible gas utility rates for certain customers subject to effective competition; amending Minnesota Statutes 1988, sections 216B.045, subdivision 5; and 216B.17, subdivision 6, and by adding a subdivision; Laws 1987, chapter 371, section 4; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 1988, section 216B.17, subdivisions 2, 3, 4, and 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jacobs moved that the House concur in the Senate amendments to H. F. No. 951 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 951, A bill for an act relating to utilities; providing for the establishment of pilot area development rates for certain electric utility customers; providing for the establishment of competitive electric utility rates for certain customers subject to effective competition; authorizing public utilities commission to require utility to initiate rate proceeding under limited circumstances; amending Minnesota Statutes 1988, sections 216B.045, subdivision 5; and 216B.17, subdivisions 3; 6, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

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:

Abrams	Girard	Krueger	Olson, K.	Scheid
Anderson, G.	Greenfield	Lasley	Omann	Schreiber
Anderson, R.	Gruenes	Lieder	Onnen	Seaberg
Battaglia	Gutknecht	Limmer	Orenstein	Segal
Bauerly	Hartle	Long	Ostrom	Skoglund
Beard	Haukoos	Lynch	Otis	Solberg
Begich	Hausman	Macklin	Ozment	Sparby
Bennett	Heap	Marsh	Pappas	Stanuis
Bertram	Henry	McDonald	Pellow	Steensma
Bishop	Himle	McEachern	Pelowski	Sviggum
Blatz	Hugoson	McGuire	Peterson	Swenson
Boo	Jacobs	McLaughlin	Poppenhagen	Tjornhom
Brown	Janezich	McPherson	Price	Tompkins
Burger	Jaros	Milbert	Pugh	Trimble
Carlson, D.	Jefferson	Miller	Quinn	Tunheim
Carlson, L.	Jennings	Morrison	Redalen	Valento
Carruthers	Johnson, A.	Munger	Reding	Vellenga
Clark	Johnson, R.	Murphy	Rest	Wagenius
Dauner	Johnson, V.	Nelson, C.	Rice	Waltman
Dawkins	Kalis	Nelson, K.	Richter	Weaver
Dempsey	Kelly	Neuenschwander	Rodosovich	Welle
Dorn	Kelso	O'Connor	Rukavina	Wenzel
Forsythe	Kinkel	Ogren	Runbeck	Williams
Frederick	Knickerbocker	Olsen, S.	Sarna	Winter
Frerichs	Kostohryz	Olson, E.	Schafer	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. 2143, A bill for an act relating to crimes; defining "crime" for purposes of crime victims reparations; amending Min-

Minnesota Statutes 1988, section 611A.52, subdivision 6.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Janezich moved that the House concur in the Senate amendments to H. F. No. 2143 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2143, A bill for an act relating to crimes; defining "crime" for purposes of crime victims reparations; amending Minnesota Statutes 1988, section 611A.52, subdivision 6.

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:

Abrams	Greenfield	Krueger	Omam	Seaberg
Anderson, G.	Gruenes	Lasley	Onnen	Segal
Anderson, R.	Gutknecht	Lieder	Orenstein	Skoglund
Battaglia	Hartle	Limmer	Ostrom	Solberg
Bauerly	Hasskamp	Long	Otis	Sparby
Beard	Haukoos	Lynch	Ozment	Stanius
Begich	Hausman	Macklin	Pappas	Steensma
Bennett	Heap	Marsh	Pauly	Svigum
Bertram	Henry	McDonald	Pellow	Swenson
Bishop	Himle	McEachern	Pelowski	Tjornhom
Blatz	Hugoson	McGuire	Peterson	Tompkins
Boo	Jacobs	McLaughlin	Poppenhagen	Trimble
Brown	Janezich	McPherson	Price	Tunheim
Burger	Jaros	Milbert	Pugh	Uphus
Carlson, D.	Jefferson	Miller	Quinn	Valento
Carlson, L.	Jennings	Morrison	Redalen	Vellenga
Carruthers	Johnson, A.	Munger	Reding	Wagenius
Clark	Johnson, R.	Murphy	Rest	Waltman
Dauner	Johnson, V.	Nelson, C.	Rice	Weaver
Dawkins	Kahn	Nelson, K.	Richter	Welle
Dempsey	Kalis	Neuenschwander	Rodosovich	Wenzel
Dorn	Kelly	O'Connor	Rukavina	Williams
Forsythe	Kelso	Ogren	Runbeck	Winter
Frederick	Kinkel	Olsen, S.	Sarna	Spk. Vanasek
Frerichs	Knickerbocker	Olson, E.	Schafer	
Girard	Kostohryz	Olson, K.	Schreiber	

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 Senate Files, herewith transmitted:

S. F. Nos. 1940, 2051, 2207, 1999, 2156, 1831, 2370, 2432 and 2439.

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. 1821, 1942, 1952, 1400, 1827, 2299, 1838, 1848, 1958, 2061, 2136 and 2213.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1940, A bill for an act relating to health; specifying requirements for a health maintenance organization application for a certificate; establishing protections against conflicts of interest; establishing requirements for a guaranteeing organization; including certain investments as admitted assets; requiring an expedited resolution of disputes about coverage of immediately and urgently needed service; allowing replacement coverage by other health maintenance organizations; allowing appointment of a special examiner; amending Minnesota Statutes 1988, sections 62D.02, subdivision 15; 62D.03, subdivision 4; 62D.04, subdivision 1; 62D.041, subdivision 2; 62D.044; 62D.08, subdivisions 1, 2, and 6; 62D.11, subdivisions 1a, 4, and by adding a subdivision; 62D.121, by adding a subdivision; 62D.17, subdivisions 1 and 4; 62D.18, subdivision 1; 62D.211; Minnesota Statutes 1989 Supplement, sections 62D.121, subdivision 3; 72A.491, by adding a subdivision; Laws 1988, chapter 434, section 24; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1988, sections 62D.12, subdivisions 14 and 16; 62D.18, subdivisions 2 to 5; and 62D.20, subdivision 2.

The bill was read for the first time.

Greenfield moved that S. F. No. 1940 and H. F. No. 2118, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2051, A bill for an act relating to health; allowing a waiver of restrictions that may be placed upon controlling persons of a nursing home; amending Minnesota Statutes 1988, section 144A.04, subdivision 4; and by adding a subdivision.

The bill was read for the first time.

Greenfield moved that S. F. No. 2051 and H. F. No. 2689, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2207, A bill for an act relating to agriculture; requiring cash discounts on agricultural production inputs if there are interest discounts on credit terms for seller-financed sales; proposing coding for new law in Minnesota Statutes, chapter 325E.

The bill was read for the first time.

Olson, E., moved that S. F. No. 2207 and H. F. No. 2385, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1999, A bill for an act relating to agriculture; changing certain duties, procedures, and requirements related to organic food; amending Minnesota Statutes 1988, sections 31.92, by adding subdivisions; 31.94; and 31.95.

The bill was read for the first time.

Ogren moved that S. F. No. 1999 and H. F. No. 2497, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2156, A bill for an act relating to local government; allowing municipalities to enter into certain contracts to reduce energy and operating costs; amending Minnesota Statutes 1988, section 471.345, by adding a subdivision; repealing Minnesota Statutes 1988, section 471.345, subdivision 9.

The bill was read for the first time.

Simoneau moved that S. F. No. 2156 and H. F. No. 2268, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1831, A bill for an act relating to health and human services; stating policy and requiring a plan relating to rules and regulations affecting services to persons with mental retardation and related conditions; proposing coding for new law in Minnesota Statutes, chapter 245A.

The bill was read for the first time.

Cooper moved that S. F. No. 1831 and H. F. No. 1908, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2370, 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; amending Minnesota Statutes 1989 Supplement, section 245.94, subdivision 1.

The bill was read for the first time.

Greenfield moved that S. F. No. 2370 and H. F. No. 2133, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2432, A bill for an act relating to crimes; requiring cemetery owners to report unlawful removal of bodies to law enforcement authorities and next of kin of the deceased person; prescribing penalties; amending Minnesota Statutes 1988, section 609.502; Minnesota Statutes 1989 Supplement, section 13.82, subdivision 10.

The bill was read for the first time.

Blatz moved that S. F. No. 2432 and H. F. No. 2706, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2439, A bill for an act relating to education; allowing the Pine Point School to qualify for federal impact aid; amending Minnesota Statutes 1989 Supplement, section 128B.03, subdivision 4.

The bill was read for the first time and referred to the Committee on Education.

S. F. No. 1821, A bill for an act relating to nursing; allowing nurse practitioners to prescribe and administer drugs and therapeutic devices; authorizing the board of nursing to adopt rules; establishing an interim filing requirement; amending Minnesota Statutes 1989 Supplement, section 148.171; proposing coding for new law in Minnesota Statutes, chapter 148.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1942, A bill for an act relating to insurance; making changes in arbitration proceedings concerning no-fault automobile insurance; amending Minnesota Statutes 1988, section 65B.525, by adding a subdivision; and Minnesota Statutes 1989 Supplement, section 72A.327.

The bill was read for the first time.

Winter moved that S. F. No. 1942 and H. F. No. 1897, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1952, A bill for an act relating to health; requiring a study of methods of improving systems for regulating social work and mental health occupations and professions; exempting the board of unlicensed mental health service providers from certain license fee requirements.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1400, A bill for an act relating to probate; providing right to counsel in certain guardianship and conservatorship proceedings; proposing coding for new law in Minnesota Statutes, chapter 525.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1827, A bill for an act relating to civil actions; providing for immunity from liability for unpaid members of county agricultural society boards; addressing reduction of damages in an action under no-fault automobile insurance; preserving common law tort law claims against adults who knowingly provide alcoholic beverages to minors; increasing the amount of claims that may be settled without court approval under the municipal compromise of claims statute; changing the standard for awarding punitive damages; addressing when a principal may be held liable for punitive damages for an act of the principal's agent; requiring a separate trial to address punitive damages; requiring the court to review a punitive damages award; making the contributory negligence rule apply to damages resulting from economic loss; redefining fault; abolishing the doctrine of last clear chance; providing immunity from liability for volunteer ski patrollers; allowing recovery of attorney fees by good faith reporters under the child abuse reporting act; repealing the limit on intangible loss damages and the requirement that a jury specify amounts for past, future, and intangible loss damages; amending Minnesota Statutes 1988, sections 38.013; 65B.51, subdivision 1; 340A.801, by adding a subdivision; 466.08; 541.051, subdivision 1; 548.36, subdivision 3; 549.20, subdivisions 1, 2, and by adding subdivisions; 604.01, subdivisions 1, 1a, and 3; 604.05, subdivision 2; 626.556, subdivision 4; repealing Minnesota Statutes 1988, sections 549.23 and 549.24.

The bill was read for the first time.

Orenstein moved that S. F. No. 1827 and H. F. No. 2027, now on

General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2299, A bill for an act relating to agriculture; establishing the Minnesota natural wild rice promotion advisory council; proposing coding for new law in Minnesota Statutes, chapter 30.

The bill was read for the first time.

Clark moved that S. F. No. 2299 and H. F. No. 2253, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1838, A bill for an act relating to health; requiring a surcharge fee for hearing instrument sellers; allowing cease and desist orders against a person violating occupation regulations; requiring positive results from a toxicology test of a pregnant woman or infant to be recorded on the birth certificate or fetal death report; amending Minnesota Statutes 1988, section 214.11; Minnesota Statutes 1989 Supplement, sections 144.698, subdivision 1; 214.06, subdivision 1; and 626.5562, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 153A.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1848, A bill for an act relating to housing; making changes in the home equity conversion loan program, authorizing manufactured home park loan assistance, requiring limits, and regulating securities relating to certain home loans; amending Minnesota Statutes 1988, sections 462A.05, by adding a subdivision; 462A.21, subdivision 9; 475.66, subdivision 3; Minnesota Statutes 1989 Supplement, sections 462A.05, subdivision 34; 462A.057, subdivision 7; 462A.21, subdivisions 8b and 8c; and Laws 1989, chapter 335, article 1, section 27, subdivision 1.

The bill was read for the first time.

O'Connor moved that S. F. No. 1848 and H. F. No. 2234, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1958, A bill for an act relating to education; changing school consolidation election procedures; amending Minnesota Statutes 1988, section 122.23, subdivisions 9, 11, 12, and 13.

The bill was read for the first time and referred to the Committee on Education.

S. F. No. 2061, A bill for an act relating to privacy of communications; including cordless telephones in the privacy of communications act; amending Minnesota Statutes 1988, sections 626A.01, subdivisions 3 and 14; and 626A.02, subdivisions 2 and 4.

The bill was read for the first time.

Seaberg moved that S. F. No. 2061 and H. F. No. 2218, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2136, A bill for an act relating to education; changing the duration and membership of the task force on education organization; amending Laws 1988, chapter 718, article 6, section 23, subdivisions 1, 2, and 7.

The bill was read for the first time.

Nelson, K., moved that S. F. No. 2136 and H. F. No. 2381, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2213, A bill for an act relating to traffic regulations; regulating wheel flaps and covered loads; imposing a penalty; amending Minnesota Statutes 1988, sections 169.733; and 169.81, subdivision 5, and by adding a subdivision.

The bill was read for the first time.

Olson, K., moved that S. F. No. 2213 and H. F. No. 2373, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Ogren requested immediate consideration of H. F. Nos. 2480 and 2457.

H. F. No. 2480, A bill for an act relating to taxation; making technical corrections and administrative changes to property, sales and use, motor vehicle excise, income, franchise, insurance, petroleum products, pull-tab and tipboard taxes, firefighter state aids,

and property tax refunds; making technical corrections and administrative changes to certain aids to local government; including lottery prizes as refunds in the revenue recapture act; providing for posting of certain tax delinquencies; requiring a social security number on certain probate applications; imposing a tax on untaxed pull-tabs and tipboards; recodifying license inquiry provisions; providing for payment and settlement of state elections campaign funds to political party state committees; transferring certain powers and duties; recodifying and providing for tax administrative, enforcement, and collection procedures; imposing penalties; amending Minnesota Statutes 1988, sections 60A.198, by adding a subdivision; 69.771, subdivision 3; 69.772, subdivision 2a; 69.774, subdivision 1; 116K.04, subdivision 4; 270.65; 270.67, subdivisions 1 and 2; 270.68, subdivisions 1 and 3; 270.69, subdivisions 2, 3, 7, 8, and by adding a subdivision; 270.70, subdivision 1; 270A.03, subdivision 7; 274.01, subdivision 1; 275.54; 287.21, subdivision 2; 290.05, subdivision 4; 290.17, subdivision 5; 290.39, subdivision 5; 290.49, subdivision 3; 290.92, subdivisions 6a, 12, 23, and 24; 290.93, subdivision 1; 290A.03, subdivision 3; 290A.04, subdivision 1; 290A.07, subdivision 3; 290A.19; 296.06, subdivision 2; 296.18, subdivisions 2 and 3; 296.25; 297A.01, subdivision 8; 297A.03, subdivision 2; 297A.041; 297A.14, subdivision 1; 297A.18; 297A.211, subdivision 3; 297A.25, subdivision 31; 297A.255, by adding a subdivision; 297B.035, subdivision 1; 299F.21, subdivision 1; 349.212, by adding a subdivision; 477A.011, by adding a subdivision; 524.3-1001; 524.3-301; Minnesota Statutes 1989 Supplement, sections 38.18; 50.14, subdivision 4; 69.021, subdivision 6; 110.70; 118.12; 163.04, subdivision 3; 163.06, subdivision 6; 165.10, subdivision 1; 168.013, subdivision 5; 168A.10, subdivision 1; 270.06; 270.73, subdivision 1; 270B.07, by adding a subdivision; 272.16; 273.01; 273.11, subdivision 1; 290.39, subdivision 4; 290.92, subdivision 4c; 290.9201, subdivisions 7 and 8; 290.9705, subdivision 4; 297A.17; 365.025, subdivision 4; 368.01, subdivision 23; 368.44; 368.47; 370.01; 383.06; 385.31; 386.34; 412.081, subdivision 1; 412.221, subdivision 2; 430.102, subdivision 2; 465.04; 469.177, subdivision 1a; 471.24; 471.73; 475.58, subdivision 2; 475.73, subdivision 1; 477A.011, subdivision 15; 505.173, subdivision 1; Minnesota Statutes Second 1989 Supplement, sections 10A.31, subdivision 5; 60A.15, subdivision 1; 273.13, subdivision 25; 273.1391, subdivision 2; 273.1398, subdivision 1, 2, 5a, and 6; 274.14; 274.175; 275.07, subdivision 3; 275.50, subdivision 5; 275.51, subdivisions 3f, 3h, and 6; 287.29, subdivision 1; 290.17, subdivision 2; 290A.04, subdivisions 2h and 2i; 290A.07, subdivision 2a; 349.212, subdivision 4; 373.40, subdivision 1; 473F.08, subdivision 8a; 477A.012, subdivision 3; 477A.013, subdivision 3; Laws 1989, chapter 28, section 24; and Laws 1989, First Special Session chapter 1, articles 3, section 35; and 9, section 86; proposing coding for new law in Minnesota Statutes, chapters 270 and 289A; repealing Minnesota Statutes 1988, sections 270.08; 270.10, subdivision 4; 270.651; 272.70; 290.05, subdivision 5; 290.067, subdivision 5; 290.23, subdivision 15; 290.281, subdivision 5; 290.29; 290.37, as amended; 290.39, as amended; 290.391; 290.40; 290.41; 290.42; 290.43; 290.44; 290.45; 290.46; 290.47; 290.49; 290.50, as amended;

290.52; 290.521; 290.522; 290.523, as amended; 290.53, subdivisions 1, 1a, 2, 2a, 3, 3a, 4, 5, 7, 8, 9, 10, and 11; 290.54; 290.56; 290.57; 290.58; 290.59; 290.611, subdivision 5; 290.612; 290.65; 290.92, subdivisions 6, 7, 8, 11, 13, 14, 15, and 18; 290.9201, subdivisions 4, 5, 9, and 10; 290.923, subdivision 7; 290.93; 290.931; 290.932; 290.933; 290.934, as amended; 290.935; 290.936; 290.9705, subdivision 2; 290.974; 290A.06; 290A.11, subdivisions 1, 2, 3, and 4; 290A.111; 290A.112, as amended; 290A.12; 291.09; 291.11; 291.131; 291.14; 291.15, subdivisions 1 and 3; 291.215, subdivisions 2 and 3; 291.31, subdivisions 1 and 2; 291.32; 296.027; 296.16, subdivision 3; 296.17, subdivision 13; 296.18, subdivisions 3a and 7; 296.24; 297A.08; 297A.121; 297A.15, subdivision 3; 297A.26, subdivisions 1 and 4; 297A.27; 297A.275; 297A.29; 297A.30; 297A.31; 297A.32; 297A.33, subdivisions 1, 3, 4, and 5; 297A.34; 297A.35; 297A.37; 297A.39, subdivisions 1, 2, 2a, 3, 4, 5, 7, and 8; 297A.40; 297A.41; 297A.42; 297A.431; 297A.44, subdivision 2; Minnesota Statutes 1989 Supplement, sections 290A.11, subdivision 1a; and 297A.20; Minnesota Statutes Second 1989 Supplement, sections 270.77 and 290.38; Minnesota Rules, parts 8052.0100; 8052.0200; and 8130.7800.

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:

Abrams	Greenfield	Krueger	Omann	Schreiber
Anderson, G.	Gruenes	Lasley	Onnen	Seaberg
Anderson, R.	Gutknecht	Lieder	Orenstein	Segal
Battaglia	Hartle	Limmer	Ostrom	Skoglund
Bauerly	Hasskamp	Long	Otis	Solberg
Beard	Haukoos	Lynch	Ozment	Sparby
Begich	Hausman	Macklin	Pappas	Stanius
Bennett	Heap	Marsh	Pauly	Steensma
Bertram	Henry	McDonald	Pellow	Sviggum
Bishop	Himle	McEachern	Pelowski	Swenson
Blatz	Hugoson	McGuire	Peterson	Tjornhom
Boo	Jacobs	McLaughlin	Poppenhagen	Tompkins
Brown	Janezich	McPherson	Price	Trimble
Burger	Jaros	Milbert	Pugh	Tunheim
Carlson, D.	Jefferson	Miller	Quinn	Uphus
Carlson, L.	Jennings	Morrison	Redalen	Valento
Carruthers	Johnson, A.	Munger	Reding	Vellenga
Clark	Johnson, R.	Murphy	Rest	Wagenius
Dauner	Johnson, V.	Nelson, C.	Rice	Waltman
Dawkins	Kahn	Nelson, K.	Richter	Weaver
Dempsey	Kalis	Neuenschwander	Rodosovich	Welle
Dorn	Kelly	O'Connor	Rukavina	Wenzel
Forsythe	Kelso	Ogren	Runbeck	Williams
Frederick	Kinkel	Olsen, S.	Sarna	Winter
Frerichs	Knickerbocker	Olson, E.	Schafer	Spk. Vanasek
Girard	Kostohryz	Olson, K.	Scheid	

The bill was passed and its title agreed to.

H. F. No. 2457, A bill for an act relating to public financing; allocating authority to issue tax exempt revenue bonds; restricting loans from proceeds of mortgage revenue bonds under certain circumstances; amending Minnesota Statutes 1988, sections 474A.02, subdivisions 6, 8, and by adding a subdivision; 474A.03; 474A.061, subdivision 3, and by adding subdivisions; 474A.091, subdivisions 1, 4, and 5; 474A.131, subdivision 2; and 474A.14; Minnesota Statutes 1989 Supplement, section 290.01, subdivision 19a; Minnesota Statutes Second 1989 Supplement, sections 474A.061, subdivisions 1 and 4; and 474A.091, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 1988, sections 474A.081, subdivisions 1, 2, and 4; and 474A.091, subdivision 4a; Minnesota Statutes Second 1989 Supplement, section 474A.061, 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Krueger	Omann	Seaberg
Anderson, G.	Gruenes	Lasley	Onnen	Segal
Anderson, R.	Gutknecht	Lieder	Orenstein	Skoglund
Battaglia	Hartle	Limmer	Ostrom	Solberg
Bauerly	Hasskamp	Long	Otis	Sparby
Beard	Haukoos	Lynch	Ozment	Stanius
Begich	Hausman	Macklin	Pappas	Steensma
Bennett	Heap	Marsh	Pauly	Sviggum
Bertram	Henry	McDonald	Pellow	Swenson
Bishop	Himle	McEachern	Pelowski	Tjornhom
Blatz	Hugoson	McGuire	Peterson	Tompkins
Boo	Jacobs	McLaughlin	Poppenhagen	Trimble
Brown	Janezich	McPherson	Price	Tunheim
Burger	Jaros	Milbert	Pugh	Uphus
Carlson, D.	Jefferson	Miller	Quinn	Valento
Carlson, L.	Jennings	Morrison	Redalen	Vellenga
Carruthers	Johnson, A.	Munger	Reding	Wagenius
Clark	Johnson, R.	Murphy	Rest	Waltman
Dauner	Johnson, V.	Nelson, C.	Rice	Weaver
Dawkins	Kahn	Nelson, K.	Richter	Welle
Dempsey	Kalis	Neuenschwander	Rodosovich	Wenzel
Dorn	Kelly	O'Connor	Rukavina	Williams
Forsythe	Kelso	Ogren	Runbeck	Winter
Frederick	Kinkel	Olsen, S.	Sarna	Spk. Vanasek
Frerichs	Knickerbocker	Olson, E.	Schafer	
Girard	Kostohryz	Olson, K.	Schreiber	

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Long, from the Committee on Rules and Legislative Administra-

tion, pursuant to House Rule No. 1.9, designated the following bills as Special Orders to be acted upon immediately preceding Special Orders pending for today, Thursday, March 22, 1990:

H. F. Nos. 2626 and 2253; S. F. No. 1087; and H. F. Nos. 2386, 2025, 2184, 2365, 1784, 1977, 2124, 2147, 2234, 2350, 2637, 2016, 2704, 2042, 2462, 2534, 1855, 2151, 2220, 2474, 693 and 2401.

Long moved that H. F. No. 2393, No. 14 on Special Orders pending for today, Thursday, March 22, 1990, be acted upon immediately. The motion prevailed.

The Speaker called Quinn to the Chair.

SPECIAL ORDERS

H. F. No. 2393 was reported to the House.

Milbert moved to amend H. F. No. 2393, the first engrossment, as follows:

Page 4, after line 17, insert:

“Subd. 4. [MANUFACTURER’S LABELING REQUIREMENTS.] On and after January 1, 1991, a manufacturer selling or offering for sale automatic garage door opening systems in this state shall stamp, stencil, mark, or brand on the container and on the system, in a clear and conspicuous manner, the month and year the system was manufactured, and its conformance with UL 325, as required under subdivision 3, paragraph (a).”

Page 5, after line 4, insert:

“Subd. 10. [NONAPPLICATION TO CERTAIN RETAIL SALES.] Nothing in this section prohibits a retailer from selling an automatic garage door opening system that does not comply with subdivision 3 if it was part of the retailer’s inventory on January 1, 1991.”

Renumber the subdivisions in sequence

The motion prevailed and the amendment was adopted.

Milbert moved to amend H. F. No. 2393, the first engrossment, as amended, as follows:

Page 3, line 36, delete "SALES AND" and insert "MANUFACTURING, SALES, PURCHASES, REPAIRS, OR" and before "No" insert "(a)"

Page 4, line 1, after "shall" insert "manufacture," and before "or" insert "purchase, repair,"

Page 4, after line 3, insert:

"(b) No person shall service or repair an automatic garage door opening system for residential buildings that does not comply with subdivision 3, paragraph (a). This paragraph does not prevent the servicing or repair of an automatic garage door opening system if the system will be in compliance with subdivision 3, paragraph (a), after the repair or service."

Page 4, line 4, delete the first comma and insert "AND" and delete ", AND SALES"

Page 4, line 5, delete the commas and before "built" insert "or"

Page 4, line 6, delete everything before "in"

Page 4, lines 9 and 14, delete "On and after" and insert "No later than"

Page 4, delete lines 12 and 13 and insert "of Underwriters Laboratories, Inc., Standards for Safety-UL 325, third edition, as revised May 4, 1988."

Page 4, line 15, delete "be designed" and insert "include an attached edge sensor, safety beam, or similar device that when activated causes a closing door to open and prevents an open door from closing. This device is to be designed and built so that a failure of the device prevents the door from closing."

Page 4, delete lines 16 to 22

Re-number the remaining subdivisions in sequence

The motion prevailed and the amendment was adopted.

H. F. No. 2393, A bill for an act relating to consumer protection; regulating automatic garage door systems in residential buildings; providing standards; providing penalties and remedies; amending Minnesota Statutes 1989 Supplement, section 16B.61, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 325F.

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:

Abrams	Girard	Kostohryz	Olson, K.	Seaberg
Anderson, G.	Greenfield	Krueger	Omann	Skoglund
Anderson, R.	Gruenes	Lasley	Onnen	Solberg
Battaglia	Gutknecht	Lieder	Orenstein	Sparby
Bauerly	Hartle	Limmer	Ostrom	Stanius
Beard	Hasskamp	Long	Otis	Steensma
Begich	Haukoos	Lynch	Ozment	Sviggum
Bennett	Hausman	Macklin	Pauly	Swenson
Bertram	Heap	Marsh	Pellow	Tjornhom
Bishop	Henry	McDonald	Pelowski	Tompkins
Blatz	Himle	McEachern	Peterson	Trimble
Boo	Hugoson	McGuire	Poppenhagen	Tunheim
Brown	Jacobs	McLaughlin	Price	Uphus
Burger	Janezich	McPherson	Pugh	Valento
Carlson, D.	Jaros	Milbert	Quinn	Vellenga
Carlson, L.	Jefferson	Miller	Redalen	Wagenius
Carruthers	Jennings	Morrison	Reding	Waltman
Clark	Johnson, A.	Munger	Rest	Weaver
Dauner	Johnson, R.	Murphy	Richter	Welle
Dawkins	Johnson, V.	Nelson, C.	Rodosovich	Wenzel
Dempsey	Kahn	Nelson, K.	Rukavina	Williams
Dille	Kalis	Neuenschwander	Runbeck	Winter
Dorn	Kelly	O'Connor	Sarna	Spk. Vanasek
Forsythe	Kelso	Ogren	Schafer	
Frederick	Kinkel	Olsen, S.	Scheid	
Frerichs	Knickerbocker	Olson, E.	Schreiber	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2626 was reported to the House.

Johnson, R., moved to amend H. F. No. 2626, the first engrossment, as follows:

Delete page 6, line 21 to page 7, line 8

Renumber subsequent sections and correct internal cross references

Amend the title as follows:

Page 1, line 17, delete "352.96, subdivision 3;"

The motion prevailed and the amendment was adopted.

H. F. No. 2626, A bill for an act relating to retirement; making various changes concerning reserves, coverage, contribution, and administration for the state board of investment, the Minnesota state retirement system, the public employees retirement association, and the Duluth teachers retirement fund association; clarifying certain provisions; changing administrative requirements; amending Minnesota Statutes 1988, sections 11A.18, subdivision 6; 352.01, subdivision 13; 352.029, subdivision 3; 352.03, subdivision 1; 352.115, subdivision 7; 352.96, subdivision 4; 353.03, subdivision 3; 353.15, subdivision 2; 353.27, subdivisions 7 and 10; 353.46, subdivision 4; 353.657, subdivision 1; and 353.83; Minnesota Statutes 1989 Supplement, sections 352.021, subdivision 5; 352.93, subdivision 3; 353.01, subdivisions 2b, 11a, and 16; 353.33, subdivision 6; 353.35; and 353.656, subdivisions 1 and 3; repealing Minnesota Statutes 1989 Supplement, section 353.87, 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 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Kostohryz	Olson, K.	Scheid
Anderson, G.	Greenfield	Krueger	Omman	Schreiber
Anderson, R.	Gruenes	Lasley	Onnen	Seaberg
Battaglia	Gutknecht	Lieder	Orenstein	Segal
Bauerly	Hartle	Limmer	Ostrom	Skoglund
Beard	Hasskamp	Long	Otis	Solberg
Begich	Haukoos	Lynch	Ozment	Sparby
Bennett	Hausman	Macklin	Pappas	Stanius
Bertram	Heap	Marsh	Pauly	Steensma
Bishop	Henry	McDonald	Pellow	Sviggum
Blatz	Himle	McEachern	Pelowski	Swenson
Boo	Hugoson	McGuire	Peterson	Tjornhom
Brown	Jacobs	McLaughlin	Poppenhagen	Tompkins
Burger	Janezich	McPherson	Price	Trimble
Carlson, D.	Jaros	Milbert	Pugh	Tunheim
Carlson, L.	Jefferson	Miller	Quinn	Uphus
Carruthers	Jennings	Morrison	Redalen	Valento
Clark	Johnson, A.	Munger	Reding	Vellenga
Dauner	Johnson, R.	Murphy	Rest	Wagenius
Dawkins	Johnson, V.	Nelson, C.	Rice	Waltman
Dempsey	Kahn	Nelson, K.	Richter	Weaver
Dille	Kalis	Neuenschwander	Rodosovich	Welle
Dorn	Kelly	O'Connor	Rukavina	Wenzel
Forsythe	Kelso	Ogren	Runbeck	Williams
Frederick	Kinkel	Olsen, S.	Sarna	Winter
Frerichs	Knickerbocker	Olson, E.	Schafer	Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

S. F. No. 1087, A bill for an act relating to landlord and tenant relations; providing standing for certain associations to bring an action for tenant remedies; providing for actions against certain unoccupied buildings; amending Minnesota Statutes 1988, sections 504.23; 566.18, subdivision 7, and by adding a subdivision; 566.19; 566.20, subdivision 1; 566.25; 566.28; and 566.29, subdivisions 1, 3, and 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Krueger	Omann	Seaberg
Anderson, G.	Gruenes	Lasley	Onnen	Segal
Anderson, R.	Gutknecht	Lieder	Orenstein	Skoglund
Battaglia	Hartle	Limmer	Ostrom	Solberg
Bauerly	Hasskamp	Long	Otis	Sparby
Beard	Haukoos	Lynch	Ozment	Stanius
Begich	Hausman	Macklin	Pappas	Steensma
Bennett	Heap	Marsh	Pauly	Sviggum
Bertram	Henry	McDonald	Pellow	Swenson
Blatz	Himle	McEachern	Pelowski	Tjornhom
Boo	Hugoson	McGuire	Peterson	Tompkins
Brown	Jacobs	McLaughlin	Poppenhagen	Trimble
Burger	Janezich	McPherson	Price	Tunheim
Carlson, D.	Jaros	Milbert	Pugh	Uphus
Carlson, L.	Jefferson	Miller	Quinn	Valento
Carruthers	Jennings	Morrison	Redalen	Vellenga
Clark	Johnson, A.	Munger	Reding	Wagenius
Dauner	Johnson, R.	Murphy	Rest	Waltman
Dawkins	Johnson, V.	Nelson, C.	Richter	Weaver
Dempsey	Kahn	Nelson, K.	Rodosovich	Welle
Dille	Kalis	Neuenschwander	Rukavina	Wenzel
Dorn	Kelly	O'Connor	Runbeck	Williams
Forsythe	Kelso	Ogren	Sarna	Winter
Frederick	Kinkel	Olsen, S.	Schafer	Spk. Vanasek
Frerichs	Knickerbocker	Olson, E.	Scheid	
Girard	Kostohryz	Olson, K.	Schreiber	

The bill was passed and its title agreed to.

H. F. No. 2386 was reported to the House.

Carlson, D., and Peterson moved to amend H. F. No. 2386, the second engrossment, as follows:

Page 2, after line 5, insert:

“Sec. 2. [EXEMPTION FROM BOND REQUIREMENT.]

Notwithstanding Minnesota Statutes, section 574.26, or other law to the contrary, a bond is not required for a contract for the construction of a solid waste composting facility prior to July 1, 1991, in Kanabec county provided that no payment of any portion of the contract price is required before completion of the project.”

Renumber the remaining section

Page 2, line 6, delete “LOCAL APPROVAL” and insert “EFFECTIVE DATE”

Page 2, line 9, after the period insert “Section 2 is effective the day after final enactment.”

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 2386, A bill for an act relating to solid waste management; granting authority to St. Louis county; providing an exemption from the bond requirement for a contract for the construction of a solid waste facility in Kanabec county under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 383C.

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:

Abrams	Forsythe	Johnson, V.	Morrison	Poppenhagen
Anderson, G.	Frederick	Kahn	Munger	Price
Anderson, R.	Frerichs	Kalis	Murphy	Pugh
Battaglia	Girard	Kelly	Nelson, C.	Quinn
Bauerly	Greenfield	Kelso	Nelson, K.	Redalen
Beard	Gruenes	Kinkel	Neuenschwander	Reding
Begich	Gutknecht	Knickerbocker	O'Connor	Rest
Bennett	Hartle	Kostohryz	Ogren	Rice
Bertram	Hasskamp	Krueger	Olsen, S.	Richter
Bishop	Haukoos	Lasley	Olsen, E.	Rodosovich
Blatz	Hausman	Lieder	Olson, K.	Rukavina
Boo	Heap	Limmer	Omann	Runbeck
Brown	Henry	Long	Onnen	Sarna
Carlson, D.	Himle	Lynch	Orenstein	Schafer
Carlson, L.	Hugoson	Macklin	Ostrom	Scheid
Carruthers	Jacobs	Marsh	Otis	Schreiber
Clark	Janezich	McDonald	Ozment	Seaberg
Dauner	Jaros	McEachern	Pappas	Segal
Dawkins	Jefferson	McLaughlin	Pauly	Skoglund
Dempsey	Jennings	McPherson	Pellow	Solberg
Dille	Johnson, A.	Milbert	Pelowski	Sparby
Dorn	Johnson, R.	Miller	Peterson	Stanius

Steensma
Sviggum
Swenson
Tjornhom

Tompkins
Trimble
Tunheim
Uphus

Valento
Vellenga
Wagenius
Waltman

Weaver
Welle
Wenzel
Williams

Winter
Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

H. F. No. 2025 was reported to the House.

Tunheim moved to amend H. F. No. 2025, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [21.1196] [RESTRICTED SEED POTATO GROWING AREA.]

Subdivision 1. [DEFINITION.] (a) “Restricted seed potato growing area” means Kittson county.

(b) “Historic certified seed potato area” means the portion of Marshall county included in the towns of Augsburg and Nelson Park that are north of Marshall county highway No. 5.

Subd. 2. [RESTRICTION.] (a) The seed potato certification requirements under sections 21.111 to 21.122 apply to potatoes grown in plots of ten acres or more in the restricted seed potato growing area. Qualifying potatoes grown in the restricted seed potato growing area must be certified as seed potatoes.

(b) The commissioner may enter and inspect plots subject to paragraph (a) during the growing season.

Subd. 3. [PENALTY.] A potato grower who violates subdivision 2, paragraph (a), is subject to a penalty of \$100 per acre of potatoes grown and not certified.

Sec. 2. [HISTORIC CERTIFIED SEED POTATO AREA STUDY.]

In the historic certified seed potato area of Marshall county, the certified seed division of the department of agriculture must study the effect of diseases on seed potatoes in the area, including the effect of diseases from commercial potatoes. The commissioner must prepare a report and submit it to the legislature by December 15, 1991.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment.”

Amend the title as follows:

Page 1, line 3, after "area" insert "and historic certified seed potato area; providing restrictions; requiring a study"

The motion prevailed and the amendment was adopted.

H. F. No. 2025, A bill for an act relating to agriculture; creating a restricted seed potato growing area and historic certified seed potato area; providing restrictions; requiring a study; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 21.

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:

Abrams	Girard	Krueger	Onnen	Segal
Anderson, G.	Greenfield	Lasley	Orenstein	Skoglund
Anderson, R.	Gruenes	Lieder	Osthoff	Solberg
Battaglia	Gutknecht	Limmer	Ostrom	Sparby
Bauerly	Hartle	Lynch	Ozment	Stanius
Beard	Hasskamp	Macklin	Pappas	Steensma
Begich	Haukoos	Marsh	Pauly	Sviggum
Bennett	Hausman	McDonald	Pellow	Swenson
Bertram	Heap	McEachern	Pelowski	Tjornhom
Bishop	Henry	McGuire	Peterson	Tompkins
Blatz	Himle	McLaughlin	Poppenhagen	Trimble
Boo	Hugoson	McPherson	Price	Tunheim
Brown	Janezich	Milbert	Pugh	Uphus
Burger	Jaros	Miller	Redalen	Valento
Carlson, D.	Jefferson	Morrison	Reding	Vellenga
Carlson, L.	Jennings	Munger	Rest	Wagenius
Carruthers	Johnson, A.	Murphy	Rice	Waltman
Clark	Johnson, R.	Nelson, C.	Richter	Weaver
Dauner	Johnson, V.	Nelson, K.	Rodosovich	Welle
Dawkins	Kahn	Neuenschwander	Rukavina	Wenzel
Dempsey	Kalis	O'Connor	Runbeck	Williams
Dille	Kelly	Ogren	Sarna	Winter
Dorn	Kelso	Olsen, S.	Schafer	Spk. Vanasek
Forsythe	Kinkel	Olson, E.	Scheid	
Frederick	Knickerbocker	Olson, K.	Schreiber	
Frerichs	Kostohryz	Omann	Seaberg	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2184 was reported to the House.

Wagenius moved that H. F. No. 2184 be continued on Special Orders. The motion prevailed.

H. F. No. 2365 was reported to the House.

Pugh moved that H. F. No. 2365 be continued on Special Orders. The motion prevailed.

H. F. No. 1784 was reported to the House.

Dempsey moved that H. F. No. 1784 be continued on Special Orders. The motion prevailed.

H. F. No. 1977 was reported to the House.

There being no objection, H. F. No. 1977 was temporarily laid over on Special Orders.

H. F. No. 2124, A bill for an act relating to traffic regulations; changing allowed dimensions of travel trailers; requiring brakes on certain vehicles weighing 3,000 pounds or more; amending Minnesota Statutes 1988, section 169.67, subdivision 3; Minnesota Statutes 1989 Supplement, sections 168.011, subdivision 8; and 169.67, 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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Krueger	Onnen	Segal
Anderson, G.	Gruenes	Lasley	Orenstein	Skoglund
Anderson, R.	Gutknecht	Lieder	Ostrom	Solberg
Battaglia	Hartle	Limmer	Otis	Sparby
Bauerly	Hasskamp	Lynch	Ozment	Stanius
Beard	Haukoos	Macklin	Pappas	Steensma
Bennett	Hausman	Marsh	Pauly	Sviggum
Bertram	Heap	McDonald	Pellow	Swenson
Bishop	Henry	McEachern	Pelowski	Tjornhom
Blatz	Himle	McGuire	Peterson	Tompkins
Boo	Hugoson	McLaughlin	Popenhagen	Trimble
Brown	Jacobs	McPherson	Price	Tunheim
Burger	Janezich	Milbert	Pugh	Uphus
Carlson, D.	Jaros	Miller	Quinn	Valento
Carlson, L.	Jefferson	Morrison	Redalen	Vellenga
Carruthers	Jennings	Munger	Reding	Wagenius
Clark	Johnson, A.	Murphy	Rest	Waltman
Dauner	Johnson, R.	Nelson, C.	Richter	Weaver
Dawkins	Johnson, V.	Nelson, K.	Rodosovich	Welle
Dempsey	Kahn	Neuenschwander	Rukavina	Wenzel
Dille	Kalis	O'Connor	Runbeck	Williams
Dorn	Kelly	Ogren	Sarna	Winter
Forsythe	Kelso	Olsen, S.	Schafer	Spk. Vanasek
Frederick	Kinkel	Olson, E.	Scheid	
Frerichs	Knickerbocker	Olson, K.	Schreiber	
Girard	Kostohryz	Omann	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 2147, A bill for an act relating to retirement; establishing a maximum monthly benefit for the surviving spouse and dependent children of basic pension plan members; amending Minnesota Statutes 1988, section 353.31, 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:

Abrams	Greenfield	Lasley	Orenstein	Segal
Anderson, G.	Gruenes	Lieder	Osthoff	Skoglund
Anderson, R.	Gutknecht	Limmer	Ostrom	Solberg
Battaglia	Hartle	Long	Otis	Sparby
Bauerly	Hasskamp	Lynch	Ozment	Stanius
Beard	Haukoos	Macklin	Pappas	Steensma
Begich	Hausman	Marsh	Pauly	Sviggum
Bennett	Heap	McDonald	Pellow	Swenson
Bertram	Henry	McEachern	Pelowski	Tjornhom
Bishop	Himle	McGuire	Peterson	Tompkins
Blatz	Hugoson	McLaughlin	Poppenhagen	Trimble
Boo	Jacobs	McPherson	Price	Tunheim
Brown	Janezich	Milbert	Pugh	Uphus
Burger	Jaros	Miller	Quinn	Valento
Carlson, D.	Jefferson	Morrison	Redalen	Vellenga
Carlson, L.	Jennings	Munger	Reding	Wagenius
Carruthers	Johnson, A.	Murphy	Rest	Waltman
Clark	Johnson, R.	Nelson, C.	Rice	Weaver
Dauner	Johnson, V.	Nelson, K.	Richter	Welle
Dawkins	Kahn	Neuenschwander	Rodosovich	Wenzel
Dempsey	Kalis	O'Connor	Rukavina	Williams
Dille	Kelly	Ogren	Runbeck	Winter
Dorn	Kelso	Olsen, S.	Sarna	Spk. Vanasek
Forsythe	Kinkel	Olsen, E.	Schafer	
Frederick	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omann	Schreiber	
Girard	Krueger	Onnen	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 2350, A bill for an act relating to natural resources; authorizing the commissioner to designate agents to sell state park permits; amending Minnesota Statutes 1988, section 85.053, 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:

Abrams	Greenfield	Lasley	Orenstein	Segal
Anderson, G.	Gruenes	Lieder	Osthoff	Skoglund
Anderson, R.	Gutknecht	Limmer	Ostrom	Solberg
Battaglia	Hartle	Long	Otis	Sparby
Bauerly	Hasskamp	Lynch	Ozment	Stanius
Beard	Haukoos	Macklin	Pappas	Steensma
Begich	Hausman	Marsh	Pauly	Sviggum
Bennett	Heap	McDonald	Pellow	Swenson
Bertram	Henry	McEachern	Pelowski	Tjornhom
Bishop	Himle	McGuire	Peterson	Tompkins
Blatz	Hugoson	McLaughlin	Poppenhagen	Trimble
Boo	Jacobs	McPherson	Price	Tunheim
Brown	Janezich	Milbert	Pugh	Uphus
Burger	Jaros	Miller	Quinn	Valento
Carlson, D.	Jefferson	Morrison	Redalen	Vellenga
Carlson, L.	Jennings	Munger	Reding	Wagenius
Carruthers	Johnson, A.	Murphy	Rest	Waltman
Clark	Johnson, R.	Nelson, C.	Rice	Weaver
Dauner	Johnson, V.	Nelson, K.	Richter	Welle
Dawkins	Kahn	Neuenschwander	Rodosovich	Wenzel
Dempsey	Kalis	O'Connor	Rukavina	Williams
Dille	Kelly	Ogren	Runbeck	Winter
Dorn	Kelso	Olsen, S.	Sarna	Spk. Vanasek
Forsythe	Kinkel	Olson, E.	Schafer	
Frederick	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omann	Schreiber	
Girard	Krueger	Onnen	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 2637, A bill for an act relating to insurance; clarifying the law prohibiting insurers from maintaining subrogation actions against insureds; amending Minnesota Statutes 1989 Supplement, section 60A.41.

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:

Abrams	Bertram	Carruthers	Frederick	Haukoos
Anderson, G.	Bishop	Clark	Frerichs	Hausman
Anderson, R.	Blatz	Dauner	Girard	Heap
Battaglia	Boo	Dawkins	Greenfield	Henry
Bauerly	Brown	Dempsey	Gruenes	Himle
Beard	Burger	Dille	Gutknecht	Hugoson
Begich	Carlson, D.	Dorn	Hartle	Jacobs
Bennett	Carlson, L.	Forsythe	Hasskamp	Jaros

Jefferson	Marsh	Olson, K.	Reding	Sviggum
Jennings	McDonald	Omann	Rest	Swenson
Johnson, A.	McEachern	Onnen	Rice	Tjornhom
Johnson, R.	McGuire	Orenstein	Richter	Tompkins
Johnson, V.	McLaughlin	Osthoff	Rodosovich	Trimble
Kahn	McPherson	Ostrom	Rukavina	Tunheim
Kalis	Milbert	Otis	Runbeck	Uphus
Kelly	Miller	Ozment	Sarna	Valento
Kelso	Morrison	Pappas	Schafer	Vellenga
Knickerbocker	Munger	Pauly	Scheid	Wagenius
Kostohryz	Murphy	Pellow	Schreiber	Waltman
Krueger	Nelson, C.	Pelowski	Seaberg	Weaver
Lasley	Nelson, K.	Peterson	Segal	Welle
Lieder	Neuenschwander	Poppenhagen	Skoglund	Wenzel
Limmer	O'Connor	Price	Solberg	Williams
Long	Ogren	Pugh	Sparby	Winter
Lynch	Olsen, S.	Quinn	Stanisus	Spk. Vanasek
Macklin	Olson, E.	Redalen	Steensma	

The bill was passed and its title agreed to.

H. F. No. 2016 was reported to the House.

Swenson moved that H. F. No. 2016 be continued on Special Orders. The motion prevailed.

H. F. No. 2704, A bill for an act relating to commerce; removing a real estate licensing prohibition; amending Minnesota Statutes 1988, section 82.20, 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:

Abrams	Dauner	Hugoson	Lieder	Neuenschwander
Anderson, G.	Dawkins	Jacobs	Limmer	O'Connor
Anderson, R.	Dempsey	Janezich	Long	Ogren
Battaglia	Dille	Jaros	Lynch	Olsen, S.
Bauerly	Dorn	Jefferson	Macklin	Olson, E.
Beard	Forsythe	Jennings	Marsh	Olson, K.
Begich	Frederick	Johnson, A.	McDonald	Omann
Bennett	Frerichs	Johnson, R.	McEachern	Onnen
Bertram	Girard	Johnson, V.	McGuire	Orenstein
Bishop	Gruenes	Kahn	McLaughlin	Osthoff
Blatz	Gutknecht	Kalis	McPherson	Ostrom
Boo	Hartle	Kelly	Milbert	Otis
Brown	Hasskamp	Kelso	Miller	Ozment
Burger	Haukoos	Kinkel	Morrison	Pappas
Carlson, D.	Hausman	Knickerbocker	Munger	Pauly
Carlson, L.	Heap	Kostohryz	Murphy	Pellow
Carruthers	Henry	Krueger	Nelson, C.	Pelowski
Clark	Himle	Lasley	Nelson, K.	Peterson

Poppenhagen	Richter	Seaberg	Swenson	Wagenius
Price	Rodosovich	Segal	Tjornhom	Waltman
Pugh	Rukavina	Skoglund	Tompkins	Weaver
Quinn	Runbeck	Solberg	Trimble	Welle
Redalen	Sarna	Sparby	Tunheim	Wenzel
Reding	Schafer	Stanius	Uphus	Williams
Rest	Scheid	Steensma	Valento	Winter
Rice	Schreiber	Sviggun	Vellenga	Spk. Vanasek

The bill was passed and its title agreed to.

Anderson, R.; Milbert and Pugh were excused for the remainder of today's session.

H. F. No. 2042 was reported to the House.

Bennett, Milbert, Scheid, Sarna, Bishop, Heap, Kinkel and Anderson, R., moved to amend H. F. No. 2042, as follows:

Page 2, delete lines 15 to 17

The motion prevailed and the amendment was adopted.

Olsen, S., moved to amend H. F. No. 2042, as amended, as follows:

Page 2, after line 14, insert:

"Subd. 3. [LOCAL REGULATION.] Nothing in this section prevents local units of government from enacting more stringent regulations relating to the location of vending machine sales of tobacco."

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., amendment and the roll was called. There were 119 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abrams	Burger	Girard	Jacobs	Knickerbocker
Anderson, G.	Carlson, D.	Greenfield	Janezich	Kostohryz
Battaglia	Carlson, L.	Gruenes	Jaros	Krueger
Bauerly	Carruthers	Gutknecht	Jefferson	Lasley
Beard	Clark	Hartle	Johnson, A.	Lieder
Begich	Dauner	Hasskamp	Johnson, R.	Limmer
Bennett	Dempsey	Haukoos	Johnson, V.	Long
Bertram	Dille	Hausman	Kahn	Lynch
Bishop	Dorn	Heap	Kalis	Macklin
Blatz	Forsythe	Henry	Kelly	Marsh
Boo	Frederick	Himle	Kelso	McDonald
Brown	Frerichs	Hugoson	Kinkel	McEachern

McGuire	Onnen	Price	Seaberg	Tunheim
McLaughlin	Orenstein	Quinn	Segal	Uphus
McPherson	Osthoff	Redalen	Skoglund	Valento
Miller	Ostrom	Reding	Solberg	Vellenga
Morrison	Otis	Rest	Sparby	Wagenius
Munger	Ozment	Richter	Stanius	Waltman
Murphy	Pappas	Rodosovich	Steensma	Weaver
Nelson, K.	Pauly	Rukavina	Sviggum	Welle
O'Connor	Pellow	Runbeck	Swenson	Williams
Olsen, S.	Pelowski	Sarna	Tjornhom	Winter
Olson, E.	Peterson	Schafer	Tompkins	Spk. Vanasek
Omamm	Poppenhagen	Schreiber	Trimble	

Those who voted in the negative were:

Jennings	Neuenschwander	Scheid
Nelson, C.	Olson, K.	Wenzel

The motion prevailed and the amendment was adopted.

Knickerbocker moved to amend H. F. No. 2042, as amended, as follows:

Page 1, line 11, before "Tobacco" insert "Tobacco may not be offered for sale in a public place owned by the state or owned by a political subdivision of the state, including a school district."

A roll call was requested and properly seconded.

The question was taken on the Knickerbocker amendment and the roll was called. There were 59 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Abrams	Gutknecht	Knickerbocker	Onnen	Segal
Anderson, G.	Hartle	Krueger	Orenstein	Skoglund
Battaglia	Hasskamp	Limmer	Osthoff	Stanius
Bishop	Haukoos	McDonald	Otis	Steensma
Blatz	Heap	McGuire	Ozment	Tjornhom
Burger	Henry	McLaughlin	Pappas	Tompkins
Clark	Himle	McPherson	Pauly	Valento
Dauner	Jaros	Munger	Price	Vellenga
Dille	Jennings	Murphy	Redalen	Wagenius
Forsythe	Kahn	Nelson, K.	Richter	Waltman
Frederick	Kalis	Neuenschwander	Rodosovich	Weaver
Frerichs	Kinkel	Olsen, S.	Seaberg	

Those who voted in the negative were:

Bauerly	Carruthers	Jacobs	Lasley	O'Connor
Beard	Dawkins	Janezich	Lieder	Olson, E.
Begich	Dempsy	Jefferson	Lynch	Olson, K.
Bennett	Dorn	Johnson, A.	Marsh	Omamm
Bertram	Girard	Johnson, R.	McEachern	Ostrom
Boo	Gruenes	Johnson, V.	Miller	Pellow
Brown	Hausman	Kelso	Morrison	Pelowski
Carlson, L.	Hugoson	Kostohryz	Nelson, C.	Peterson

Poppenhagen	Rukavina	Solberg	Tunheim	Winter
Quinn	Runbeck	Sparby	Uphus	Spk. Vanasek
Reding	Schafer	Sviggum	Welle	
Rest	Scheid	Swenson	Wenzel	
Rice	Schreiber	Trimble	Williams	

The motion did not prevail and the amendment was not adopted.

H. F. No. 2042, A bill for an act relating to consumer protection; limiting the locations in which sales of tobacco by vending machine may be made; proposing coding for new law in Minnesota Statutes, chapter 325E.

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:

Abrams	Greenfield	Krueger	Onnen	Seaberg
Anderson, G.	Gruenes	Lasley	Orenstein	Segal
Battaglia	Gutknecht	Lieder	Osthoff	Skoglund
Bauerly	Hartle	Limmer	Ostrom	Solberg
Beard	Hasskamp	Long	Otis	Sparby
Begich	Haukoos	Lynch	Ozment	Steensma
Bennett	Hausman	Macklin	Pappas	Sviggum
Bertram	Heap	Marsh	Pauly	Swenson
Bishop	Henry	McDonald	Pellow	Tjornhom
Blatz	Himle	McEachern	Pelowski	Tompkins
Boo	Hugoson	McGuire	Peterson	Trimble
Brown	Jacobs	McLaughlin	Poppenhagen	Tunheim
Burger	Janezich	McPherson	Price	Uphus
Carlson, D.	Jaros	Miller	Quinn	Valento
Carlson, L.	Jefferson	Morrison	Redalen	Vellenga
Carruthers	Jennings	Munger	Reding	Wagenius
Clark	Johnson, A.	Murphy	Rest	Waltman
Dauner	Johnson, R.	Nelson, C.	Rice	Weaver
Dawkins	Johnson, V.	Nelson, K.	Richter	Welle
Dempsey	Kahn	Neuenschwander	Rodosovich	Wenzel
Dille	Kalis	O'Connor	Rukavina	Williams
Dorn	Kelly	Ogren	Runbeck	Winter
Forsythe	Kelso	Olsen, S.	Sarna	Spk. Vanasek
Frederick	Kinkel	Olson, E.	Schafer	
Frerichs	Knickerbocker	Olson, K.	Scheid	
Girard	Kostohryz	Omann	Schreiber	

Those who voted in the negative were:

Stanius

The bill was passed, as amended, and its title agreed to.

Anderson, G., and Carlson, D., were excused for the remainder of today's session.

Speaker pro tempore Quinn called Rodosovich to the Chair.

H. F. No. 1977 which was temporarily laid over earlier today was again reported to the House.

H. F. No. 1977, A bill for an act relating to veterans; providing for an executive director appointed by the veterans homes board; amending Minnesota Statutes 1988, section 198.004.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 117 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Hartle	Lasley	Onnen	Solberg
Bauerly	Hasskamp	Limmer	Orenstein	Sparby
Beard	Haukoos	Long	Ostrom	Stanius
Begich	Hausman	Lynch	Ozment	Steensma
Bennett	Heap	Macklin	Pappas	Sviggum
Bertram	Henry	Marsh	Pauly	Swenson
Bishop	Himle	McDonald	Pellow	Tjornhom
Blatz	Hugoson	McEachern	Pelowski	Tompkins
Boo	Jacobs	McGuire	Peterson	Trimble
Brown	Janezich	McLaughlin	Poppenhagen	Tunheim
Burger	Jaros	McPherson	Quinn	Uphus
Carlson, L.	Jefferson	Miller	Redalen	Valento
Dauner	Jennings	Morrison	Reding	Vehenga
Dawkins	Johnson, A.	Munger	Rest	Wagenius
Dempsey	Johnson, R.	Murphy	Richter	Waltman
Dille	Johnson, V.	Nelson, C.	Rukavina	Weaver
Dorn	Kahn	Nelson, K.	Runbeck	Welle
Forsythe	Kalis	Neuenschwander	Sarna	Wenzel
Frederick	Kelly	O'Connor	Schafer	Williams
Frerichs	Kelso	Ogren	Scheid	Winter
Girard	Kinkel	Olsen, S.	Schreiber	Spk. Vanasek
Greenfield	Knickerbocker	Olsen, E.	Seaberg	
Gruenes	Kostohryz	Olson, K.	Segal	
Gutknecht	Krueger	Omann	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 2462, A bill for an act relating to state government; regulating administrative procedures; including a statement of purpose; requiring agencies to send the LCRAR copies of statements of need and reasonableness; requiring an agency to provide notice of the hearing to those who requested it; making various technical changes; amending Minnesota Statutes 1988, sections 14.03; 14.131; 14.23; and 14.25; Minnesota Statutes 1989 Supplement, section 14.02, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 14.

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:

Abrams	Gruenes	Krueger	Onnen	Solberg
Battaglia	Gutknecht	Lasley	Orenstein	Sparby
Bauerly	Hartle	Limmer	Osthoff	Stanius
Beard	Hasskamp	Long	Ostrom	Steensma
Begich	Haukoos	Lynch	Otis	Sviggum
Bennett	Hausman	Macklin	Ozment	Swenson
Bertram	Heap	Marsh	Pappas	Tjornhom
Bishop	Henry	McDonald	Pauly	Tompkins
Blatz	Himle	McEachern	Pellow	Trimble
Boo	Hugoson	McGuire	Pelowski	Tunheim
Brown	Jacobs	McLaughlin	Peterson	Uphus
Burger	Janezich	McPherson	Poppenhagen	Valento
Carlson, L.	Jaros	Miller	Quinn	Vellenga
Carruthers	Jefferson	Morrison	Redalen	Wagenius
Clark	Jennings	Munger	Reding	Waltman
Dauner	Johnson, A.	Murphy	Rest	Weaver
Dawkins	Johnson, R.	Nelson, C.	Richter	Welle
Dempsey	Johnson, V.	Nelson, K.	Rukavina	Wenzel
Dille	Kahn	Neuenschwander	Runbeck	Williams
Dorn	Kalis	O'Connor	Sarna	Winter
Forsythe	Kelly	Ogren	Schafer	Spk. Vanasek
Frederick	Kelso	Olsen, S.	Scheid	
Frerichs	Kinkel	Olson, E.	Seaberg	
Girard	Knickerbocker	Olson, K.	Segal	
Greenfield	Kostohryz	Omann	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 2534 was reported to the House.

Otis moved that H. F. No. 2534 be continued on Special Orders. The motion prevailed.

H. F. No. 1855 was reported to the House.

Kelly moved that H. F. No. 1855 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 2151, A resolution memorializing the President and Congress of the United States to maintain the federal subsidy for federal crop insurance.

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:

Abrams	Gruenes	Lieder	Ostrom	Solberg
Battaglia	Gutknecht	Limmer	Otis	Sparby
Bauerly	Hartle	Long	Ozment	Stanius
Beard	Hasskamp	Lynch	Pappas	Steensma
Begich	Haukoos	Macklin	Pauly	Sviggun
Bennett	Hausman	Marsh	Pellow	Swenson
Bertram	Heap	McDonald	Pelowski	Tjornhom
Bishop	Henry	McEachern	Peterson	Tompkins
Blatz	Hugoson	McGuire	Poppenhagen	Trimble
Boo	Jacobs	McLaughlin	Price	Tunheim
Brown	Janezich	McPherson	Quinn	Uphus
Burger	Jaros	Miller	Redalen	Valento
Carlson, L.	Jefferson	Munger	Reding	Vellenga
Carruthers	Jennings	Murphy	Rest	Wagenius
Clark	Johnson, R.	Nelson, C.	Rice	Waltman
Dauner	Johnson, V.	Nelson, K.	Richter	Weaver
Dawkins	Kahn	Neuenschwander	Rodosovich	Welle
Dempsey	Kalis	O'Connor	Rukavina	Wenzel
Dille	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Frederick	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omann	Seaberg	
Girard	Krueger	Onnen	Segal	
Greenfield	Lasley	Orenstein	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 2220 was reported to the House.

There being no objection, H. F. No. 2220 was continued on Special Orders.

H. F. No. 2474 was reported to the House.

Skoglund moved to amend H. F. No. 2474, the first engrossment, as follows:

Page 4, line 29, delete "additional persons who are" and insert "at least one person, in addition to the insured, who is"

Page 4, line 30, after the period insert "The insured has the right to designate up to a total of three persons who are to receive the notice of cancellation, in addition to the insured. The form used for the written designation must inform the insured that designation of one person is required and that designation of up to two additional persons is optional and must provide space clearly designated for listing between one and three persons."

The motion prevailed and the amendment was adopted.

H. F. No. 2474, A bill for an act relating to insurance; long-term care; modifying the definition of medically prescribed long-term care; allowing additional licensed health care providers to prepare plans of care; regulating assessments; regulating cancellations; amending Minnesota Statutes 1988, sections 62A.46, subdivisions 2, 4, 5, and 8; 62A.48, subdivision 3, and by adding a subdivision; and 62A.56; Minnesota Statutes 1989 Supplement, section 62A.48, subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Krueger	Onnen	Segal
Battaglia	Gutknecht	Lasley	Orenstein	Skoglund
Bauerly	Hartle	Lieder	Osthoff	Solberg
Beard	Hasskamp	Limmer	Ostrom	Sparby
Begich	Haukoos	Long	Otis	Stanius
Bennett	Hausman	Lynch	Ozment	Steensma
Bertram	Heap	Macklin	Pappas	Swiggum
Bishop	Henry	Marsh	Pauly	Swenson
Blatz	Himle	McDonald	Pellow	Tjornhom
Boo	Hugoson	McGuire	Pelowski	Tompkins
Brown	Jacobs	McLaughlin	Peterson	Trimble
Burger	Janezich	McPherson	Poppenhagen	Tunheim
Carlson, L.	Jaros	Miller	Quinn	Uphus
Carruthers	Jefferson	Morrison	Redalen	Valento
Clark	Jennings	Munger	Reding	Vellenga
Dauner	Johnson, A.	Murphy	Rest	Wagenius
Dawkins	Johnson, R.	Nelson, C.	Richter	Waltman
Dempsey	Johnson, V.	Nelson, K.	Rodosovich	Weaver
Dille	Kahn	Neuenschwander	Rukavina	Welle
Dorn	Kalis	O'Connor	Rumbeck	Wenzel
Forsythe	Kelly	Ogren	Sarna	Williams
Frederick	Kelso	Olsen, S.	Schafer	Winter
Frerichs	Kinkel	Olson, E.	Scheid	Spk. Vanasek
Girard	Knickerbocker	Olson, K.	Schreiber	
Greenfield	Kostohryz	Omann	Seaberg	

The bill was passed, as amended, and its title agreed to.

H. F. No. 693 was reported to the House.

There being no objection, H. F. No. 693 was continued on Special Orders.

H. F. No. 2401, A bill for an act relating to traffic regulations; establishing penalties for driving past railroad crossing warning

devices and flaggers; providing for instruction in railroad crossing safety at driver improvement clinics; establishing standards and procedures for closing a railroad crossing; imposing penalties; amending Minnesota Statutes 1988, sections 169.26; and 169.973, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 219; repealing Minnesota Statutes 1988, sections 219.27 and 219.28.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Krueger	Omann	Seaberg
Battaglia	Gutknecht	Lasley	Onnen	Segal
Bauerly	Hartle	Lieder	Orenstein	Skoglund
Beard	Hasskamp	Limmer	Osthoff	Solberg
Begich	Haukoos	Long	Ostrom	Sparby
Bennett	Hausman	Lynch	Otis	Stanius
Bertram	Heap	Macklin	Ozmet	Steensma
Bishop	Henry	Marsh	Pappas	Sviggum
Blatz	Himle	McDonald	Pauly	Swenson
Boo	Hugoson	McEachern	Pellow	Tjornhom
Brown	Jacobs	McGuire	Pelowski	Tompkins
Burger	Janezich	McLaughlin	Peterson	Trimble
Carlson, L.	Jaros	McPherson	Poppenhagen	Tunheim
Carruthers	Jefferson	Miller	Quinn	Uphus
Clark	Jennings	Morrison	Redalen	Valento
Dauner	Johnson, A.	Munger	Reding	Vellenga
Dawkins	Johnson, R.	Murphy	Rest	Wagenius
Dempsey	Johnson, V.	Nelson, C.	Richter	Waltman
Dille	Kahn	Nelson, K.	Rodosovich	Weaver
Dorn	Kalis	Neuenschwander	Rukavina	Welle
Forsythe	Kelly	O'Connor	Runbeck	Wenzel
Frederick	Kelso	Ogren	Sarna	Williams
Frerichs	Kinkel	Olsen, S.	Schafer	Winter
Girard	Knickerbocker	Olson, E.	Scheid	Spk. Vanasek
Greenfield	Kostohryz	Olson, K.	Schreiber	

The bill was passed and its title agreed to.

Otis was excused for the remainder of today's session.

H. F. No. 2162 was reported to the House.

Williams moved to amend H. F. No. 2162, the first engrossment, as follows:

Page 1, delete section 1

Page 7, delete section 11

Page 9, delete section 13

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Krueger moved to amend H. F. No. 2162, the first engrossment, as amended, as follows:

Page 2, lines 6 to 27, delete section 2 from the bill

The motion prevailed and the amendment was adopted.

H. F. No. 2162, A bill for an act relating to the operation of state government; changing certain procedures and limits for contracts with the state; establishing an advisory task force; authorizing reimbursement of certain expenses; changing certain vehicle marking and color provisions; clarifying certain transfer authority; amending Minnesota Statutes 1988, sections 16B.09, by adding a subdivision; 16B.17, subdivisions 3 and 4; 16B.24, subdivision 10; 16B.41, subdivision 4; 16B.58, subdivision 7; and Minnesota Statutes 1989 Supplement, sections 16B.28, subdivision 3; 16B.54, subdivision 2; and 40.46, subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Brown	Frederick	Heap	Johnson, R.
Battaglia	Burger	Frerichs	Henry	Johnson, V.
Bauerly	Carruthers	Girard	Himle	Kahn
Beard	Clark	Greenfield	Hugoson	Kalis
Begich	Dauner	Gruenes	Jacobs	Kelly
Bennett	Dawkins	Gutknecht	Janezich	Kelso
Bertram	Dempsey	Hartle	Jaros	Kinkel
Bishop	Dille	Hasskamp	Jefferson	Knickerbocker
Blatz	Dorn	Haukoos	Jennings	Kostohryz
Boo	Forsythe	Hausman	Johnson, A.	Krueger

Lasley	Munger	Ozment	Rukavina	Tjornhom
Lieder	Murphy	Pappas	Runbeck	Tompkins
Limmer	Nelson, C.	Pauly	Sarna	Trimble
Long	Nelson, K.	Pellow	Schafer	Tunheim
Lynch	Neuenschwander	Pelowski	Schreiber	Uphus
Macklin	O'Connor	Peterson	Seaberg	Vellenga
Marsh	Ogren	Poppenhagen	Segal	Wagenius
McDonald	Olsen, S.	Price	Skoglund	Waltman
McEachern	Olson, E.	Quinn	Solberg	Weaver
McGuire	Olson, K.	Redalen	Sparby	Welle
McLaughlin	Omamn	Reding	Stanius	Wenzel
McPherson	Onnen	Rest	Steensma	Williams
Miller	Orenstein	Richter	Sviggum	Winter
Morrison	Ostrom	Rodosovich	Swenson	Spk. Vanasek

Those who voted in the negative were:

Osthoff Scheid

The bill was passed, as amended, and its title agreed to.

The Speaker resumed the Chair.

H. F. No. 1855 which was temporarily laid over earlier today was again reported to the House.

Blatz and Hasskamp moved to amend H. F. No. 1855, the first engrossment, as follows:

Page 12, after line 12, insert:

“Sec. 15. [518.179] [CUSTODY WHEN PARENT CONVICTED OF CERTAIN OFFENSES.]

Subdivision 1. [SEEKING CUSTODY.] Notwithstanding any contrary provisions in section 518.17, if a parent seeking custody of a child has been convicted of a crime described in subdivision 3, the parent seeking custody has the burden to prove that custody by that parent is in the best interests of the child. The court shall not grant custody to a parent convicted of a crime described in subdivision 3 unless it finds that such custody is in the best interests of the child. If the victim of the crime was a family or household member as defined in section 518B.01, subdivision 2, the standard of proof is clear and convincing evidence.

Subd. 2. [MODIFICATION OF CUSTODY.] Notwithstanding any contrary provisions in section 518.18, if a parent with custody of a child is convicted of a crime described in subdivision 3, the noncustodial parent or any other person who may seek custody under section 518.156 may seek modification of the custody order. The person seeking modification must give written notice to the custo-

dial parent, and the custodial parent must file a response with the court and the moving party within 20 days. A hearing on the matter must be held not later than 30 days after the custodial parent's response is filed with the court.

The custodial parent has the burden at the hearing to prove that continuing custody in that parent is in the child's best interests. The court shall modify the custody order unless it finds that continued custody in the parent who has been convicted of a crime described in subdivision 3 is in the best interests of the child. If the victim of the crime was a family or household member as defined in section 518B.01, subdivision 2, the standard of proof is clear and convincing evidence.

Subd. 3. [APPLICABLE CRIMES.] This section applies to the following crimes or similar crimes under the laws of the United States, or any other state;

(1) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;

(2) manslaughter in the first degree under section 609.20;

(3) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;

(4) kidnapping under section 609.25;

(5) depriving another of custodial or parental rights under section 609.26;

(6) soliciting, inducing, or promoting prostitution involving a minor under section 609.322;

(7) receiving profit from prostitution involving a minor under section 609.323;

(8) criminal sexual conduct in the first degree under section 609.342;

(9) criminal sexual conduct in the second degree under section 609.343;

(10) criminal sexual conduct in the third degree under section 609.344, subdivision 1, paragraph (c), (f), or (g);

(11) solicitation of a child to engage in sexual conduct under section 609.352;

(12) incest under section 609.365;

(13) malicious punishment of a child under section 609.377; or

(14) neglect of a child under section 609.378.”

Renumber the remaining sections

Amend the title as follows:

Page 1, line 7, after “visitation” insert “and custody”

Page 1, line 8, delete “noncustodial”

Page 1, line 18, after “2” insert “; proposing coding for new law in chapter 518”

The motion prevailed and the amendment was adopted.

Blatz moved to amend H. F. No. 1855, the first engrossment, as amended, as follows:

Page 18, lines 29 and 30, delete “or other compelling reason”

The motion prevailed and the amendment was adopted.

H. F. No. 1855, A bill for an act relating to family law; modifying dissolution statistical report requirements; regulating child custody and visitation in dissolution and other proceedings; modifying standards for joint legal custody; providing for the award of temporary attorney fees; providing standards for visitation and custody rights when a parent has been convicted of certain crimes; providing funding for legal representation in family law matters; amending Minnesota Statutes 1988, sections 144.224; 257.025; 257.541, subdivision 2; 518.003, subdivision 3, and by adding a subdivision; 518.131, subdivisions 1 and 7; 518.14; 518.156; 518.167, subdivision 2; 518.175, by adding a subdivision; 518.551, subdivision 5; and 518.619; Minnesota Statutes 1989 Supplement, sections 518.17, subdivision 2; 518.175, subdivisions 1 and 5; and 518.64, subdivision 2; proposing coding for new law in 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 119 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Lasley	Onnen	Seaberg
Battaglia	Gutknecht	Lieder	Orenstein	Segal
Bauerly	Hartle	Limmer	Osthoff	Skoglund
Beard	Hasskamp	Long	Ostrom	Solberg
Begich	Haukoos	Lynch	Ozment	Sparby
Bennett	Hausman	Macklin	Pappas	Stanius
Bertram	Heap	Marsh	Pauly	Steensma
Bishop	Henry	McDonald	Pellow	Sviggum
Blatz	Himle	McEachern	Pelowski	Swenson
Boo	Hugoson	McGuire	Peterson	Tjornhom
Brown	Jacobs	McLaughlin	Poppenhagen	Tompkins
Carlson, L.	Janezich	McPherson	Price	Trimble
Carruthers	Jefferson	Miller	Quinn	Tunheim
Clark	Jennings	Morrison	Redalen	Uphus
Dauner	Johnson, R.	Munger	Reding	Valento
Dawkins	Johnson, V.	Murphy	Rest	Vellenga
Dempsey	Kahn	Nelson, C.	Rice	Wagenius
Dille	Kalis	Neuenschwander	Richter	Waltman
Dorn	Kelly	O'Connor	Rodosovich	Welle
Forsythe	Kelso	Ogren	Rukavina	Wenzel
Frederick	Kinkel	Olsen, S.	Runbeck	Williams
Frerichs	Knickerbocker	Olson, E.	Schafer	Winter
Girard	Kostohryz	Olson, K.	Scheid	Spk. Vanasek
Greenfield	Krueger	Omann	Schreiber	

The bill was passed, as amended, and its title agreed to.

Long moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Long moved that the bills on General Orders for today be continued. The motion prevailed.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

McEachern from the Committee on Education to which was referred:

H. F. No. 2200, A bill for an act relating to education; providing for department of education initiatives; amending Minnesota Statutes 1988, sections 122.94, subdivision 5; 123.3514, subdivisions 6 and 6b; 123.9361; 123.947; and 125.231, subdivision 6; Minnesota Statutes 1989 Supplement, sections 121.912, subdivision 1b; 122.94, subdivision 6; 122.945, subdivision 2; 123.58, subdivision 4; 129.128; and 141.35; and Laws 1989, chapter 329, article 11, section 15, subdivisions 2 and 12.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
GENERAL EDUCATION

Section 1. Minnesota Statutes 1988, section 124.14, subdivision 7, is amended to read:

Subd. 7. [APPROPRIATION TRANSFERS.] If a direct appropriation from the general fund to the department of education for any education aid or grant authorized in this chapter and chapters 121, 123, ~~124A~~, 125, 126, 129B, and 134 exceeds the amount required, the commissioner of education may transfer the excess to any education aid or grant appropriation that is insufficient. ~~However, section 124A.032 applies to a deficiency in the direct appropriation for general education aid.~~ Excess appropriations shall be allocated proportionately among aids or grants that have insufficient appropriations. An excess in the direct appropriation for general education aid authorized in chapter 124A must revert to the general fund, and a deficiency must be funded as provided in section 124A.032. The commissioner of finance shall make the necessary transfers among appropriations according to the determinations of the commissioner of education. The commissioner of education shall report appropriation transfers to the education committees of the legislature each year by January 15. If the amount of the direct appropriation for the aid or grant plus the amount transferred according to this subdivision is insufficient, the commissioner shall prorate the available amount among eligible districts. The state is not obligated for any additional amounts.

Sec. 2. Minnesota Statutes 1988, section 124.195, is amended by adding a subdivision to read:

Subd. 12. [AID ADJUSTMENT FOR TRA CONTRIBUTION RATE CHANGE.] (a) Beginning in fiscal year 1991 and continuing each year thereafter, aids paid to school districts, education cooperative service units, special education cooperatives, secondary vocational cooperatives, regional management information centers, or another unit providing elementary or secondary education services must be reduced by the department of education by an amount equal to the following percent of salaries paid by the unit to members of the teachers retirement association established in chapter 354, except that salaries paid to members of this association who are employed by technical colleges must be excluded from this calculation:

(1) in fiscal year 1991, 0.84 percent,

(2) in fiscal year 1992 and later years, the greater of

(i) zero, or

(ii) 4.48 percent less the additional employer contribution rate established by the board of trustees under section 354.42, subdivision 5.

(b) In fiscal year 1991, this reduction is estimated to equal \$14,260,000.

Sec. 3. Minnesota Statutes Second 1989 Supplement, section 124A.03, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM LEVY.] (a) The levy authorized by section 124A.23, subdivision 2, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum must be held on the first Tuesday after the first Monday in November. However, in a district where a referendum levy that has been authorized before the effective date of this section expires and results in a district having no remaining referendum authority, a referendum to reauthorize the expiring levy may be held on a date determined by the school board that complies with the requirements of section 205A.05. The referendum to reauthorize may be held only once, and a district holding a referendum to reauthorize must not hold in the same calendar year another referendum of any kind authorized by this subdivision. The amount of the reauthorized levy must not exceed the amount certified in the last year the expiring levy was certified. The ballot shall state the maximum amount of the increased levy as a percentage of net tax capacity, the amount that will be raised by that tax capacity rate in the first year it is to be levied, and that the tax capacity rate shall be used to finance school operations. The ballot shall designate the specific number of years for which the referendum authorization shall apply. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

“Shall the increase in the levy proposed by (petition to) the board of, School District No. . . ., be approved?”

If approved, the amount provided by the approved tax capacity rate applied to the net tax capacity for the year preceding the year the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The school board shall prepare and deliver by first class mail at

least 15 days but no more than 30 days prior to the day of the election to each taxpayer at the address listed on the school district's current year's assessment roll, a notice of the referendum and the proposed levy increase. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice must include the following statement: "In 1989 the legislature reduced property taxes for education by increasing the state share of funding for education. However, state aid for cities and townships was reduced by a corresponding amount. As a result, property taxes for cities and townships may increase. Passage of this referendum will result in an increase in your property taxes."

(c) A referendum on the question of revoking or reducing the increased levy amount authorized pursuant to paragraph (a) may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. A levy approved by the voters of the district pursuant to paragraph (a) must be made at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction election may be held to revoke or reduce a levy for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the school district on the day the petition is filed with the school board. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) Within 30 days after the district holds a referendum pursuant to this clause, the district shall notify the commissioner of education of the results of the referendum.

Sec. 4. Minnesota Statutes Second 1989 Supplement, section 124A.26, subdivision 1, is amended to read:

Subdivision 1. [REVENUE REDUCTION.] A district's general education revenue for a school year shall be reduced if the estimated net unappropriated operating fund balance as of June 30 in the second prior school year exceeds \$600 times the actual fund balance pupil units in the prior year. In this subdivision only, "fund balance pupil units" means the number of pupil units in average daily membership attending in the district. The amount of the reduction shall equal the lesser of:

- (1) the amount of the excess, or
- (2) \$150 times the actual pupil units for the school year.

The final adjustment payments made under section 124.195, subdivision 6, must be adjusted to reflect actual net operating fund balances as of June 30 of the prior school year.

Sec. 5. [FORMULA ALLOWANCE ASSUMPTIONS.]

Notwithstanding Minnesota Statutes, section 16A.10, the department of education shall prepare and the governor shall submit to the legislature a detailed budget under section 16A.11 that includes an education aids budget change request based on a basic revenue formula allowance of \$3,071 per pupil unit and a supplemental revenue allowance of \$386 per pupil unit for fiscal year 1992. The governor shall include a specific recommendation regarding the general education formula allowance for fiscal year 1992 as part of the governor's budget submittal to the 1991 legislature.

Sec. 6. [SCHOOL DISTRICT LEVY REFERENDUM.]

Notwithstanding Minnesota Statutes, section 124A.03, subdivision 2, independent school districts Nos. 118, Remer, 622, North St. Paul-Maplewood, and 656, Faribault, may conduct before November 1990 a levy referendum authorized by that section.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. Section 6 is effective the day after the governing bodies of independent school districts Nos. 118, Remer, 622, North St. Paul-Maplewood, and 656, Faribault, comply with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 2

TRANSPORTATION

Section 1. Minnesota Statutes 1989 Supplement, section 124.225, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given to them.

(a) "FTE" means a transported full-time equivalent pupil whose transportation is authorized for aid purposes by section 124.223.

(b) "Authorized cost for regular transportation" means the sum of:

(1) all expenditures for transportation in the regular category, as defined in paragraph (e), clause (1), for which aid is authorized in section 124.223, plus

(2) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 12½ percent per year of the cost of the fleet, plus

(3) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis at the rate of 33⅓ percent per year of the cost to the district of the reconditioning, plus

(4) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.44, subdivision 15, which were purchased after July 1, 1982, for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

(c) "Adjusted authorized predicted cost per FTE" means the authorized cost predicted by a multiple regression formula determined by the department of education and adjusted pursuant to subdivision 7a.

(d) "Regular transportation allowance" for the 1989-1990 school year means the adjusted authorized predicted cost per FTE, inflated pursuant to subdivision 7b.

(e) For purposes of this section, "transportation category" means a category of transportation service provided to pupils:

(1) regular transportation is transportation services provided during the regular school year under section 124.223, clauses (1) and (2), excluding the following transportation services provided under section 124.223, clause (1): transportation between schools; noon transportation to and from school for kindergarten pupils attending half-day sessions; late transportation home from school for pupils involved in after school activities; transportation of pupils to and from schools located outside their normal attendance areas under the provisions of a plan for desegregation mandated by the state

board of education or under court order; and transportation of elementary pupils to and from school within a mobility zone;

(2) nonregular transportation is transportation services provided under section 124.223, clause (1), that are excluded from the regular category, and transportation services provided under section 124.223, clauses (3), (4), (5), (6), (7), (8), (9), and (10);

(3) excess transportation is transportation to and from school for secondary pupils residing at least one mile but less than two miles from the public school they could attend or from the nonpublic school actually attended, and transportation to and from school for pupils residing less than one mile from school who are transported because of extraordinary traffic, drug, or crime hazards; and

(4) desegregation transportation is transportation of pupils to and from schools located outside their normal attendance areas under a plan for desegregation mandated by the state board or under court order.

(f) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

(g) "Current year" means the school year for which aid will be paid.

(h) "Base year" means the second school year preceding the school year for which aid will be paid.

(i) "Base cost" for the 1986-1987 and 1987-1988 base years means the ratio of:

(1) the sum of:

(i) the authorized cost in the base year for regular transportation as defined in clause (b), plus

(ii) the actual cost in the base year for excess transportation as defined in paragraph (e), clause (3),

(2) to the sum of:

(i) the number of FTE pupils transported in the regular category in the base year, plus

(ii) the number of FTE pupils transported in the excess category in the base year.

(j) Base cost for the 1988-1989 base year and later years means the ratio of:

(1) the sum of the authorized cost in the base year for regular transportation as defined in clause (b) plus the actual cost in the base year for excess transportation as defined in clause (e);

(2) to the sum of the number of weighted FTE pupils transported in the regular and excess categories in the base year.

(k) "Predicted base cost" for the 1986-1987 and 1987-1988 base years means the base cost as predicted by subdivision 3.

(l) "Predicted base cost" for the 1988-1989 base year and later years means the predicted base cost as computed in subdivision 3a.

(m) "Pupil weighting factor" for the excess transportation category for a school district means the lesser of one, or the result of the following computation:

(1) divide the square mile area of the school district by the number of FTE pupils transported in the regular and excess categories in the base year;

(2) raise the result in clause (1) to the one-fifth power;

(3) divide four-tenths by the result in clause (2).

The pupil weighting factor for the regular transportation category is one.

(n) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

(o) "Sparsity index" for a school district means the greater of .005 or the ratio of the square mile area of the school district to the sum of the number of weighted FTE's transported by the district in the regular and excess categories in the base year.

(p) "Density index" for a school district means the greater of one or the result obtained by subtracting the product of the district's sparsity index times 20 from two.

(q) "Contract transportation index" for a school district means the greater of one or the result of the following computation:

(1) multiply the district's sparsity index by 20;

(2) select the ~~greater~~ lesser of one or the result in clause (1);

(3) multiply the district's percentage of regular FTE's transported using vehicles that are not owned by the school district by the result in clause (2).

(r) "Adjusted predicted base cost" for the 1988-1989 base year and after means the predicted base cost as computed in subdivision 3a as adjusted under subdivision 7a.

(s) "Regular transportation allowance" for the 1990-1991 school year and after means the adjusted predicted base cost, inflated and adjusted under subdivision 7b.

(t) "Minimum regular transportation allowance" for the 1990-1991 school year and after means the result of the following computation:

(1) compute the sum of the district's basic transportation aid for the 1989-1990 school year according to subdivision 8a and the district's excess transportation levy for the 1989-1990 school year according to section 275.125, subdivision 5e, clause (a);

(2) divide the result in clause (1) by the sum of the number of weighted FTE's transported by the district in the regular and excess transportation categories in the 1989-1990 school year;

(3) select the lesser of the result in clause (2) or the district's base cost for the 1989-1990 base year according to paragraph (j).

Sec. 2. Minnesota Statutes 1989 Supplement, section 124.225, subdivision 3a, is amended to read:

Subd. 3a. [PREDICTED BASE COST.] A district's predicted base cost for the 1988-1989 base year and later years equals the result of the following computation:

(a) Multiply the transportation formula allowance by the district's sparsity index raised to the one-fourth power. The transportation formula allowance is \$406 for the 1988-1989 base year and \$421 for the 1989-1990 base year.

(b) Multiply the result in clause (a) by the district's density index raised to the 35/100 power.

(c) Multiply the result in clause (b) by the district's contract transportation index raised to the 1/20 power.

Sec. 3. Minnesota Statutes 1989 Supplement, section 124.225, subdivision 8k, is amended to read:

Subd. 8k. [CONTRACTED SERVICES AID REDUCTION.] (a) Each year, a district's transportation aid shall be reduced according to the provisions of this subdivision, if the district contracted for some or all of the transportation services provided in the regular category.

(b) For the 1988-1989 and 1989-1990 school years, the department of education shall compute this subtraction by conducting the multiple regression analysis specified in subdivision 3 and computing the district's aid under two circumstances, once including the coefficient of the factor specified in subdivision 4b, clause (3), and once excluding the coefficient of that factor. The aid subtraction shall equal the difference between the district's aid computed under these two circumstances.

(c) For 1990-1991 and later school years, the department of education shall determine the subtraction by computing the district's regular transportation revenue, excluding revenue based on the minimum regular transportation allowance, under two circumstances, once including the factor specified in subdivision 3a, clause (c), and once excluding the factor. The aid subtraction equals the difference between the district's revenue computed under the two circumstances.

Sec. 4. Minnesota Statutes 1989 Supplement, section 275.125, subdivision 5e, is amended to read:

Subd. 5e. [EXCESS TRANSPORTATION LEVY.] A school district may make a levy for excess transportation costs according to this subdivision. The amount of the levy shall be the result of the following computation:

(a) Multiply the lesser of (1) the regular transportation allowance for the fiscal year to which the levy is attributable, or (2) the base cost for the fiscal year to which the levy is attributable, by the number of weighted FTE pupils transported in the excess category in the district in the current school year.

(b) Add to the result in paragraph (a) the actual cost in the fiscal year to which the levy is attributable of other related services that are necessary because of extraordinary traffic, drug, or crime hazards.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1988, section 121.88, subdivision 6, is amended to read:

Subd. 6. [PROGRAMS FOR HANDICAPPED ADULTS WITH DISABILITIES.] A school board may offer, as part of a community education program, a program for handicapped adults with disabilities. Boards are encouraged to offer programs cooperatively with other districts and organizations. Programs may not be limited to district residents. Programs may include:

- (1) services enabling the adults to participate in community activities or community education classes;
- (2) classes specifically for handicapped adults with disabilities;
- (3) outreach activities to identify adults needing service;
- (4) activities to increase public awareness of the roles of handicapped people with disabilities;
- (5) activities to enhance the role of handicapped people with disabilities in the community; and
- (6) other direct and indirect services and activities benefiting handicapped adults with disabilities.

Sec. 2. Minnesota Statutes 1989 Supplement, section 124.19, subdivision 7, is amended to read:

Subd. 7. [ALTERNATIVE PROGRAMS.] (a) This subdivision applies to an alternative program that has been approved by the state board of education pursuant to Minnesota Rules, part 3500.3500, as exempt from Minnesota Rules, part 3500.1500, requiring a school day to be at least six hours in duration.

(b) To receive general education revenue for a pupil in an alternative program, a school district must meet the requirements in this paragraph. The program must be approved by the commissioner of education. In approving a program, the commissioner may use the process used for approving state designated area learning centers under section 129B.56.

(c) In addition to the requirements in paragraph (b), to receive general education revenue for a pupil in an alternative program that has an independent study component, a school district must meet the requirements in this paragraph.

~~For a course having an independent study component, the pupil must complete coursework and receive credit for each course for which the aid is claimed.~~

The school district must develop with the pupil a continual learning plan for the pupil. A district must allow a minor pupil's

parent or guardian to participate in developing the plan, if the parent or guardian wants to participate. The plan must identify the learning experiences and expected outcomes needed for satisfactory credit for the year and for graduation. The plan must be updated each year.

General education revenue for a pupil in an approved alternative program without an independent study component must be prorated for a pupil participating for less than a full school year, or its equivalent.

General education revenue for a pupil in an approved alternative program that has an independent study component must be prorated for a pupil receiving fewer than six credits in a year.

For an alternative program having an independent study component, the commissioner shall require a description of the courses in the program, the kinds of independent study involved, the expected learning outcomes of the courses, and the means of measuring student performance against the expected outcomes.

A Beginning with the 1989-1990 school year, and each school year thereafter, an independent study credit for a year in an approved alternative program shall, for the purposes of audit, be considered to be 170 hours of teacher contact time and independent study time satisfactorily completed coursework.

General education revenue for a pupil enrolled in an independent study course may be claimed for each hour of teacher contact time and each hour of satisfactory coursework completed toward a credit necessary for graduation.

Sec. 3. [124.325] [ALTERNATIVE DELIVERY OF SPECIALIZED INSTRUCTIONAL SERVICES.]

Subdivision 1. [COMMISSIONER APPROVAL.] (a) The commissioner of education may approve proposals submitted by independent school district No. 625, St. Paul, and up to nine additional school districts for a program to reorganize the delivery of specialized instructional services during the 1990-1991, 1991-1992, and 1992-1993 school years. The objective of the program must be to provide services under an experimental model for pupils who:

(1) based on documented experiences, would probably be identified for special education and related services under section 120.17, if the early intervention services and programs were not provided;
or

(2) are eligible for special education and related services under section 120.17.

(b) Pupils may be provided services during extended school days or throughout the entire year.

Subd. 2. [PUPILS' RIGHTS.] Any pupil participating in this program must be individually evaluated based upon the pupil's actual abilities and needs. A pupil who is eligible for services under section 120.17 is entitled to procedural protections similar to those procedural protections provided under Public Law Number 94-142 in any matter that affects the identification, evaluation, placement, or change in placement of a pupil. A participating district must ensure the protection of a pupil's civil rights, provide equal educational opportunities, and prohibit discrimination. Failure to comply with this subdivision will at least cause a district to become ineligible to participate in this program. Notwithstanding subdivision 5, a pupil's rights under this subdivision cannot be waived.

Subd. 3. [PROPOSAL CONTENTS.] The proposal must set forth:

(1) a detailed description of the experimental program and instructional services for eligible pupils, as defined in section 124.311, subdivision 3, and handicapped pupils, as defined in section 120.03;

(2) the specific criteria used to select individual pupils for the program;

(3) a description of the methods used to involve parents of pupils in the program;

(4) the staff, equipment, procedures, and monitoring needed to implement the program;

(5) staff development plans for teachers who are affected by the program;

(6) annual review and evaluation procedures conducted by an impartial evaluator whose selection is agreed upon by the district submitting the proposal and the commissioner; and

(7) any other information requested by the commissioner.

Subd. 4. [ANNUAL REPORT.] Each year the district must submit to the commissioner a report containing the information set forth in section 124.311, subdivision 7.

Subd. 5. [RULE WAIVER.] To the extent a rule of the state board of education impedes implementation of an approved alternative delivery system, it is waived for the 1990-1991, 1991-1992, and 1992-1993 school years. The commissioner shall identify rules that are waived.

Subd. 6. [REVENUE AVAILABLE.] For fiscal year 1991, a district with an approved program shall receive the sum of the revenue it received for fiscal year 1990 for its special education program under sections 124.32, subdivisions 1b, 2, 5, and 10; and 275.125, subdivision 8c, multiplied by an inflation adjustment factor of 1.03. For each of fiscal years 1992 and 1993, the amount to be paid to a district with an approved program must be the amount paid for the previous fiscal year multiplied by an inflation adjustment factor of 1.03.

For fiscal years 1991, 1992, and 1993, the ratio of aid payments for special education under section 124.32, subdivisions 1b, 2, 5, and 10, to the levy for special education salaries under section 275.125, subdivision 8c, equals the ratio for fiscal year 1990.

For any fiscal year, aid for a district with an approved program must be prorated in the same manner that special education aid is prorated for other districts.

For fiscal years 1991, 1992, and 1993, the state must not pay a district with an approved program any aid under section 124.32, subdivisions 1b, 2, 5, and 10, and the district must not levy under section 275.125, subdivision 8c, except for secondary vocational handicapped teacher salaries, limited English proficiency teacher salaries, deficiencies, and other adjustments for previous years.

Sec. 4. Minnesota Statutes 1989 Supplement, section 124.573, subdivision 2d, is amended to read:

Subd. 2d. [ADMINISTRATION.] In making the computation in subdivision 2b, paragraph (a), clause (1), the salaries of ~~the administrator and administrators~~, support service ~~facilitator~~ facilitators, vocational evaluators, and supplemental support staff/technical tutors must be apportioned among programs based on the number of full-time-equivalent instructors in each program.

Sec. 5. Minnesota Statutes 1989 Supplement, section 124.90, subdivision 2, is amended to read:

Subd. 2. [FUNDING.] A school district that provides a covered service to an eligible person and complies with relevant requirements of the medical assistance program shall be entitled to receive payment for the service provided, including that portion of the payment that will subsequently be reimbursed by the federal government, in the same manner as other medical assistance providers. Federally funded health care reimbursement funds are supplemental and must not be used to reduce any other federal payments, state aid payments, or private payments for special education funding. The school district is not required to provide matching funds or pay part of the costs of the service, as long as the rate charged for the service does not exceed medical assistance limits that apply to all medical assistance providers.

Sec. 6. Minnesota Statutes 1988, section 124A.036, subdivision 5, is amended to read:

Subd. 5. [ALTERNATIVE ATTENDANCE PROGRAMS.] The general education aid for districts must be adjusted for each pupil, excluding a handicapped pupil as defined in section 120.03 or a nonhandicapped pupil as defined by section 120.181, attending a nonresident district under sections 120.062, 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) General education aid paid to a resident district must be reduced by an amount equal to the general education revenue exclusive of compensatory revenue attributable to the pupil in the resident district.

(b) General education aid paid to a district serving a pupil in programs listed in this subdivision shall be increased by an amount equal to the general education revenue exclusive of compensatory revenue attributable to the pupil in the nonresident district.

(c) If the amount of the reduction to be made from the general education aid of the resident district is greater than the amount of general education aid otherwise due the district, the excess reduction must be made from other state aids due the district.

(d) The district of residence shall pay tuition to a district providing special instruction and services to a handicapped pupil, as defined in section 120.03, who is enrolled in a program listed in this subdivision. The tuition shall be equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for debt service and for capital expenditure facilities and equipment, and debt service but not including any amount for transportation, minus (2) the amount of special education aid, attributable to that pupil, that is received by the district providing special instruction and services.

(e) An area learning center operated by an educational cooperative service unit, intermediate district, education district, or a joint powers cooperative may elect through the action of the constituent boards to charge tuition for nonhandicapped pupils rather than to calculate general education aid adjustments under clause (a), (b), or (c). The tuition must be equal to the average general education revenue per pupil unit attributable to the student, or the actual cost, whichever is less.

Sec. 7. [126.515] [LONG-RANGE INDIAN EDUCATION PLAN.]

(a) Any district and any participating school or American Indian school providing programs under sections 126.45 to 126.55 must

develop a long-range plan for the education of American Indians. The plan must include:

(1) a description of the current status of education programs for American Indians, including the relationship and role of all available programs and resources for attaining goals;

(2) an assessment of the educational needs of American Indians within the district;

(3) a listing of district goals for the education of American Indians in the district; and

(4) a consideration of the entire scope of district programs and services that impact upon the educational and culturally related academic needs of American Indian students.

(b) The plan must be developed in conjunction with the parent committee established under section 126.51.

Sec. 8. Minnesota Statutes 1989 Supplement, section 128B.03, subdivision 4, is amended to read:

Subd. 4. [DISTRICT 309 FEDERAL AID.] (a) The school board of independent school district No. 309 must transfer to the council, to the extent permissible, any federal aids or grants which the school district is eligible for or entitled to because of:

(1) the population in the experimental school attendance area;

(2) the pupils actually attending the experimental school;

(3) the program of the experimental school;

(4) the boundaries of the attendance area of the experimental school; or

(5) a related reason.

(b) For the sole purpose of receiving federal impact aid, the experimental school on the land comprising the former independent school district No. 25 is a local education agency, according to Code of Federal Regulations, title 34, section 222.80. The school and the land must not be included, for the purpose of determining federal impact aid, in independent school district No. 309.

Sec. 9. Minnesota Statutes 1988, section 141.25, subdivision 7, is amended to read:

Subd. 7. [MINIMUM STANDARDS.] No license shall be issued unless the commissioner first determines:

(a) That the applicant has a sound financial condition with sufficient resources available to meet the school's financial obligations; to refund all tuition and other charges, within a reasonable period of time, in the event of dissolution of the school or in the event of any justifiable claims for refund against the school by the student body; to provide adequate service to its students and prospective students; and for the proper use and support of the school to be maintained;

(b) That the applicant has satisfactory training facilities with sufficient tools and equipment and the necessary number of work stations to train adequately the students currently enrolled, and those proposed to be enrolled;

(c) That the applicant employs a sufficient number of qualified instructors trained by experience and education to give the training contemplated;

(d) That the premises and conditions under which the students work and study are sanitary, healthful, and safe, according to modern standards;

(e) That each occupational course or program of instruction or study shall be of such quality and content as to provide education and training, which will adequately prepare enrolled students for entry level positions in the occupation for which trained;

(f) That the living quarters which are owned, maintained, or approved by the applicant for students are sanitary and safe;

(g) That the contract or enrollment agreement used by the school complies with the following provisions:

(1) The name and address of the school must be clearly stated;

(2) Inclusion of a clear and conspicuous disclosure that such agreement becomes a legally binding instrument upon written acceptance of the student by the school unless canceled pursuant to section 141.271;

(3) Must contain the school's cancellation and refund policy which shall be clearly and conspicuously entitled, "Buyer's Right to Cancel";

(4) The total cost of the course including tuition and all other charges shall be clearly stated;

(5) The name and description of the course, including the number of hours or credits of classroom instruction and/or home study lessons shall be included;

(6) No contract or agreement shall contain a wage assignment provision and/or a confession of judgment clause;

(7) Each contract or enrollment agreement shall contain a clear and conspicuous explanation of the form and means of notice the student should use in the event the student elects to cancel the contract or sale, the effective date of cancellation, and the name and address of the seller to which the notice should be sent or delivered.

Sec. 10. Minnesota Statutes 1988, section 141.25, subdivision 9, is amended to read:

Subd. 9. [CATALOG OR BROCHURE.] Before a license is issued to a school, other than one which offers exclusively a correspondence course of instruction, the school shall furnish to the commissioner a catalog or brochure containing the following:

(1) identifying data, such as volume number and date of publication;

(2) name and address of the school and its governing body and officials;

(3) a calendar of the school showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;

(4) school policy and regulations on enrollment including dates and specific entrance requirements for each course;

(5) school policy and regulations about leave, absences, class cuts, make-up work, tardiness, and interruptions for unsatisfactory attendance;

(6) school policy and regulations about standards of progress for the student including the grading system of the school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a description of any probationary period allowed by the school, and conditions of reentrance for those dismissed for unsatisfactory progress;

(7) school policy and regulations about student conduct and conditions for dismissal for unsatisfactory conduct;

(8) detailed schedule of fees, charges for tuition, books, supplies,

tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;

(9) policy and regulations, including an explanation of section 141.271, about refunding tuition, fees, and other charges if the student does not enter the course, withdraws, or is discontinued;

(10) a description of the available facilities and equipment;

(11) a course outline for each course offered showing course objectives, subjects or units in the course, type of work or skill to be learned, and approximate time, clock hours, or credits to be spent on each subject or unit; and

(12) policy and regulations about granting credit for previous education and training.

Sec. 11. Minnesota Statutes 1989 Supplement, section 141.35, is amended to read:

141.35 [EXEMPTIONS.]

None of the provisions of sections 141.21 to 141.36 shall apply to the following:

(a) Colleges authorized by the laws of Minnesota or of any other state or foreign country to grant degrees;

(b) Schools of nursing accredited by the state board of nursing or an equivalent public board of another state or foreign country;

(c) Public schools as defined in section 120.05;

(d) Private schools complying with the requirements of section 120.10, subdivision 2;

(e) Private and parochial nonprofit schools exempt from taxation under the constitution of Minnesota;

(f) Courses taught to students in a valid apprenticeship program taught by or required by a trade union;

(g) Schools exclusively engaged in training physically or mentally handicapped persons for the state of Minnesota;

(h) Schools now or hereafter licensed by boards authorized under Minnesota law to issue such licenses;

(i) Schools and educational programs, or training programs, conducted by persons, firms, corporations, or associations, for the training of their own employees, for which no fee is charged the employee;

(j) Schools engaged exclusively in the teaching of purely avocational or recreational, or remedial subjects as determined by the commissioner. Private schools teaching a method or procedure to increase the speed with which a student reads are not within this exemption;

(k) Driver training schools and instructors as defined in section 171.33, subdivisions 1 and 2;

(l) Classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership;

(m) Courses of instruction in the fine arts provided by organizations exempt from taxation pursuant to section 290.05 and registered with the attorney general pursuant to chapter 309. "Fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale or employment. In making this determination the commissioner may seek the advice and recommendation of the Minnesota board of the arts;

(n) Classes, courses, or programs intended to fulfill the continuing education requirements for licensure or certification in a profession, which classes, courses, or programs have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession, and which are offered primarily to a person who currently practices the profession;

(o) Classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing and occupational entrance examinations;

(p) Classes, courses, or seminars providing 16 or fewer hours of instruction;

(q) Classes, courses, or programs intended to prepare persons for careers as models or in acting; and

(r) Educational training or instructional programs in which one instructor teaches an individual student.

The revisor of statutes is directed to change the phrase "handicapped adults" wherever it appears in Minnesota Statutes to "adults with disabilities."

Sec. 13. [EFFECTIVE DATE.]

Section 3 is effective July 1, 1990. Section 7 is effective the day after final enactment. Section 8 is retroactively effective July 1, 1989.

ARTICLE 4

DRUG PREVENTION AND OTHER COMMUNITY PROGRAMS

Section 1. Minnesota Statutes 1988, section 121.882, is amended by adding a subdivision to read:

Subd. 1a. [DISTRICT PLAN.] A district or group of districts providing an early childhood family education program must develop a plan to provide services to diverse populations within the district or districts. A plan must provide methods to ensure that the families participating in early childhood family education programs reflect the demographics of the districts; however, a plan may provide for serving a higher percentage of children with barriers to learning and development than the percentage of children with such barriers in the district or districts as a whole. All plans must be submitted to the department of education for approval.

Sec. 2. Minnesota Statutes 1989 Supplement, section 121.882, subdivision 2, is amended to read:

Subd. 2. [PROGRAM CHARACTERISTICS.] (a) Except as provided in paragraph (b), early childhood family education programs are programs for children in the period of life from birth to kindergarten, for the parents of such children, and for expectant parents.

(b) An early childhood family education program may serve children in kindergarten and early elementary grades and their parents if the program is planned and implemented in conjunction with children's regular classroom teacher. The district may establish eligibility criteria for the early childhood family education program under this paragraph.

(c) The programs may include the following:

(1) programs to educate parents about the physical, mental, and emotional development of children;

(2) programs to enhance the skills of parents in providing for their children's learning and development;

(3) learning experiences for children and parents;

(4) activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems;

(5) activities and materials designed to encourage self-esteem, skills, and behavior that prevent sexual and other interpersonal violence;

(6) educational materials which may be borrowed for home use;

(7) information on related community resources; or

(8) other programs or activities.

(d) The programs shall not include activities for children that do not require substantial involvement of the children's parents. The programs shall be reviewed periodically to assure the instruction and materials are not racially, culturally, or sexually biased. The programs shall encourage parents to be aware of practices that may affect equitable development of children.

Sec. 3. Minnesota Statutes 1988, section 121.882, subdivision 9, is amended to read:

Subd. 9. [ASSISTANCE.] The department of education shall provide assistance to districts with programs described in this section. The department must establish guidelines that list barriers to learning and development affecting children served by early childhood family education programs.

Sec. 4. Minnesota Statutes 1989 Supplement, section 124.2711, subdivision 1, is amended to read:

Subdivision 1. [MAXIMUM REVENUE.] (a) ~~The maximum revenue for early childhood family education programs for the 1989 and 1990 fiscal years for a school district is the amount of revenue derived by multiplying \$84.50 times the greater of 150 or the number of people under five years of age residing in the school district on September 1 of the preceding school year.~~

(b) For 1991 and later fiscal years, the maximum revenue for early childhood family education programs for a school district is the amount of revenue earned by multiplying \$87.75 times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the school district on September 1 of the last school year:

(b) For 1992 and later fiscal years, the maximum revenue for early childhood family education programs for a school district is the amount of revenue earned by multiplying \$96.50 times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the school district on September 1 of the last school year.

Sec. 5. Minnesota Statutes 1989 Supplement, section 126.22, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE PUPILS.] The following pupils are eligible to participate in the high school graduation incentives program:

(a) any pupil who, except for eligibility under clause (6), is between the ages of 12 and 16 and who:

(1) is at least two grade levels below the performance level for 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 excluded or expelled according to sections 127.26 to 127.39; or

(6) is between the ages of 12 and 21 and has been referred by a school district for enrollment in an eligible program or a program pursuant to section 126.23; or

(b) any 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 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 consecutive school days, excluding those days when school is not in session, and who is at least two grade levels below the performance level for 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

(d) any person who is at least 21 years of age and who:

(1) has received less than 14 years of public or nonpublic education, beginning at age 5;

(2) has already completed the studies ordinarily required in the 10th grade but has not completed the requirements for a high school diploma or the equivalent; and

(3) at the time of application, (i) is eligible for unemployment compensation benefits or has exhausted the benefits, (ii) is eligible for or is receiving income maintenance and support services, as defined in section 268.0111, subdivision 5, or (iii) is eligible for services under the displaced homemaker program, state wage-subsidy program, or any programs under the federal Jobs Training Partnership Act or its successor; or

(e) beginning with the 1989-1990 school year, any elementary school pupil who is determined by the district of attendance to be at risk of not succeeding at school; or

(f) notwithstanding section 127.27, subdivision 7, the provisions of section 127.29, subdivision 1, do not apply to a pupil under age 21 who participates in the high school graduation incentives program.

Sec. 6. Minnesota Statutes 1989 Supplement, section 126.22, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE PROGRAMS.] (a) A pupil who is eligible according to subdivision 2, clause (a), (b), (c), ~~or~~ (d), or (e) may enroll in any program approved by the state board of education under Minnesota Rules, part 3500.3500, ~~including~~ or area learning centers under sections 129B.52 to 129B.55, or according to section 121.11, subdivision 12.

(b) A pupil who is eligible according to subdivision 2, clause (b), (c), or (d), may enroll in post-secondary courses under section 123.3514.

(c) A pupil who is eligible under subdivision 2, clause (a), (b), (c), ~~or~~ (d), or (e) may enroll in any public elementary or secondary education program. However, a person who is eligible according to subdivision 2, clause (d), may enroll only if the school board has adopted a resolution approving the enrollment.

(d) A pupil who is eligible under subdivision 2, clause (a), (b), ~~or~~

(c), or (e) may enroll part time or full time in any nonprofit, nonpublic, nonsectarian school that has contracted with the school district of residence to provide educational services.

(e) 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. 7. Minnesota Statutes 1988, 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) for in-service education to increase the effectiveness of teachers in responding to children and young people at risk of not succeeding at school, including training teachers to plan and implement parental involvement programs that will more fully involve parents in their children's learning development;

(2) to participate in the educational effectiveness program according to section 121.609;

~~(2)~~ (3) to provide in-service education for elementary and secondary teachers to improve the use of technology in education;

~~(3)~~ (4) to provide subject area in-service education emphasizing the academic content of curricular areas determined by the district to be a priority area;

(4) (5) to use experienced teachers, as mentors, to assist in the continued development of new teachers;

(5) (6) to increase the involvement of parents, business, and the community in education;

~~(6)~~ (7) for experimental delivery systems;

(7) (8) for in-service education to increase the effectiveness of principals and administrators;

~~(8)~~ (9) for in-service education or curriculum development for programs for gifted and talented pupils;

(9) (10) for in-service education or curriculum development for cooperative efforts to increase curriculum offerings;

~~(10)~~ (11) for improving curriculum, according to the needs identi-

fied under the planning, evaluation, and reporting process set forth in section 126.666;

(11) (12) 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) (13) for in-service education or curriculum modification for handicapped pupils and low-achieving pupils;

(13) (14) for short-term contracts as described in section 126.72; or

(14) (15) to employ teachers for an extended year to perform duties directly related to improving curriculum or teaching skills.

Sec. 8. [PARENTING PROGRAMS.]

Subdivision 1. [MODEL SITES.] The commissioner of education shall select up to 20 districts or groups of districts to serve as model sites to develop programs for kindergarten and early elementary grade children and their parents. To the extent possible, the model sites must be geographically distributed throughout the state. To be eligible to serve as a model site, a district or group of districts must offer an early childhood family education program under Minnesota Statutes, section 121.882. Any district selected as a model site that has a proportionately large number of children a local welfare agency has determined have been maltreated or need protective services under Minnesota Statutes, section 626.556, subdivision 10, may provide after school hours and on Saturday early childhood family education programs that involve children's parent or parents.

Subd. 2. [CRITERIA.] The commissioner shall establish criteria for selecting model sites in consultation with the state curriculum advisory committee and appropriate groups advising the department on early childhood family education. The criteria must involve the child's parent, the child's regular classroom teacher, and community-based social service agencies, and include the program characteristics specified in Minnesota Statutes, section 121.882, subdivision 2b. The criteria must ensure that the families participating in early childhood family education programs reflect the demographics of the districts. At least two districts selected as model sites must make transportation available to any family these districts determine to be at risk; the districts must transport the family between the family's residence and the site of an early childhood family education program. District plans must provide for services to diverse populations within the district or districts and must ensure frequent and convenient telephone contact between parents and teachers by making available telephones in the classroom according to Minnesota Statutes, section 237.065.

Subd. 3. [GRANTS.] The commissioner may make grants to the districts or groups of districts selected as model sites to develop programs for children in kindergarten and early elementary grades and their parents.

Subd. 4. [EVALUATION.] The commissioner shall provide for an evaluation of the model sites and shall recommend to the education committees of the legislature by January 1, 1992, whether or not programs for kindergarten and early elementary children and their parents should be extended statewide. If the commissioner recommends that the programs be made available statewide, the commissioner also shall recommend a process for implementing the program. The commissioner shall evaluate the effectiveness of the parenting programs as a component of the drug prevention initiative.

Sec. 9. [TARGETING CHILDREN AND YOUNG PEOPLE FOR SERVICES.]

Subdivision 1. [TARGETED CHILDREN AND YOUNG PEOPLE.] Targeted children and young people are those individuals, whether or not enrolled in school, who are under 21 years of age and who:

- (1) are school dropouts;
- (2) have failed in school;
- (3) have become pregnant;
- (4) are economically disadvantaged;
- (5) are children of drug or alcohol abusers;
- (6) are victims of physical, sexual, or psychological abuse;
- (7) have committed a violent or delinquent act;
- (8) have experienced mental health problems;
- (9) have attempted suicide;
- (10) have experienced long-term physical pain due to injury;
- (11) are at risk of becoming or have become drug or alcohol abusers;
- (12) have experienced homelessness;

(13) have been excluded or expelled from school under Minnesota Statutes, sections 127.26 to 127.39;

(14) have been adjudicated children in need of protection or services; or

(15) have displayed traits or behaviors that may interfere with learning.

Subd. 2. [REPORT REQUIRED.] Each ECSU shall report to the education department by November 15, 1990, districts' strategies for delivering services to targeted children and young people in kindergarten through grade 12. Based upon a compilation of the ECSU reports, the commissioner of education shall recommend to the education committees of the legislature and the office of drug policy by January 1, 1991, those services and strategies that meet the needs of targeted children and young people.

Subd. 3. [REPORT CONTENT.] The department shall develop the form and content of the ECSU report. The report must at least identify:

(1) components of the service delivery system;

(2) persons involved in training district staff to assist targeted children and young people;

(3) individuals and institutional resources available to assist targeted children and young people; and

(4) how to coordinate community services and school programs to best serve targeted children and young people.

Sec. 10. [STUDENT SERVICE PROFESSIONALS.]

Subdivision 1. [STAFFING OPTIONS.] For the purposes of this section, student service professionals include elementary school counselors, elementary school social workers, and elementary school chemical health specialists. A district operating an elementary school may employ one or more student service professionals to serve elementary school children targeted under section 9, subject to the following conditions:

(1) a single elementary school may employ an elementary school counselor, an elementary school social worker, or an elementary school chemical health specialist;

(2) multiple schools within a single district may share one or more student service professionals on a districtwide basis;

(3) two or more districts may cooperate to employ one or more student service professionals if the individual districts have insufficient populations or funds to employ a student service professional;
or

(4) a district or group of districts may contract with a social service agency for the services of one or more student service professionals.

Subd. 2. [ELIGIBILITY FOR FUNDING.] To be eligible to receive funding for an elementary school counselor, an elementary school social worker, or an elementary chemical health specialist to serve targeted children, a district or group of districts must submit to the department of education by July 15, 1990, a proposal to contract for or employ one or more student service professionals. The proposal must be in the form and manner prescribed by the department. The commissioner of education shall establish criteria for selecting proposals for funding.

Sec. 11. [GRANTS TO MEET THE NEEDS OF TARGETED CHILDREN AND YOUNG PEOPLE.]

Subdivision 1. [PLANNING GRANTS.] (a) The commissioner of education may award up to 20 planning grants to districts, community groups, or regional entities to:

(1) train individuals working with targeted children and young people;

(2) expand a community's ability to meet the needs of targeted children and young people by locating appropriate services and resources at or near a school site; and

(3) involve parents of targeted children and young people more fully in the education process.

(b) All planning grant recipients must offer vocational training or employment services, health screening and referrals, and mental health or family counseling.

Subd. 2. [IMPLEMENTATION GRANTS.] Grants may be awarded to six of the 20 planning grant recipients to implement their plans for meeting the needs of targeted children and young people.

Subd. 3. [DEPARTMENT'S ROLE.] The commissioner of education shall develop criteria for awarding planning grants and implementation grants. The criteria must include:

(1) targeting families confronting social or economic adversity;

(2) offering programs to targeted children and young people during and after school hours and during the summer;

(3) recognizing cultural and linguistic diversity among an area's population; and

(4) involving targeted children and young people in the planning and implementing processes.

Subd. 4. [EVALUATION.] The commissioner of education shall provide for an evaluation of the demonstration sites and report to the legislature by February 1, 1992.

Sec. 12. [HEAD START AND PUBLIC SCHOOL COLLABORATION.]

Subdivision 1. [DEMONSTRATION PROGRAM.] The commissioner of jobs and training, in consultation with the commissioner of education, shall award up to 12 grants to existing head start agencies to provide demonstration programs that address the developmental needs of young children. The commissioner of jobs and training and the commissioner of education shall establish criteria for selecting and evaluating a demonstration program.

Subd. 2. [PROGRAM CHARACTERISTICS.] A head start agency receiving a grant under subdivision 1 must develop a program that:

(1) includes head start eligibility criteria and performance standards from the department of jobs and training;

(2) has, as its major focus, the prevention of inappropriate drug use and high risk behavior;

(3) facilitates the transition of children from a head start program to a school environment;

(4) includes collaboration with the local school district;

(5) includes substantial parental involvement; and

(6) coordinates program resources with community resources.

Subd. 3. [PRIORITY.] To the extent possible:

(1) the program sites must be geographically distributed throughout the state;

(2) the program sites must be located at or near local public elementary schools; and

(3) at least four of the program sites must be located at or near four sites selected under to provide early childhood family education to children in kindergarten and early elementary grades and their parents.

Sec. 13. [USE OF REVENUE INCREASE.]

Districts are encouraged to use the increase in revenue for the 1991-1992 school year for early childhood family education programs to expand services to children in early elementary grades and their parents.

Sec. 14. [COMMISSIONER OF JOBS AND TRAINING APPROPRIATION.]

\$1,000,000 is appropriated in fiscal year 1991 from the general fund to the commissioner of jobs and training to make grants according to section 12. Up to \$50,000 of this appropriation may be used for evaluation.

Sec. 15. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [EARLY CHILDHOOD FAMILY EDUCATION DEFICIENCY.] For a deficiency in early childhood family education aid:

\$885,000 1990

This amount is added to the amount appropriated by Laws 1989, chapter 329, article 4, section 19, subdivision 5.

Subd. 3. [MODEL SITES.] For model sites according to section 8:

\$950,000 1991

Up to \$50,000 of this amount may be used for evaluation of the model sites.

Subd. 4. [ECSU REPORTS.] For each ECSU report on regional service delivery systems according to section 9, subdivision 2:

\$55,000 1991

Each ECSU shall receive up to \$5,000 except that the ECSU serving region 11 and the ECSU serving regions 6 and 8 shall receive up to \$10,000.

Subd. 5. [PARTIAL SALARIES FOR STUDENT SERVICE PROFESSIONALS.] For grants according to section 10:

\$400,000 1991

Grants to qualifying districts must not exceed one half of the salary costs incurred by districts contracting for or employing an elementary school counselor, an elementary school social worker, or an elementary school chemical health specialist. Grants to qualifying districts for the salary cost of a student service specialist must not exceed \$20,000 and must be reduced proportionately for less than full-time service. To the extent qualified proposals are received, at least 50 percent of the available appropriation must be used in cities of the first class.

Subd. 6. [SCHOOL/COMMUNITY GRANTS.] For school/community grants according to section 11:

\$425,000 1991

\$100,000 of this amount is for up to 20 planning grants of up to \$5,000 each.

\$300,000 of this amount is for implementation grants of up to \$50,000 each to six of the 20 sites receiving planning grants.

\$25,000 is for evaluation of the six sites receiving implementation grants.

Subd. 7. [EVALUATING PREVENTION STRATEGIES.] For evaluating prevention strategies being implemented by districts;

\$100,000 1991

The commissioner shall evaluate up to 20 prevention strategies and shall coordinate the evaluation with the office of drug policy and other entities conducting similar evaluations. The commissioner shall report the results of the evaluation to the legislature, districts, and social service agencies.

Subd. 8. [SURVEY.] For a survey of targeted children and young people attending alternative education programs including area learning centers:

\$50,000 1991

The department must report the survey results to the legislature by January 1, 1992.

Sec. 16. [EFFECTIVE DATE.]

Section 15, subdivision 2, is effective the day after its final enactment.

ARTICLE 5

FACILITIES

Section 1. Minnesota Statutes 1988, section 121.148, is amended to read:

121.148 [SCHOOL DISTRICT CONSTRUCTION.]

Subdivision 1. [COMMISSIONER APPROVAL.] In determining whether to give a school facility a positive, negative, or unfavorable review and comment, the commissioner must evaluate the proposals for facilities using the information provided under section 121.15, subdivision 7.

Subd. 2. [POSITIVE REVIEW AND COMMENT.] If the commissioner submits a positive review and comment for a proposal according to section 121.15, the school board may proceed with the construction according to the requirements of applicable laws.

Subd. 2 3. [NEGATIVE REVIEW AND COMMENT.] If the commissioner submits a negative review and comment for a proposal according to section 121.15, the school board, by resolution of the board, shall reconsider must not proceed with construction.

Subd. 4. [UNFAVORABLE REVIEW AND COMMENT.] If the commissioner submits an unfavorable review and comment for a proposal under section 121.15, the school board, by resolution of the board, must reconsider construction. If, upon reconsideration, the school board decides to proceed with construction, it may initiate proceedings for issuing bonds to finance construction under sections 475.51 to 475.76. Unless 60 percent of the voters at the election approve of issuing the obligations, the board is not authorized to issue the obligations.

Sec. 2. Minnesota Statutes 1988, section 121.15, subdivision 1, is amended to read:

Subdivision 1. [CONSULTATION.] A school district shall consult with the commissioner of education before developing any plans and specifications to construct, remodel, or improve the building or site of an educational facility, other than a technical institute, for which the estimated cost exceeds \$100,000. This consultation shall occur before a referendum for bonds, solicitation for bids, or use of capital expenditure facilities revenue according to section 124.243, subdivision 6, clause (2). The commissioner may require the district to

participate in a management assistance plan before conducting a review and comment on the project.

Sec. 3. Minnesota Statutes 1989 Supplement, section 121.15, subdivision 2, is amended to read:

Subd. 2. [PLAN SUBMITTAL.] For a project for which consultation is required under subdivision 1, the commissioner, after the consultation required in subdivision 1, may require a school district to submit the following for approval:

(a) two sets of preliminary plans for each new building or addition, and

(b) one set of final plans for each construction, remodeling, or site improvement project. The commissioner shall approve or disapprove the plans within ~~60~~ 90 days after submission.

Final plans shall meet all applicable state laws, rules, and codes concerning public buildings, including sections 16B.59 to 16B.73. The department may furnish to a school district plans and specifications for temporary school buildings containing two classrooms or less.

Sec. 4. Minnesota Statutes 1988, 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 people proposed to be served, including census findings and projections for the next ten years 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 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) a description of existing facilities within the area to be served and within school districts adjacent to the area to be served; the extent to which existing facilities or services are used; the extent to which alternate space is available, including other school districts, post-secondary institutions, or other public buildings, or other noneducation community resources; and the anticipated effect that the facility will have on existing facilities and services;

(f) the anticipated benefit of the facility to the area;

(g) if known, the relationship of the proposed construction to any priorities that 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;

(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; and

(k) the estimated effects of the proposed facility on the district's operating budget.

Sec. 5. [121.1502] [INSPECTION OF PUBLIC SCHOOLS.]

Subdivision 1. [INSPECTION.] The commissioner and the state fire marshal shall develop a plan to inspect once every three years every public school facility used for educational purposes. Inspections must begin during the 1990-1991 school year. The plan must provide for continued inspection by local units of government of public school facilities that have been inspected by a local unit of government between January 1, 1987 and January 1, 1990, and may provide for inspections by local units of government in other situations. Each inspection report must be filed with the commissioner, the local school board, and the state fire marshal. Notwithstanding section 299F.011, subdivisions 5a and 5b, a variance from the code must be approved by the state fire marshal before taking effect. The state board may request that the state fire marshal inspect a particular school facility.

Subd. 2. [CONTRACTING.] The commissioner may contract with the state fire marshal to provide the inspections provided in subdivision 1.

Sec. 6. [121.1505] [UNSAFE SCHOOL FACILITIES.]

Subdivision 1. [SCHOOL BOARD COMPLIANCE.] A school board must comply with all school facility inspection orders issued

under section 5 or this section. In this section, "school facility" means property used by a school district for educational purposes regardless of whether the property is owned, leased, or otherwise used by the district.

Subd. 2. [REMEDY REQUIRED.] Until September 1, 1991, the commissioner shall require a school district to remedy a condition that causes the school facility to be unsafe or unfit for use due to imminent danger to occupants, or conditions that threaten the life, health, or safety of the occupants. After September 1, 1991, the commissioner shall require a school district to remedy a condition that violates the rules adopted under subdivision 5.

Subd. 3. [CONDEMNATION.] If a school district does not comply with the school facility inspection orders issued by the state fire marshal, local fire official, or commissioner, the commissioner must order a remedy as follows:

(a) If practical, the commissioner shall order repairs to the facility. The commissioner must determine what costs for repairs must be paid out of the district's current capital budget, and must require the district to levy for the remaining repairs under section 124.83, subdivision 4, or order the district to issue general obligation bonds without an election to provide money immediately to make the necessary repairs. If the district sells bonds, each year the district must pledge an attributable share of its health and safety revenue to the repayment of the principal and interest on the bonds. The pledged revenue must be transferred to the debt redemption fund of the district. The commissioner must approve the district's proposed repayment schedule for bonds issued.

(b) If the commissioner determines that repairs are not practical, the commissioner must condemn the school facility and specify the date by which the facility must be vacated.

(c) If the commissioner condemns a school facility, the commissioner must require the school district to submit a plan to provide replacement facilities or otherwise to provide for the education of the pupils attending school in the facility. If the district does not submit a workable plan to replace the facilities or to provide for the education of the pupils attending school in the facility, the commissioner may determine how the district's facilities needs shall be met. The commissioner may order the district to build a new facility and require the district to issue obligations under chapter 475, notwithstanding the local approval requirement of section 475.58. The publication procedures of section 121.15, subdivision 9, do not apply to bonds issued under this paragraph. The commissioner must approve both the plan for the replacement facility and the proposed location of the facility.

(d) If the commissioner determines that the school facility cannot

be repaired or replaced or that the district cannot otherwise meet its facilities needs and that the district refuses to otherwise provide for the education of the pupils attending school in that facility, the commissioner may dissolve the district under section 122.22, subdivision 2. The dissolution may proceed without voter approval and without approval of the affected school boards.

Subd. 4. [DISTRICT APPEAL.] A school board may appeal the commissioner's order to condemn by filing a notice of appeal with the commissioner within 30 days of the day the district receives the commissioner's order. An appeal must be heard as a contested case under sections 14.57 to 14.62. The appealing school district must pay for the costs of the services of the office of administrative hearings for the contested case. However, if the district prevails in its appeal, the commissioner shall reimburse the district for the costs of the services of the office of administrative hearings.

A prevailing district must resubmit a plan to remedy all conditions cited by an inspector issuing school facilities inspection orders to the district.

Subd. 5. [RULES.] By September 1, 1991, the state board must adopt rules establishing criteria for determining if school facilities are unsafe or unfit for use.

Sec. 7. Minnesota Statutes Second 1989 Supplement, section 124.2442, subdivision 1, is amended to read:

Subdivision 1. [INSUFFICIENT FUNDS.] If the total appropriation for capital expenditure equipment aid or capital expenditure facilities aid for any fiscal year, plus any amount transferred under section 124.14, subdivision 7, is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's capital expenditure facilities and equipment revenue according to the calculations in subdivisions 2 to 4.

Sec. 8. Minnesota Statutes 1989 Supplement, section 124.38, subdivision 7, is amended to read:

Subd. 7. [MAXIMUM EFFORT DEBT SERVICE LEVY.] "Maximum effort debt service levy" means the lesser of:

(1) A levy in whichever of the following amounts is applicable:

(a) In any school district granted a debt service loan after June 30, 1990, or granted a capital loan that is approved after June 30, 1990, a levy in a total dollar amount computed as a rate of 20 percent of adjusted net tax capacity for taxes payable in 1991 and thereafter;

(b) In any school district granted a debt service loan after July 31,

1981, or granted a capital loan which is approved after July 31, 1981, a levy in a total dollar amount computed as a gross tax capacity rate of 13.08 percent on the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of 16.27 percent on the adjusted net tax capacity for taxes payable in 1991 and thereafter;

(b) (c) In any school district granted a debt service loan before August 1, 1981, or granted a capital loan which was approved before August 1, 1981, a levy in a total dollar amount computed as a gross tax capacity rate of 12.26 percent on the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of 15.26 percent on the net tax capacity for taxes payable in 1991 and thereafter, until and unless the district receives an additional loan; or

(2) A levy in whichever of the following amounts is applicable:

(a) In any school district which received a debt service or capital loan from the state before January 1, 1965, a levy in a total dollar amount computed as 4.10 mills on the market value in each year, unless the district applies or has applied for an additional loan subsequent to January 1, 1965, or issues or has issued bonds on the public market, other than bonds refunding state loans, subsequent to January 1, 1967;

(b) In any school district granted a debt service or capital loan between January 1, 1965, and July 1, 1969, a levy in a total dollar amount computed as 5½ mills on the market value in each year, until and unless the district receives an additional loan;

(c) In any school district granted a debt service or capital loan between July 1, 1969, and July 1, 1975, a levy in a total dollar amount computed as 6.3 mills on market value in each year until and unless the district has received an additional loan;

(d) In any school district for which a capital loan was approved prior to August 1, 1981, a levy in a total dollar amount equal to the sum of the amount of the required debt service levy and an amount which when levied annually will in the opinion of the commissioner be sufficient to retire the remaining interest and principal on any outstanding loans from the state within 30 years of the original date when the capital loan was granted; provided, that the school board in any district affected by the provisions of clause (2)(d) may elect instead to determine the amount of its levy according to the provisions of clause (1); provided further that if a district's capital loan is not paid within 30 years because it elects to determine the amount of its levy according to the provisions of clause (2)(d), the liability of the district for the amount of the difference between the amount it levied under clause (2)(d) and the amount it would have levied under clause (1), and for interest on the amount of that

difference, shall not be satisfied and discharged pursuant to section 124.43, subdivision 4.

Sec. 9. [124.431] [CAPITAL LOANS.]

Subdivision 1. [CAPITAL LOAN REQUESTS AND USES.] Capital loans are available only to qualifying districts. Capital loans must not be used for the construction of swimming pools, ice arenas, athletic facilities, auditoriums, day care centers, bus garages or heating system improvements. Proceeds of the loans may be used only for sites for school buildings and for acquiring, bettering, furnishing, or equipping school buildings. Contracts must be entered into within 18 months after the date on which each loan is granted. Beginning with capital loans granted after June 30, 1988, the state board must grant a reasonable extension to the 18 month limit for a district whose financing is delayed.

Subd. 2. [DISTRICT REQUEST FOR REVIEW AND COMMENT.] A school district that intends to apply for a capital loan must submit a proposal to the commissioner for review and comment according to section 121.15 on or before July 1. The commissioner must prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to construct the facility.

Subd. 3. [DISTRICT APPLICATION FOR CAPITAL LOAN.] The school board of a 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. Applications for loans must be accompanied by a copy of the adopted board resolution.

Applications must be in the form and accompanied by the additional data required by the commissioner. Applications must be received by the commissioner by November 1. A district must resubmit an application each year. Capital loan applications that do not receive voter approval or are not approved in law cancel July 1 of the year following application. When an application is received, the commissioner shall obtain from the commissioner of revenue the information in the revenue department's official records that is required to be used in computing the debt limit of the district under section 475.53, subdivision 4.

Subd. 4. [STATE BOARD REVIEW; INDIVIDUAL DISTRICT PROPOSALS.] By January 1 of each year, the state board must review all applications for capital loans that have received a positive review and comment. The state board may either approve or reject an application for a capital loan. To approve the application the state board must determine that:

- (1) the capital loan application has met all required timelines;
- (2) the facilities are needed for pupils for whom no adequate facilities exist or will exist;
- (3) the district will serve, on average, at least 80 pupils per grade or is eligible for sparsity revenue;
- (4) no form of cooperation with another district would provide the necessary facilities;
- (5) no existing facilities that would meet the district's educational needs could be purchased or leased from any other source within the area;
- (6) the facilities are comparable in size and quality to facilities recently constructed in other districts of similar enrollments;
- (7) the district's need for facilities is comparable to facilities in other districts that are financed through local bond issues; and
- (8) the district is projected to maintain or have an increase in its average daily membership over the next ten years or is eligible for sparsity revenue.

The state board may approve a capital loan application in a reduced amount or change the application to meet any of the foregoing criteria.

Subd. 5. [STATE BOARD REVIEW; MULTIPLE DISTRICT PROPOSALS.] In addition to the requirements of subdivision 4, the state board may place additional requirements on projects that are designed to serve more than one district. These requirements may include but not be limited to:

- (1) limiting or increasing the number of districts that plan to use the facility;
- (2) location of the facility;
- (3) formation of a joint powers agreement among the participating districts;
- (4) determination of which district, or group of districts acting under a joint powers agreement, will be responsible for issuing the bonds;
- (5) determination of contributions by districts that are not directly responsible for issuance of the bonds; and

(6) minimum lengths of time that participating districts must contribute to the repayment of the bonds.

Subd. 6. [RECOMMENDATIONS OF THE COMMISSIONER.] The commissioner shall examine and consider applications for capital loans that have been approved by the state board of education, and promptly notify any district rejected by the state board of the state board's decision.

The commissioner shall make recommendations concerning each capital loan that has been approved by the state board and that has received voter approval to the education committees of the legislature by February 1 of each year. The commissioner must not recommend a capital loan that has not received voter approval. The commissioner shall also report on the money remaining in the capital loan account and, if necessary, request that another bond issue be authorized.

Subd. 7. [LEVY LIMITATION.] A district's maximum effort levy is 20 percent of adjusted net tax capacity.

Subd. 8. [LOAN AMOUNT LIMITS.] (a) A loan must not be recommended for approval for a district exceeding an amount computed as follows:

(1) the amount requested by the district under subdivision 3;

(2) plus the aggregate principal amount of general obligation bonds of the district outstanding on 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 305 percent of its adjusted net tax capacity as most recently determined, whichever is less;

(3) less the maximum net debt permissible for the district on December 1 of the year the application is received, under the limitation in section 475.53, subdivision 4, or 305 percent of its adjusted net tax capacity as most recently determined, whichever is less;

(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.

(b) The loan may be approved in an amount computed as provided in paragraph (a), clauses (1) to (3), subject to later reduction according to paragraph (a), clause (4).

Subd. 9. [LEGISLATIVE ACTION.] Each capital loan must be approved in a law.

If the aggregate amount of the capital loans exceeds the amount that 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.

Subd. 10. [DISTRICT REFERENDUM.] After receipt of the review and comment on the project and before February 1, the question authorizing the borrowing of money 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 must state the total amount to be borrowed from all sources. Approval of a majority of those voting on the question is sufficient to authorize the issuance of the obligations on public sale in accordance with chapter 475. The district shall mail to the commissioner of education a certificate by the clerk showing the vote at the election.

Subd. 11. [CONTRACT.] Each capital loan must be evidenced by a contract between the school district and the state acting through the commissioner. It must obligate the state to pay to the district on a reimbursement basis, out of the maximum effort school loan fund, for eligible capital expenses for construction of the facility for which the loan is granted an amount computed as provided in subdivision 6. The commissioner must receive from the school district a certified resolution of the school board reciting that contracts for construction of the facilities for which the loan is granted have been awarded and that bonds of the district have been issued and sold in the amount necessary to pay all costs of construction in excess of the amount of the loan, and estimating the costs. It must obligate the district to repay the loan out of the excesses of its maximum effort debt service levy over its required debt service levy, including interest at a rate equal to the weighted average annual rate payable on Minnesota state school loan bonds issued for the project and disbursed to the school district on a reimbursement basis but in no event less than 3-1/2 percent per year on the principal amount from time to time unpaid. The district shall each year, as long as it is indebted to the state, levy for debt service (i) the amount of its maximum effort debt service levy or (ii) the amount of its required debt service levy, whichever is greater, except as the required debt service levy may be reduced by a loan under section 124.42. When the maximum effort debt service levy is greater, the district shall remit to the commissioner within ten days after its receipt of the last regular tax distribution in each year, that part of the debt service tax collections, including penalties and interest that exceeded the required debt service levy. The commissioner shall supervise the collection of outstanding accounts due the fund and may, by notice to the proper county auditor require the maximum levy to be made as required in this subdivision. Interest on capital loans must be paid on December 15 of the year after the year the loan is granted and annually in later years. On or before November 1 in each year the commissioner shall notify the county auditor of each county containing taxable

property situated within the school district of the amount of the maximum effort debt service levy of the district for that year. The county auditor or auditors shall extend upon the tax rolls an ad valorem tax upon all taxable property within the district in the aggregate amount so certified.

Subd. 12. [LOAN FORGIVENESS.] If a capital loan is not paid within 50 years after it is granted from maximum effort debt service levies in excess of required debt service levies, the liability of the school district on the loan is satisfied and discharged and interest on the loan ceases. After a district's capital loan has been outstanding for 20 years, the district must not issue bonds on the public market except to refund the loan.

Subd. 13. [PARTICIPATION BY COUNTY AUDITOR; RECORD OF CONTRACT; PAYMENT OF LOAN.] The school district shall file a copy of the capital loan contract with the county auditor of each county in which any part of the district is situated. The county auditor shall enter the capital loan, evidenced by the contract, in the auditor's bond register. The commissioner shall keep a record of each capital loan and contract showing the name and address of the district, the date of the contract, and the amount of the loan initially approved. On receipt of the resolution required in subdivision 11, the commissioner shall issue warrants, which may be dispersed in accordance with the schedule in the contract, on the capital loan account for the amount that may be disbursed under subdivision 1. Interest on each disbursement of the capital loan amount accrues from the date on which the state treasurer issues the warrant.

Subd. 14. [BOND SALE LIMITATIONS.] A district having an outstanding state loan must not issue and sell any bonds on the public market, except to refund state loans, unless it agrees to make the maximum effort debt service levy in each later year at the higher rate provided in section 124.38, subdivision 7, and unless it schedules the maturities of the bonds according to section 475.54, subdivision 2. The district shall report each sale to the commissioner of education.

Sec. 10. [124.432] [JOINT POWERS AGREEMENTS FOR MAXIMUM EFFORT SCHOOL AID CAPITAL LOANS.]

Any group of districts may form a joint powers district representing all participating districts to obtain a maximum effort school aid capital loan. The joint powers board may submit an application for a capital loan under section 124.431. The joint powers board must hold a hearing on the capital loan proposal. The joint powers district must submit the question of authorizing the borrowing of funds for the project 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 need from all

sources. A majority of those voting in the affirmative on the question is sufficient to authorize the joint powers board to accept a capital loan and to issue the bonds on public sale according to chapter 475. The clerk of the joint powers board must certify the vote of the bond election to the commissioner of education.

Sec. 11. Minnesota Statutes Second 1989 Supplement, section 124.83, subdivision 1, is amended to read:

Subdivision 1. [HEALTH AND SAFETY PROGRAM.] To receive health and safety revenue a district must submit to the commissioner of education an application for aid and levy by June 1 in the previous school year. The application may be for hazardous substance removal, fire code compliance, or life safety repairs. The application must include a health and safety program adopted by the school district board. The program must include the estimated cost of the program by fiscal year. The commissioner must not approve health and safety program revenue in excess of an amount that would cause the 1990 payable 1991 health and safety levy to exceed \$56,000,000 statewide.

Sec. 12. Minnesota Statutes 1989 Supplement, section 124.83, subdivision 6, is amended to read:

Subd. 6. [USES OF HEALTH AND SAFETY REVENUE.] Health and safety revenue may be used only for approved expenditures necessary to correct fire safety hazards, life safety hazards, or for the removal or encapsulation of asbestos from school buildings or property, asbestos-related repairs, cleanup and disposal of polychlorinated biphenyls found in school buildings or property, or the cleanup, removal, disposal, and repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01. Health and safety revenue must not be used for the construction of new facilities or the purchase of portable classrooms.

Sec. 13. Minnesota Statutes 1989 Supplement, section 275.125, subdivision 11d, is amended to read:

Subd. 11d. [EXTRA CAPITAL EXPENDITURE LEVY FOR LEASING BUILDINGS.] When a district finds it economically advantageous to rent or lease a building, or to purchase a building and site under an installment purchase agreement, lease purchase agreement, or any other deferred payment agreement authorized under section 465-71, for any instructional purposes and it determines that the capital expenditure facilities revenues authorized under section 124.243 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 or

agreement, and a description of the space to be leased or purchased according to any type of deferred payment agreement, 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 building, conformity of the lease or agreement to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease or agreement 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 or purchasing a building for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services or to purchase a building newly constructed under an installment purchase agreement, lease purchase agreement, or any other deferred payment agreement authorized under section 465.71.

Sec. 14. Laws 1959, chapter 462, section 3, subdivision 10, as renumbered, as amended by Laws 1963, chapter 645, section 3, Laws 1967, chapter 661, section 3, Laws 1969, chapter 994, section 1, Laws 1975, chapter 320, section 1, Laws 1980, chapter 525, section 2, and Laws 1989, chapter 329, article 5, section 17, is amended to read:

Subd. 10. [SPECIAL SCHOOL DISTRICT NO. 1; MINNEAPOLIS, CITY OF; EXTENDING BONDING AUTHORITY.] As used in this act the word "project" shall mean any proposed new or enlarged school building site, any proposed new school building or any proposed new addition to a school building, and "undertaking" shall mean any other purpose for which bonds may be issued as authorized in this subdivision. Subject to the limitations of subdivision 11, the special independent school district of Minneapolis may issue and sell bonds with the approval of 53 percent of the electors voting on the question at a general school district election or at a school district election held at the same time and place within the district as a state general or primary election, as determined by the board of education. Subject to the provisions of subdivision 11, the school district may also by a two-thirds majority vote of all the members of its board of education and without any election by the voters of the district, issue and sell in each calendar year bonds of the district in an amount not to exceed one-half of one percent of the assessed value of the taxable property in the district (plus, for calendar year 1990 years 1990 to 1996, an amount not to exceed \$7,500,000; with an additional provision that any amount of bonds so authorized for sale in a specific year and not sold can be carried forward and sold in the year immediately following); provided, however, that the board shall submit the list of projects and undertakings to be financed by a proposed issue to the city planning commission as provided in subdivision 11(c). All bonds of the school district shall be payable in not more than 30 years. The proceeds of the sale of the bonds shall be used only for the rehabilitating, remodeling, expanding and equipping of existing school buildings and for the acquisition of

sites, construction and equipping of new school buildings, and for acquisition and betterment purposes, and no part of the proceeds shall be used for maintenance. The provisions of this act shall apply to the issuance and sale of the bonds and to the purposes for which the bonds may be issued notwithstanding any provisions to the contrary in any other existing law relating thereto.

Sec. 15. Laws 1989, chapter 329, article 5, section 21, subdivision 4, is amended to read:

Subd. 4. [HEALTH AND SAFETY AID.] For health and safety aid according to Minnesota Statutes, section 124.83, subdivision 5:

\$8,168,000 1990

\$10,796,000 1991

The 1990 appropriation includes \$8,168,000 for 1990.

The 1991 appropriation includes \$1,442,000 for 1990 and \$9,354,000 for 1991.

Up to \$15,000 of the 1991 appropriation may be used for the state board task force under section 19.

Up to \$150,000 of the 1991 appropriation may be used for the facilities review under section 20.

Up to \$200,000 of the 1991 appropriation may be used by the commissioner to contract with the state fire marshal under section 6.

Sec. 16. [ST. PAUL BONDING AUTHORIZATION; TAX LEVY FOR DEBT SERVICE.]

Subdivision 1. [BONDING AUTHORIZATION.] To provide funds to acquire or better facilities, independent school district No. 625 may by two-thirds majority vote of all the members of the board of directors issue general obligation bonds in one or more series in calendar years 1990 and 1991 as provided in this section. The aggregate principal amount of any bonds issued under this section for each calendar year must not exceed one-ninth of one percent of the market value of the taxable property in the district, as computed in accordance with Minnesota Statutes, section 475.51, subdivision 4. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or 475.59. As with other bonds issued by independent school district No. 625, the first sentence of Minnesota Statutes, section 475.53, subdivision 5, does not apply to issuance of the bonds. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter 475. The authority to issue bonds under this section is in

addition to any bonding authority authorized by Minnesota Statutes, chapter 124, or other law. The amount of bonding authority authorized under this section must be disregarded in calculating the bonding limit of Minnesota Statutes, chapter 124 or any other law other than Minnesota Statutes, section 475.53, subdivision 4.

Subd. 2. [TAX LEVY FOR DEBT SERVICE.] To pay the principal of and interest on bonds issued under subdivision 1, independent school district No. 625 must levy a tax annually in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1 and 3, to pay the principal of and interest on the bonds. The tax authorized under this section is in addition to the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or other law.

Subd. 3. [EFFECTIVE DATE; LOCAL APPROVAL.] Subdivisions 1 and 2 are effective the day after the governing body of independent school district No. 625 complies with Minnesota Statutes, section 645.021, subdivision 3.

Subd. 4. [CERTIFICATION.] No vote may be taken by the governing body of independent school district No. 625, St. Paul, to issue bonds authorized under this section until the governing body certifies to the secretary of state that it has held a public meeting of the governing body in each state senate district in the city of St. Paul to obtain citizen input on the advisability of issuing the bonds. Meetings must be in addition to any other scheduled meetings of the governing body or any of its committees. Timely notice of the meetings required by this subdivision must be mailed to each postal patron address in the appropriate state senate district.

Sec. 17. [COLERAINE, LAKE SUPERIOR, CHISHOLM, ELY, EVELETH, GILBERT, AND ST. LOUIS COUNTY SCHOOL DISTRICT BONDS.]

Subdivision 1. [AUTHORIZATION.] Independent school district No. 316, Coleraine, may issue bonds in an aggregate principal amount not exceeding \$900,000; independent school district No. 381, Lake Superior, may issue bonds in an aggregate principal amount not exceeding \$300,000; independent school district No. 695, Chisholm, may issue bonds in an aggregate principal amount not exceeding \$3,000,000; independent school district No. 696, Ely, may issue bonds in an aggregate principal amount not exceeding \$1,000,000; independent school district No. 697, Eveleth, may issue bonds in an aggregate principal amount not exceeding \$3,500,000; and independent school district No. 699, Gilbert, may issue bonds in an aggregate principal amount not exceeding \$1,000,000.

Subd. 2. [AUTHORIZATION.] Independent school district No. 710, St. Louis county, may issue bonds in an aggregate amount not to exceed \$1,500,000.

Subd. 3. [USES; PROCESS.] The bonds authorized under subdivisions 1 and 2 may be issued in addition to any bonds already issued or authorized. The proceeds of the bonds shall be used to provide funds to construct, equip, furnish, remodel, rehabilitate, and acquire land for school facilities and buildings and to pay any architects', engineers', and legal fees incidental to those purposes or the sale. Except as permitted by this section, the bonds must be authorized, issued, sold, executed, and delivered in the manner provided by Minnesota Statutes, chapter 475. A referendum on the question of issuing the bonds authorized under subdivision 2 is not required. A resolution of the board levying taxes for the payment of the bonds and interest on them as authorized by this section and pledging the proceeds of the levies for the payment of the bonds and interest on them must be considered to be in compliance with Minnesota Statutes, chapter 475 with respect to the levying of taxes for their payment.

Subd. 4. [APPROPRIATION.] There is annually appropriated from the distribution of taconite production tax revenues to the taconite environmental protection fund under Minnesota Statutes, section 298.28, subdivision 11, and to the northeast Minnesota economic protection trust under Minnesota Statutes, section 298.28, subdivisions 9 and 11, in equal shares, an amount sufficient to pay when due 80 percent of the principal and interest on the bonds issued under subdivision 1 and 100 percent of the principal and interest on the bonds issued under subdivision 2. If the annual distribution to the northeast Minnesota economic protection trust is insufficient to pay its share after fulfilling any obligations of the trust under Minnesota Statutes, section 298.225 or 298.293, the deficiency must be appropriated from the taconite environmental protection fund.

Subd. 5. [DISTRICT OBLIGATIONS.] Bonds issued under authority of this section and the general obligations of the school district, for which its full faith and credit and unlimited taxing powers must be pledged. If there are any deficiencies in the amount received under subdivision 4, they must be made good by general levies, not subject to limit, on all taxable properties in the district in accordance with Minnesota Statutes, section 475.74. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.

Subd. 6. [DISTRICT LEVY.] The school board of each school district authorized to issue bonds under subdivision 1 shall by resolution levy on all property in the school district subject to the general ad valorem school tax levies, and not subject to taxation under Minnesota Statutes, sections 298.23 to 298.28, a direct annual ad valorem tax for each year of the term of the bonds in amounts that, if collected in full, will produce the amounts needed to meet

when due 20 percent of the principal and interest payments on the bonds. A copy of the resolution must be filed, and the necessary taxes must be extended, assessed, collected, and remitted in accordance with Minnesota Statutes, section 475.61.

Subd. 7. [LEVY LIMITATIONS.] Taxes levied under this section must be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.

Subd. 8. [BONDING LIMITATIONS.] Bonds may be issued under authority of this section notwithstanding any limits upon the indebtedness of a district, and their amounts must not be included in computing the indebtedness of a district for any purpose, including the issuance of later bonds and the incurring of later indebtedness.

Subd. 9. [TERMINATION OF APPROPRIATION.] The appropriation authorized in subdivision 4 must terminate upon payment or maturity of the last of those bonds.

Subd. 10. [LOCAL APPROVAL.] This section is effective for independent school district No. 316, the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 381, the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 695, the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 696, the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 697 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 699, the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 710, the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 18. [DULUTH BONDING AUTHORIZATION; TAX LEVY FOR DEBT SERVICE.]

Subdivision 1. [BONDING AUTHORIZATION.] To provide funds for the acquisition and betterment, as defined in Minnesota Statutes, section 475.51, subdivisions 7 and 8, of existing and new facilities, independent school district No. 709 may, by two-thirds majority vote of all the members of the school board, issue general obligation bonds in one or more series in each year beginning in 1990 as provided in this section. The aggregate principal amount of any bonds issued under this section for each calendar year must not exceed one-third of one percent of the market value of the taxable property in the district, as computed in accordance with Minnesota Statutes, section 475.53, subdivision 4. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or 475.59. As with

other bonds issued by independent school district No. 709, Minnesota Statutes, section 475.53, subdivision 5, does not apply to issuance of the bonds. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter 475. The authority to issue bonds under this section is in addition to any bonding authority authorized by Minnesota Statutes, chapter 124, or other law. The amount of bonding authority authorized under this section must be disregarded in calculating the bonding limit of chapter 124 or any other law other than Minnesota Statutes, section 475.53, subdivision 4, as made applicable to independent school district No. 709 by Laws 1973, chapter 266.

Subd. 2. [TAX LEVY FOR DEBT SERVICE.] To pay the principal of and interest on bonds issued under subdivision 1, independent school district No. 709 shall levy a tax in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1 and 3, to pay the principal of and interest on the bonds. The tax authorized under this section is in addition to the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or other law. The tax authorized under this section is not subject to and must be disregarded in the calculation of any levies subject to limits on levies provided in Minnesota Statutes, chapter 124A or 275, or other law.

Subd. 3. [EFFECTIVE DATE; LOCAL APPROVAL.] Subdivisions 1 and 2 are effective the day after the governing body of independent school district No. 709 complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 19. [STATE BOARD OF EDUCATION TASK FORCE ON LEARNING FACILITIES.]

Subdivision 1. [ESTABLISHMENT.] An advisory task force on learning facilities is established to assist the state board of education and legislature in formulating policy related to learning facilities.

Subd. 2. [MEMBERSHIP.] The task force shall consist of no more than 15 members appointed by the state board of education.

Subd. 3. [DUTIES.] The task force must examine learning facilities issues and make recommendations to the 1991 legislature. The task force must:

(1) develop a statewide policy regarding new construction of learning facilities;

(2) develop a statewide policy regarding remodeling and expansion of existing learning facilities;

(3) clarify the appropriate funding roles and responsibilities of state and local policy makers;

(4) evaluate existing laws, rules, guidelines and policies relating to facilities;

(5) examine the feasibility of cooperating with other community and local government programs and facilities;

(6) examine other related funding issues; and

(7) develop a statewide policy regarding the planning, construction and remodeling of facilities that permits coordination with interagency services for youth, families and the community.

Subd. 4. [REPORT.] The task force shall submit a report to the education committees of the legislature no later than February 1, 1991.

Subd. 5. [COMPENSATION.] Compensation of task force members must be as provided by Minnesota Statutes, section 15.059, subdivision 5.

Sec. 20. [FACILITIES REVIEW.]

The commissioner of education, in consultation with the advisory task force established in section 19 and other appropriate state and local officials shall:

(1) conduct an inventory of the condition of existing facilities;

(2) prepare a document for school districts that explains all statutes and rules that apply to learning facilities;

(3) develop a comprehensive on-site review form to be used when school facilities are inspected for educational adequacy, health and safety concerns, and handicapped accessibility;

(4) determine whether on-site inspectors should be certified, and if so, what qualifications are required for certification;

(5) determine whether a standard learning facilities plan should be developed by a state architect; and

(6) define information related to learning facilities that must be submitted by school districts to the department.

A recommendation must not conflict with or supplant existing law, including any law regarding inspections by the office of the

state fire marshal, or any requirement contained in the life safety code.

Sec. 21. [LEASE LEVY AUTHORITY.]

In addition to other levies authorized by law, a district may annually levy for the amounts needed to make the payments incurred under a lease purchase agreement, installment purchase agreement, or any other deferred payment agreement authorized under Minnesota Statutes, section 465.71, for which a levy was certified in 1989 or that was approved by the commissioner before July 1, 1990, under Minnesota Statutes 1989 Supplement, section 275.125, subdivision 11d.

Sec. 22. [REPEALER.]

Subdivision 1. Minnesota Statutes 1988, section 121.15, subdivision 4, is repealed effective the day after final enactment of this section.

Subd. 2. Minnesota Statutes 1988, section 124.43, subdivision 2, 3, 4, 5, and 6; and Minnesota Statutes 1989 Supplement, section 124.43, subdivision 1, are repealed. The validity of bonds issued to fund loans issued under Minnesota Statutes 1988, section 124.43 or earlier law is not impaired. Districts obligated under contracts entered into under Minnesota Statutes 1988, section 124.43 or earlier law remain obligated until the obligations end under the terms of the contract.

Sec. 23. [EFFECTIVE DATE.]

Subdivision 1. Sections 1 to 8, 10, 11, 14, 16, 17, 18, 19, 20, and 22 are effective the day after their final enactment.

Subd. 2. Section 9, subdivisions 1 to 9 and 11 to 14, are effective the day after final enactment and apply to all capital loan requests received after January 1, 1990. Section 9, subdivision 10, is effective for capital loan applications received after January 1, 1990.

Subd. 3. Section 12 is effective for health and safety projects approved the day after its final enactment.

ARTICLE 6

COOPERATION

Section 1. Minnesota Statutes 1988, section 120.062, is amended by adding a subdivision to read:

Subd. 8a. [WAIVER OF DEADLINES.] Notwithstanding subdivision 4, upon agreement of the resident and nonresident school districts, a pupil may submit an application to a nonresident district after January 1 for enrollment beginning the following school year. The pupil, the pupil's parent or guardian, the district of residence, and the district of attendance must observe, in a prompt and efficient manner, the application and notice procedures in subdivisions 4 and 6, except that the application and notice deadlines do not apply.

Sec. 2. Minnesota Statutes 1988, section 120.062, subdivision 9, is amended to read:

Subd. 9. [TRANSPORTATION.] If requested by the parent of a pupil, the nonresident district shall provide transportation within the district. The state shall pay transportation aid to the district according to section 124.225.

The resident district is not required to provide or pay for transportation between the pupil's residence and the border of the nonresident district. A parent may be reimbursed by the nonresident district for the costs of transportation from the pupil's residence to the border of the nonresident district if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government.

At the time a nonresident district notifies a parent or guardian that an application has been accepted under subdivision 5 or 6, the nonresident district must provide the parent or guardian with the following information regarding the transportation of nonresident pupils:

(1) a nonresident district may transport a pupil within the pupil's resident district only with the approval of the resident district; and

(2) a parent or guardian may appeal under section 123.39, subdivision 6, the refusal of the resident district to allow the nonresident district to transport the pupil within the resident district.

Sec. 3. Minnesota Statutes 1989 Supplement, section 122.243, subdivision 2, is amended to read:

Subd. 2. [VOTER APPROVAL.] During the first or second year of cooperation, a referendum on the question of combination shall be conducted. The referendum shall be on a date called by the school boards. The referendum shall be conducted by the school boards according to the Minnesota election law, as defined in section 200.01. If the referendum fails, the same question or a modified question may be submitted the following school year. If a question is submit-

ted, the second referendum must be conducted on a date before October 1. If the referendum fails again, the same question may not be submitted. A different question may be submitted on any date before October 1. Referendums shall be conducted on the same date in all districts.

Sec. 4. Minnesota Statutes 1989 Supplement, section 122.91, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The purpose of an education district is to increase educational opportunities for learners by increasing cooperation and coordination among school districts and post-secondary institutions and to replace other existing cooperative structures.

Sec. 5. Minnesota Statutes 1988, section 122.91, is amended by adding a subdivision to read:

Subd. 2b. [AGREEMENT; REVENUE PROVISIONS.] The education district agreement may contain a provision adopted by the vote of a majority of the full membership of each of the boards of the member school districts that allows the education district board to certify to the department of education the amount of revenue to be raised for:

(1) community education programs under sections 124.26, subdivisions 7, 8, and 8a, 124.2713, and 127.2715; and

(2) early childhood family education programs under sections 124.2711 and 275.125, subdivision 8b.

The provision must specify that the education district will certify the amount of revenue to be raised under clauses (1) and (2) for at least four consecutive years.

A member district may levy only the amount allocated by the department of education for a program for which an education district certifies the amount of revenue to be raised.

Sec. 6. Minnesota Statutes 1989 Supplement, section 122.91, subdivision 5, is amended to read:

Subd. 5. [JOINER AND WITHDRAWAL.] A process for a district to join or withdraw from an education district shall be included in the education district agreement.

If (a) A member school district withdraws must not withdraw from an education district that receives revenue under section 124.2721 before the end of the fiscal year for which a levy under section 124.2721 has been certified, a reduction in the school district's

general education aid for the fiscal year to which the levy is attributable must be made. The amount of aid reduction equals the amount that the school district certified for that year under section 124.2721 minus transition aid allocated for that levy according to section 273.1398, subdivision 6. The amount of the aid reduction shall be paid to the education district. The school district need not transfer the revenue required under section 124.2721, subdivision 3a.

(b) Notwithstanding paragraph (a), a school district that certified a levy under section 124.2725 for fiscal year 1991 may transfer from one education district to another to comply with section 122.241, subdivision 2, clause (2). The commissioner must adjust the revenue of both education districts so that the education district revenue attributable to the transferring school district is transferred from the previous education district to the new education district.

(c) By August 1 of each year, an education district must notify the department of education concerning:

(1) which school districts will be members of the education district for the purposes of certifying to the department of education the amount of revenue to be raised under section 124.2721; and

(2) whether the education district will certify the amount of revenue to be raised under section 122.91, subdivision 2b, clause (1) or (2).

Sec. 7. Minnesota Statutes 1989 Supplement, section 122.92, subdivision 1, is amended to read:

Subdivision 1. [SCHOOL DISTRICT REPRESENTATION.] The education district board shall be composed of at least one representative appointed by the school board of each member district. Each representative must be a member of the appointing school board. Each representative shall serve at the pleasure of the appointing school board and may be recalled by a majority vote of the appointing school board. Each representative shall serve for the term that is specified in the agreement. The board shall select its officers from among its members and shall determine the terms of the officers. The board shall adopt bylaws for the conduct of its business. The board may conduct public meetings via interactive television if the board complies with section 471.705 in each location where board members are present.

Sec. 8. Minnesota Statutes 1988, section 122.93, is amended by adding a subdivision to read:

Subd. 5a. [COMMUNITY COUNCIL.] The board may authorize a community council. The council must include representatives of

social service providers, education providers, local governments, community service organizations, and local businesses in each member district. Representatives to the council must be appointed by the member districts. The council must advise the board on collaborative ways that the types of groups represented by the members of the council can meet the education, social service, and health needs of the community. The council must also advise the board on ways to modify or build facilities for use by all community residents.

Sec. 9. [122.935] [COMPUTER EQUIPMENT PURCHASE AND SUPPORT.]

(a) The education district board may procure computers and related products for member districts under applicable competitive bidding procedures.

(b) Notwithstanding section 15.054, the education district board and member boards may sell computers and related products at cost to students and to staff to advance their instructional abilities. The education district board may contract on a competitive basis with a private vendor for service, maintenance, and support for computers and related products sold by the board. Any cost of servicing, maintaining, or supporting any purchase of a computer or computer related product must be paid by the purchaser.

Sec. 10. [122.937] [EDUCATION DISTRICT BARGAINING.]

Subdivision 1. [EDUCATION DISTRICT AGREEMENT.] The education district agreement may contain a provision adopted by the vote of a majority of the full membership of each of the boards of the member school districts that grants the education district board the authority to negotiate a collective bargaining agreement for teachers on behalf of all member school districts under this section. This authority may allow the education district to be the public employer of teachers for the purposes of chapter 123, 125, or 179A if so provided in the plan under subdivision 2. If this provision is not adopted by the board of any member district, the provision must not be included in the education district agreement. As used in this section, "teacher" has the meaning given it in section 179A.03, subdivision 18.

To negotiate a collective bargaining agreement under this section, an education district must:

(1) agree to negotiate collective bargaining agreements for teachers on behalf of all member districts for at least the two-year periods beginning July 1, 1991, and July 1, 1993;

(2) certify to the department of education the amount of general

education revenue to be raised for all member districts under chapter 124B for each year that the education district negotiates a collective bargaining agreement under this section; and

(3) adopt a plan under subdivision 2 that is agreed upon by the school boards and the exclusive representatives of teachers in all member districts.

Subd. 2. [EDUCATION DISTRICT BARGAINING IMPLEMENTATION PLAN.] An education district board with a collective bargaining provision under subdivision 1 must adopt, by resolution, a plan for implementing education district teacher collective bargaining. The plan must specify:

(1) whether a new bargaining unit structure will be put in place for teachers in the education district;

(2) the procedure used to determine a new bargaining unit structure, which may include certification of a new exclusive representative for the teachers in the education district;

(3) how technical college teachers in the education district will be affected by the implementation of a new bargaining unit structure for the teachers in an education district, including the option for a separate technical college bargaining unit;

(4) whether the education district board or member school boards will be the public employer of teachers for the purposes of chapter 123, 125, or 179A and any other laws governing the employment of teachers;

(5) the process for ratifying contracts by the teachers in the education district and by the member school boards or the education district board;

(6) which specific fiscal duties and responsibilities belong to member district boards and which belong to the education district board. All fiscal duties and responsibilities not specifically assigned to the education district must remain with the member district;

(7) procedures required to allow member district boards to fulfill their fiscal responsibilities and duties; and

(8) any additional information requested by the commissioner of education or the commissioner of mediation services.

A plan developed under this subdivision must be submitted to the commissioner of education and the commissioner of mediation services for review and comment.

Subd. 3. [COMBINED SENIORITY LIST.] Notwithstanding any law to the contrary, member districts of an education district that negotiates a collective bargaining agreement under this section may negotiate a plan with the exclusive representatives of the teachers in each of the member districts providing for unrequested leave of absence for teachers in the education district under section 125.12, subdivision 6a.

If compatible plans are not negotiated under section 125.12, subdivision 6a, by July 1 of the first year of the two-year period for which the education district negotiates a collective bargaining agreement under this section, the education district shall be governed by section 125.12, subdivision 6b, on the basis of a combined seniority list of all the teachers in the education district. For the purpose of establishing a combined seniority list, each member district must be considered to have started school on the same date.

Subd. 4. [BARGAINING AGREEMENT.] The terms and conditions of employment of teachers in a member district of an education district that negotiates a collective bargaining agreement under this section will be temporarily governed by the contract executed by the exclusive bargaining representative and that particular member district until a successor contract is executed.

Subd. 5. [GRIEVANCES.] An unresolved grievance in a member district must be resolved under the terms of the contract executed by the exclusive bargaining representative and the member district at the time the grievance arose.

Subd. 6. [AUTHORITY.] An education district with a plan developed under subdivision 2 has the authority to implement that plan. When the provisions required under subdivision 2, clauses (1) to (8), that are specified in the plan conflict with laws in chapter 124, 125, or 179A, the education district and member districts will be governed by the provisions in the plan.

Unless specifically provided otherwise, chapter 179A governs the rights and duties of employers and employees in an education district that negotiates a collective bargaining agreement under this section.

Subd. 7. [CONTRACT DEADLINE AND PENALTIES.] Notwithstanding any law to the contrary, an education district that negotiates a collective bargaining agreement for teachers under this section is exempt from contract deadlines and penalties for a two-year period beginning July 1, 1991.

Subd. 8. [ELIGIBILITY FOR ADDITIONAL EDUCATION DISTRICT REVENUE.] (a) An education district with a collective bargaining provision under subdivision 1 may apply to the commis-

sioner of education for additional education district revenue under section 124.2721, subdivision 2, clause (iv).

(b) To apply for additional revenue, an education district board must:

(1) add the following components to the plan developed under subdivision 2:

(i) a description of the financial status in each member district;

(ii) a description of teacher negotiations over the past ten years in each member district; and

(iii) whether the education district will implement a combined seniority list under section 125.12, subdivision 6b; and

(2) submit the plan required under subdivision 2 and clause (1), item (ii) to the commissioner of education and the commissioner of mediation services by August 1, 1990.

Subd. 9. [APPROVAL FOR ADDITIONAL REVENUE.] The commissioner of education and the commissioner of mediation services may jointly select one or two education districts eligible under subdivision 8 to receive additional education district revenue under section 124.2721, subdivision 2, clause (iv). The commissioners must make their selection based on their determination of the quality of the plan developed under subdivision 2 and the success the education district will have in implementing the plan.

By August 31, 1990, the commissioner of education must notify each education district that is eligible for additional revenue under subdivision 1 that the education district:

(1) is approved to receive the additional education district revenue;

(2) is not approved to receive the additional education district revenue; or

(3) may submit additional information as requested by the commissioner of education or the commissioner of mediation services.

By February 1, 1991, the commissioner of education must notify each education district that submits additional information under clause (3) whether the education district is approved to receive additional education district revenue under section 124.2721, subdivision 2, clause (iv).

Subd. 10. [EDUCATION DISTRICT BARGAINING REPORT.] By February 1, 1991, the commissioner of mediation services must report to the education committees of the legislature any changes in law required for an education district to effectively implement education district bargaining under this section.

Sec. 11. Minnesota Statutes 1988, section 122.94, subdivision 5, is amended to read:

Subd. 5. [ATTENDANCE IN OTHER DISTRICTS.] (a) The agreement may provide for a pupil who is a resident of a member district to enroll in programs or courses offered by another member district or transfer to another member district. A pupil and parent shall consult with a career teacher, counselor, or principal before transferring to another district. The agreement shall specify procedures for reimbursement among the member districts. The district of residence shall count all resident pupils who enroll in programs or courses or transfer to another district as its pupils for the purpose of state aid and levy limitations. The agreement shall determine whether transportation is available for pupils enrolled in programs or courses or transferring to another district.

(b) Paragraph (a) does not limit a pupil's rights under section 120.062.

Sec. 12. Minnesota Statutes 1989 Supplement, section 122.94, subdivision 6, is amended to read:

Subd. 6. [COMMON ACADEMIC CALENDAR.] For ~~1990-1991~~ 1991-1992 and later school years, the agreement must require a common academic calendar for all member districts of an education district. For purposes of this subdivision, a common academic calendar must include at least the following:

- (1) the number of days of instruction;
- (2) the first and last days of instruction in a school year; and
- (3) the specific days reserved for staff development.

Before the 1990-1991 school year, each education district must report to the state board of education on ways that other components of the academic calendar in each member district will affect the implementation of the five-year plan described in section 122.945. Other components include the length of the school day, the time the school day begins and ends, and the number of periods in the day.

Sec. 13. Minnesota Statutes 1989 Supplement, section 122.945, subdivision 2, is amended to read:

Subd. 2. [SUBMISSION AND APPROVAL OF FIVE-YEAR PLAN.] Each education district must submit a five-year plan developed according to subdivision 1 to the state board of education. An education district established before ~~January~~ November 1, 1990 1989, must submit a plan to the state board by April 1, 1990. An education district established after ~~December~~ October 31, 1989, must submit a plan to the state board by April June 1 of the first year that the education district will certify the amount of education district revenue to be raised under section 124.2721. The board must approve or disapprove the plan within 60 days of ~~receiving it from the education district~~ the required submission date.

Sec. 14. Minnesota Statutes 1988, section 123.35, is amended by adding a subdivision to read:

Subd. 19. [COMPUTER EQUIPMENT PURCHASE AND SUPPORT.] (a) A school board may procure computers and related products under applicable competitive bidding procedures.

(b) Notwithstanding section 15.054, the school board may sell computers and related products at cost to students and to staff to advance their instructional abilities. The board may contract on a competitive basis with a private vendor for service, maintenance, and support for computers and related products sold by the board. Any cost of servicing, maintaining, or supporting any purchase of a computer or related product is to be paid by the purchaser.

Sec. 15. Minnesota Statutes 1988, section 123.3514, subdivision 6, is amended to read:

Subd. 6. [FINANCIAL ARRANGEMENTS.] At the end of each school year, the department of education shall pay the tuition reimbursement amount within 30 days to the post-secondary institutions for courses that were taken for secondary credit. The amount of tuition reimbursement shall equal the lesser of:

(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course taken by the secondary pupil; or

(2) an amount equal to the difference between the basic revenue of the district for that pupil and an amount computed by multiplying the basic revenue of the district for that pupil by a ratio. The ratio to be used is the total number of hours that the pupil is enrolled in courses in the secondary school during the regular school year over the total number of secondary instructional hours per pupil in that pupil's resident district.

The amount paid for each pupil shall be subtracted from the general education aid paid to the pupil's ~~resident~~ district of attendance. If the amount to be subtracted is greater than the amount of

general education aid due the district, the excess reduction shall be made from other state aids due to the district. If a pupil is enrolled in a course for post-secondary credit, the school district shall include the pupil in the average daily membership only for the portion of time during which the pupil is enrolled in courses at the secondary school and enrolled in courses at a post-secondary institution for secondary credit.

The department shall not pay any tuition reimbursement or other costs of a course taken for post-secondary credit only.

Sec. 16. Minnesota Statutes 1988, section 123.3514, subdivision 6b, is amended 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 taken to fulfill high school graduation requirements 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 of attendance. 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 120.17, subdivision 1, 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. 17. Minnesota Statutes 1988, section 123.39, subdivision 6, is amended to read:

Subd. 6. The board may transport pupils residing outside of the district but attending school therein if these pupils present themselves within the district on one of the regular routes traveled in the

transportation of the pupils of the district. For the purposes of this subdivision, a "nonresident pupil" is a pupil who resides in one district, defined as the "resident district" and attends school in another district, defined as the "nonresident district."

A nonresident district may transport a nonresident pupil within its borders. A nonresident district may not transport a nonresident pupil on a school district owned or contractor operated school bus within the pupil's resident district without the approval of the resident district.

The parent or guardian of a nonresident pupil may submit a written request to the resident district asking that the resident district allow the nonresident district to provide transportation for the pupil within the pupil's resident district. The resident district must approve or disapprove the request, in writing, within 30 days. The parent or guardian may appeal the refusal of the resident district to the commissioner of education. The commissioner must act on the appeal within 30 days.

Sec. 18. Minnesota Statutes 1988, section 123.58, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT OF EDUCATIONAL COOPERATIVE SERVICE UNITS.] (a) In furtherance of this policy, ten educational cooperative service units are designated. Each unit, should it become operational, shall be termed an educational cooperative service unit, hereafter designated as an ECSU. Geographical boundaries for each ECSU shall coincide with those identified in governor's executive orders 8, dated September 1, 1971, and 59, dated May 29, 1973, issued pursuant to the regional development act of 1969, Minnesota Statutes, sections 462.381 to 462.397, with the following exceptions:

(i) Development regions one and two shall be combined to form a single ECSU;

(ii) Development regions six east and six west shall be combined to form a single ECSU;

(iii) Development regions seven east and seven west shall be combined to form a single ECSU.

(b) The ECSU shall cooperate with the regional development commission for the region with which its boundaries coincide but shall not be responsible to nor governed by that regional development commission.

(c) The geographic location of the central administrative office of a school district shall determine the membership of the total

school district in a particular ECSU. Existing school district boundaries shall not be altered as a result of this section.

(e) (d) Notwithstanding paragraphs (a), (b), and (c), a school district may become a full member of an ECSU other than the one in which its central administrative office is located if the district is a member of an education district or a participant in another cooperative agreement, and more than half of the member districts of the education district or participants in the cooperative agreement are members of another ECSU.

(e) Two or more identified ECSU units may, upon approval by a majority of school boards of participating school districts in each affected ECSU, be combined and administered as a single ECSU unit but state assistance shall be allocated on the basis of two or more ECSU units.

(d) (f) The initial organization of each ECSU may occur only upon petition to the state board of education by a majority of all school districts in an ECSU. The state board of education shall, upon receipt of this petition, invite representation from all public school districts and shall encourage the participation of nonpublic school administrative units to the extent allowed by law in an ECSU at a regional meeting. The state board of education shall then assist in the necessary organizational activities for establishment of an ECSU pursuant to the requirements of this section.

Sec. 19. Minnesota Statutes 1988, section 123.58, subdivision 6, is amended to read:

Subd. 6. [DUTIES AND POWERS OF ECSU BOARD OF DIRECTORS.] The board of directors shall have authority to maintain and operate an ECSU. Subject to the availability of necessary resources, the powers and duties of this board shall include the following:

(a) The board of directors shall submit within 90 days after the filing of the initial petition with the state board of education and by June 1 of each year thereafter to the state board of education and to each participating school district an annual plan which describes the objectives and procedures to be implemented in assisting in resolution of the educational needs of the ECSU. In formulating the plan the board is encouraged to consider: (1) the number of dropouts of school age in the ECSU area and the reasons for the dropouts; (2) existing programs within participating districts for dropouts and potential dropouts; (3) existing programs of the ECSU for dropouts and potential dropouts and (4) program needs of dropouts and potential dropouts in the area served by the ECSU.

(b) The ECSU board of directors may provide adequate office, service center, and administrative facilities by lease, purchase, gift,

or otherwise, subject to the review of the state board of education as to the adequacy of the facilities proposed.

(c) The ECSU board of directors may employ a central administrative staff and other personnel as necessary to provide and support the agreed upon programs and services. The board may discharge staff and personnel pursuant to provisions of law applicable to independent school districts. ECSU staff and personnel may participate in retirement programs and any other programs available to public school staff and personnel.

(d) The ECSU board of directors may appoint special advisory committees composed of superintendents, central office personnel, building principals, teachers, parents and lay persons.

(e) The ECSU board of directors may employ service area personnel pursuant to licensure standards developed by the state board of education and the board of teaching.

(f) The ECSU board of directors may enter into contracts with school boards of local districts including school districts outside the ECSU area.

(g) The ECSU board of directors may enter into contracts with other public and private agencies and institutions which may include, but are not limited to, contracts with Minnesota institutions of higher education to provide administrative staff and other personnel as necessary to furnish and support the agreed upon programs and services.

(h) The ECSU board of directors shall exercise all powers and carry out all duties delegated to it by participating local school districts under provisions of the ECSU bylaws. The ECSU board of directors shall be governed, when not otherwise provided, by the provisions of law applicable to independent school districts of the state.

(i) The ECSU board of directors shall submit an annual evaluation report of the effectiveness of programs and services to the school districts and nonpublic school administrative units within the ECSU and the state board of education by September 1 of each year following the school year in which the program and services were provided.

(j) The ECSU board is encouraged to establish cooperative, working relationships with post-secondary educational institutions in the state.

(k) The ECSU board may procure computers and related products

for participating districts under applicable competitive bidding procedures.

(l) Notwithstanding section 15.054, the ECSU board and boards of participating school districts may sell computers and related products at cost to students and to staff to advance their instructional abilities. The ECSU board may contract on a competitive basis with a private vendor for service, maintenance, and support for computers and related products sold by the board. Any cost of servicing, maintaining, or supporting any purchase of a computer or related product under this paragraph is to be paid by the purchaser.

Sec. 20. Minnesota Statutes 1989 Supplement, section 123.58, subdivision 9, is amended to read:

Subd. 9. [FINANCIAL SUPPORT FOR THE EDUCATIONAL COOPERATIVE SERVICE UNITS.] (a) Financial support for ECSU programs and services shall be provided by participating local school districts and nonpublic school administrative units with private, state and federal financial support supplementing as available. The ECSU board of directors may, in each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred, assess and certify to each participating school district and nonpublic school administrative unit its proportionate share of any and all expenses. This share shall be based upon the extent of participation by each district or nonpublic school administrative unit and shall be in the form of a service fee. Each participating district and nonpublic school administrative unit shall remit its assessment to the ECSU board as provided in the ECSU bylaws. The assessments shall be paid within the maximum levy limitations of each participating district. No participating school district or nonpublic school administrative unit shall have any additional liability for the debts or obligations of the ECSU except that assessment which has been certified as its proportionate share or any other liability the school district or nonpublic school administrative unit agrees to assume.

(b) Any property acquired by the ECSU board is public property to be used for essential public and governmental purposes which shall be exempt from all taxes and special assessments levied by a city, county, state or political subdivision thereof. If the ECSU is dissolved, its property must be distributed to the member public school districts at the time of the dissolution.

(c) A school district or nonpublic school administrative unit may elect to withdraw from participation in the ECSU by a majority vote of its full board membership and upon compliance with the applicable withdrawal provisions of the ECSU organizational agreement. Upon receipt of the withdrawal resolution reciting the necessary facts, the ECSU board shall file a certified copy with the state board of education. The withdrawal shall be effective on the June 30

following receipt by the board of directors of written notification of the withdrawal at least six months prior to June 30. Notwithstanding the withdrawal, the proportionate share of any expenses already certified to the withdrawing school district or nonpublic school administrative unit for the ECSU shall be paid to the ECSU board.

(d) Notwithstanding paragraph (c), if a member school district of an education district withdraws from an ECSU to comply with subdivision 4 the school district's withdrawal is effective on June 30, following receipt by the board of directors of the district's written notification.

(e) The ECSU is a public corporation and agency and its board of directors may make application for, accept and expend private, state and federal funds that are available for programs of educational benefit approved by the state board of education in accordance with rules adopted by the state board of education pursuant to chapter 14. The state board of education shall not distribute special state aid or federal aid directly to an ECSU in lieu of distribution to a school district within the ECSU which would otherwise qualify for and be entitled to this aid without the consent of the school board of that district.

(e) (f) The ECSU is a public corporation and agency and as such, no earnings or interests of the ECSU may inure to the benefit of an individual or private entity.

Sec. 21. Minnesota Statutes 1989 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) general education aid authorized in ~~section~~ sections 124A.23 and 124B.20;

(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) aid for pupils of limited English proficiency authorized in section 124.273;

(f) transportation aid authorized in section 124.225;

(g) community education programs aid authorized in section ~~124.271~~ 124.2713;

(h) adult education aid authorized in section 124.26;

(i) early childhood family education aid authorized in section 124.2711;

(j) capital expenditure aid authorized in sections 124.243, 124.244, and 124.83;

(k) education district aid according to section 124.2721;

(l) secondary vocational cooperative aid according to section 124.575;

(m) homestead credit under section 273.13 for taxes payable in 1989 and additional homestead and agricultural credit guarantee under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter;

(n) agricultural credit under section 273.132 for taxes payable in 1989 and additional homestead and agricultural credit guarantee under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter;

(o) homestead and agricultural credit aid and disparity reduction aid authorized in section 273.1398, subdivision 2; and

(p) attached machinery aid authorized in section 273.138, subdivision 3.

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. 22. Minnesota Statutes 1988, section 124.195, subdivision 10, is amended to read:

Subd. 10. [AID PAYMENT PERCENTAGE.] Except as provided in subdivisions 8 and 9, each fiscal year, all education aids and credits in this chapter and chapters 121, 123, 124A, 124B, 125, 126, 134, and section 273.1392, except post-secondary vocational shall be paid at 85 percent of the estimated entitlement during the fiscal year of the entitlement, unless a higher rate has been established according to section 121.904, subdivision 4d. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid as the final adjustment payment according to subdivision 6.

Sec. 23. Minnesota Statutes 1989 Supplement, section 124.26, subdivision 7, is amended to read:

Subd. 7. [ADULT BASIC EDUCATION AID.] Each school district or education district with a revenue provision under section 122.91, subdivision 2b, clause (1), shall receive aid for approved adult basic education programs equal to 75 percent of the salary for each teacher, counselor, coordinator of volunteers, and nonlicensed instructional staff. In addition, the state shall pay aid equal to 75 percent of the expenditures for benefits, contracted services, supplies, and materials. Expenditures for which the district receives federal aid shall not qualify for state aid. Up to five percent of the combined state and federal aid may be for the administrative costs of coordinating services with human services, employment, training, corrections, or other agencies providing educational services to adult learners. To receive adult basic education aid under this section, a district is defined as a school district or education district under subdivisions 1b, 1c, and 2.

Sec. 24. Minnesota Statutes 1989 Supplement, section 124.26, subdivision 8, is amended to read:

Subd. 8. [ADULT BASIC EDUCATION LEVY; SCHOOL DISTRICTS.] ~~To obtain adult basic education aid;~~ A school district may levy for approved adult basic education programs an amount not to exceed the amount raised by a gross tax capacity rate of ~~.16~~ percent times the adjusted gross tax capacity of the district for the preceding year for taxes payable in 1990 or a net tax capacity rate of ~~.20~~ .21 percent times the adjusted net tax capacity of the school district for the preceding year for taxes payable in 1991 and thereafter.

Sec. 25. Minnesota Statutes 1988, section 124.26, is amended by adding a subdivision to read:

Subd. 8a. [ADULT BASIC EDUCATION LEVY; EDUCATION DISTRICTS.] An education district with a revenue provision under section 122.91, subdivision 2b, clause (1), and an approved adult basic education program may certify to the department of education the amount of adult basic education levy to be raised. To receive revenue under this section, a district is defined as a school district or education district under subdivisions 1b, 1c, and 2. The levy must not exceed the amount raised by a net tax capacity rate of .21 percent times the adjusted net tax capacity of the education district for the preceding year for taxes payable in 1991 and later years. The department of education must allocate the levy amount proportionately among the member districts based on adjusted net tax capacity. The member districts must levy the amount allocated.

Each year, a member district must transfer adult basic revenue to the education district board according to this subdivision. By June

20 and November 30 of each year, an amount must be transferred equal to:

(1) 50 percent times

(2) the amount certified in this subdivision minus homestead and agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

Sec. 26. Minnesota Statutes 1989 Supplement, section 124.2711, subdivision 1, is amended to read:

Subdivision 1. [MAXIMUM REVENUE.] (a) The maximum revenue for early childhood family education programs for the 1989 and 1990 fiscal years for a school district is the amount of revenue derived by multiplying \$84.50 times the greater of 150 or the number of people under five years of age residing in the school district on September 1 of the preceding school year.

(b) For 1991 and later fiscal years, the maximum revenue for early childhood family education programs for a school district is the amount of revenue earned by multiplying \$87.75 times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the school district on September 1 of the last school year.

(b) For 1992 and later fiscal years, the maximum revenue for early childhood family education programs for a school district is the amount of revenue earned by multiplying \$96.50 times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the school district on September 1 of the last school year.

(c) For 1992 and later fiscal years, the maximum revenue for early childhood family education programs for an education district with a revenue provision under section 122.91, subdivision 2b, clause (2), is the amount of revenue earned by multiplying \$96.50 times the greater of:

(1) 150 times the number of member districts in the education district; or

(2) the number of people under five years of age residing in the education district on September 1 of the last school year.

Sec. 27. Minnesota Statutes 1988, section 124.2711, subdivision 2, is amended to read:

Subd. 2. [POPULATION.] For the purposes of subdivision 1, data reported to the department of education according to the provisions of section 120.095 may be used to determine the number of people under five years of age residing in the school district or education district. The commissioner, with the assistance of the state demographer, shall review the number reported by any school district or education district operating an early childhood family education program. If requested, the school district or education district shall submit to the commissioner an explanation of its methods and other information necessary to document accuracy. If the commissioner determines that the school district or education district has not provided sufficient documentation of accuracy, the commissioner may request the state demographer to prepare an estimate of the number of people under five years of age residing in the district and may use this estimate for the purposes of subdivision 1.

Sec. 28. Minnesota Statutes 1989 Supplement, section 124.2711, subdivision 3, is amended to read:

Subd. 3. [AID.] (a) If a school district complies with the provisions of section 121.882, it shall receive early childhood family education aid equal to:

(a) (1) the difference between the maximum revenue, according to subdivision 1, and the permitted levy attributable to the same school year, according to section 275.125, subdivision 8b, times

(b) (2) the ratio of the school district's actual levy to its permitted levy attributable to the same school year, according to section 275.125, subdivision 8b.

In fiscal year 1990 only, a district receiving early childhood family education aid under this subdivision or levy under section 275.125, subdivision 8b, shall receive an additional amount of aid equal to \$.95 times the greater of 150 or the number of people under five years of age residing in the district on September 1 of the last school year.

(b) If an education district with a revenue provision under section 122.91, subdivision 2b, clause (2), complies with section 121.882, it shall receive early childhood family education aid equal to the difference between:

(1) the lesser of the amount of revenue actually certified by the education district under section 275.125, subdivision 8b, paragraph (b), or the maximum revenue for the education district under section 124.2711, subdivision 1, paragraph (c); and

(2) the amount of early childhood family education levy under section 275.125, subdivision 8b, paragraph (b).

(c) A district under section 121.882 includes an education district to receive revenue under this subdivision.

Sec. 29. Minnesota Statutes 1989 Supplement, section 124.2713, is amended to read:

124.2713 [COMMUNITY EDUCATION REVENUE.]

Subdivision 1. [~~TOTAL~~ COMMUNITY EDUCATION REVENUE.] Community education revenue equals the sum of a school district's or education district's general community education revenue, youth development plan revenue, and youth service program revenue. A "district" under section 121.88 includes an education district to receive revenue under this section.

Subd. 2. [ELIGIBILITY.] (a) To be eligible for community education revenue, under this section an education district must have a provision under section 122.91, subdivision 2b, clause (1), that allows community education revenue to be certified by the education district.

(b) To be eligible for community education revenue, a school district and an education district must:

(1) operate a community education program that complies with section 121.88; and

(2) file a certificate of compliance with the commissioner of education.

(c) The certificate of compliance shall certify that a meeting was held to discuss methods of increasing cooperation among the governing boards of each county, city, and township in which the school district or education district, or any part of the school district or education district, is located, and that each governing board was sent a written notice of the meeting at least 15 working days before the meeting. The failure of a governing board to attend the meeting shall not affect the authority of the school district or education district to obtain community education revenue.

Subd. 3. [GENERAL COMMUNITY EDUCATION REVENUE.] (a) For fiscal year 1991 and thereafter, The general community education revenue for a school district equals \$5.95 times the greater of 1,335 or the population of the school district. The population of the school district is determined according to section 275.14.

(b) The general community education revenue for an education district equals \$5.95 times the greater of:

(1) 1,335 times the number of member districts in the education district; or

(2) the population of the education district.

(c) The population of the education district is the sum of the population of each member district as determined under section 275.14.

Subd. 3a. [1990 GENERAL COMMUNITY EDUCATION REVENUE.] For fiscal year 1990, the general community education revenue for each district equals \$5.75 times the greater of 1,335 or the population of the district.

Subd. 4. [YOUTH DEVELOPMENT PLAN REVENUE.] (a) Youth development plan revenue for a school district with a plan approved by the school board equals 50 cents times the greater of 1,335 or the population of the school district.

(b) Youth development plan revenue for an education district with a plan approved by the education district board equals 50 cents times the greater of:

(1) 1,335 times the number of member districts in the education district; or

(2) the population of the education district.

Subd. 5. [YOUTH SERVICE REVENUE.] (a) Youth service program revenue is available to a school district that has implemented a youth development plan and a youth service program. Youth service revenue equals 25 cents times the greater of 1,335 or the population of the school district.

(b) Youth service program revenue is available to an education district that has implemented a youth development plan and a youth service program. Youth service revenue equals 25 cents times the greater of:

(1) 1,335 times the number of member districts in the education district; or

(2) the population of the education district.

Subd. 6. [COMMUNITY EDUCATION LEVY; SCHOOL DISTRICTS.] To obtain community education revenue, a school district may levy the amount raised by a gross tax capacity rate of 0.8

percent times the adjusted gross tax capacity of the district for taxes payable in 1990 or a net tax capacity rate of 1.07 percent times the adjusted net tax capacity of the school district for taxes payable in 1991 and thereafter. If the amount of the community education levy would exceed the community education revenue, the community education levy shall equal the community education revenue.

Subd. 6a. [COMMUNITY EDUCATION LEVY; EDUCATION DISTRICTS.] (a) An education district with a revenue provision under section 122.91, subdivision 2b, clause (1), may certify to the department of education the amount of revenue to be raised for its community education program. The community education levy shall equal the product of:

(1) the ratio of the amount of revenue certified by the education district to the maximum revenue as defined in subdivision 1 times

(2) the lesser of:

(i) a net tax capacity rate of 1.07 percent times the adjusted net tax capacity of the education district for the year preceding the year the amount of revenue is certified; or

(ii) the maximum revenue as defined in subdivision 1.

The department of education must allocate the levy amount proportionately among the member districts based on adjusted net tax capacity. The member districts must levy the amount allocated.

(b) Each year, a member district must transfer community education revenue to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount must be transferred equal to:

(1) 50 percent times

(2) the amount certified in this subdivision minus homestead and agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

Subd. 7. [COMMUNITY EDUCATION AID.] (a) A school district's community education aid is the difference between its community education revenue and the community education levy. If the school district does not levy the entire amount permitted, the community education aid shall be reduced in proportion to the actual amount levied.

(b) An education district's community education aid is the difference between:

(1) the lesser of its community education revenue under subdivision 1 or the amount of revenue certified under subdivision 6a; and

(2) the amount of its community education levy under subdivision 6a.

Subd. 8. [USES OF GENERAL REVENUE.] General community education revenue may be used for:

(1) nonvocational, recreational, and leisure time activities and programs;

(2) handicapped adult programs, if the programs and budgets are approved by the department of education;

(3) adult basic education programs, according to section 124.26;

(4) summer programs for elementary and secondary pupils;

(5) implementation of a youth development plan;

(6) implementation of a youth service program;

(7) early childhood family education programs, according to section 121.882; and

(8) extended day programs, according to section 121.88, subdivision 10.

(9) In addition to money from other sources, a school district or education district may use up to ten percent of its community education revenue for equipment that is used exclusively in community education programs. This revenue may be used only for the following purposes:

(i) to purchase or lease computers and related materials;

(ii) to purchase or lease equipment for instructional programs; and

(iii) to purchase textbooks and library books.

Subd. 9. [USE OF YOUTH REVENUE.] Youth development revenue may be used only to implement the youth development plan approved by the school board or education district board. Youth service revenue may be used only to provide a youth service program according to section 121.88, subdivision 9.

Sec. 30. Minnesota Statutes 1989 Supplement, section 124.2715, is amended to read:

124.2715 [HANDICAPPED ADULT REVENUE.]

Subdivision 1. [REVENUE AMOUNT.] A school district or education district with a revenue provision under section 122.91, subdivision 2b, clause (1), that is eligible according to section 124.2713, subdivision 2, may receive revenue for a handicapped adult program. To receive revenue under this section, a district is defined as a school district or an education district in section 124.2713. Handicapped adult program revenue for a school district, education district, or a group of districts equals the lesser of:

- (1) the actual expenditures for approved programs and budgets; or
- (2) \$60,000.

Subd. 2. [AID.] Handicapped adult program aid equals the lesser of:

- (1) one-half of the actual expenditures for approved programs and budgets; or
- (2) \$30,000.

Subd. 3. [HANDICAPPED ADULT LEVY; SCHOOL DISTRICT.] A school district may levy for a handicapped adult program an amount up to the amount designated in subdivision 2. In the case of a program offered by a group of districts, the levy amount shall be apportioned among the districts according to the agreement submitted to the department of education.

Subd. 3b. [HANDICAPPED ADULT LEVY; EDUCATION DISTRICT.] (a) An education district with a revenue provision under section 122.91, subdivision 2b, clause (1), may certify to the department of education an amount not to exceed the amount indicated in subdivision 2. The department of education must allocate the levy amount proportionately among the member districts based on adjusted net tax capacity. The member districts must levy the amount allocated.

(b) Each year, a member district must transfer adult handicapped revenue to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount must be transferred equal to:

- (1) 50 percent times

(2) the amount certified in this subdivision minus homestead agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

Subd. 4. [OUTSIDE REVENUE.] A school district or education district may receive money from public or private sources to supplement handicapped adult program revenue. Aid may not be reduced as a result of receiving money from these sources.

Subd. 5. [USE OF REVENUE.] Handicapped adult program revenue may be used only to provide handicapped adult programs.

Sec. 31. Minnesota Statutes 1989 Supplement, section 124.2721, is amended to read:

124.2721 [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 sections 122.91, subdivisions 3 and 4, and 122.945. The pupil units of a school district that is a member of intermediate district No. 287, 916, or 917 may not be used to obtain revenue under this section. The pupil units of a school district may not be used to obtain revenue under this section and section 124.575.

Subd. 2. [REVENUE.] Each year the education district board shall certify to the department of education the amount of education district revenue to be raised. ~~Revenue for the Education district revenue~~ shall be the lesser of:

(1) ~~\$60 times the actual pupil units in the education district, or~~

~~(2) the amount certified by the education district board; or~~

(2) the sum of:

(i) \$60 in basic education district revenue;

(ii) \$5 for education districts that certify the amount of community education revenue to be raised under section 124.2713;

(iii) \$5 for education districts that certify the amount of early childhood family education revenue to be raised under section 124.2711; and

(iv) \$80 for education districts authorized to receive revenue under section 122.937, subdivision 4;

times the actual pupil units in the education district.

Subd. 3. [LEVY.] The education district levy is equal to the following:

(1) the education district revenue according to subdivision 2, times

(2) the lesser of

(a) one, or

(b) the ratio of the ~~adjusted gross tax capacity for taxes payable in 1990 and adjusted net tax capacity for taxes payable in 1991 and thereafter~~ of the education district divided by the number of actual pupil units in the education district to an amount equal to \$60 the sum of subdivision 2, clause (2), items (i), (ii), (iii), and (iv) for which the education district is eligible divided by 1.5 percent for taxes payable in 1990 and 1.87 percent for taxes payable in 1991 and thereafter.

The department of education shall allocate the levy amount proportionately among the member districts based on adjusted net tax capacity. The member districts shall levy the amount allocated.

Subd. 3a. [REVENUE TRANSFER.] Each year a member district shall transfer revenue to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount shall be transferred equal to:

(1) 50 percent times

(2) the amount certified in subdivision 3 minus ~~transition home-~~
~~stead and agricultural credit aid allocated for that levy according to~~
~~section 273.1398, subdivision 6.~~

Subd. 4. [AID.] The aid for an education district equals its education district revenue minus its education district levy, times the ratio of the actual amount levied to the permitted levy.

Subd. 5. [USES OF REVENUE.] Education district revenue is under the control of the education district board. Education district revenue must be used by the education district board to provide educational programs according to the agreement adopted by the education district board, as required by section 122.94.

The education district board may pay to member school districts a part of the education district revenue received by the education district under this section only for programs that are (1) available to all member districts, and (2) included in the five-year plan under section 122.945.

Subd. 6. [CONSOLIDATION.] If all member districts of an education district receiving revenue under this section or a group of member districts of an education district receiving revenue under this section that would qualify as an education district under section

122.91, subdivision 3, consolidate into a single independent school district by proceedings taken in accordance with section 122.23, that consolidated district may continue to receive education district revenue according to this section.

Sec. 32. Minnesota Statutes 1989 Supplement, section 124.2725, subdivision 8, is amended to read:

Subd. 8. [PERMANENT REVENUE.] (a) For the third year of combination and thereafter, a combined district that is not a member of an education district that receives revenue under section 124.2721 may levy an amount equal to the cooperation and combination revenue, defined in subdivision 2, the lesser of:

(i) \$50 times the actual pupil units in the combined district; or

(ii) \$50,000.

(b) A combined district that is a member of an education district receiving revenue under section 124.2721 must not receive revenue under this subdivision.

Sec. 33. Minnesota Statutes 1989 Supplement, section 124.2725, is amended by adding a subdivision to read:

Subd. 16. [COMBINATION AFTER ONE YEAR OF COOPERATION.] For the purposes of receiving revenue under this section, if districts combine after one year of cooperation:

(1) the first year of combination is defined as the second year of cooperation;

(2) the second year of combination is defined as the first year of combination;

(3) the third year of combination is defined as the second year of combination; and

(4) the fourth year of combination is defined as the third year of combination.

Sec. 34. Minnesota Statutes 1988, section 124.494, is amended by adding a subdivision to read:

Subd. 2a. [REORGANIZING DISTRICTS.] A school district that is a member of a joint powers board established under subdivision 2 and that is planning to reorganize under section 122.21, 122.22, or 122.23, must notify the joint powers board one year in advance of the effective date of the reorganization. Notwithstanding section 471.59, or any other law to the contrary, the board of a district that

reorganizes under section 122.21, 122.22, or 122.23, may appoint representatives to the joint powers board who will serve on the joint powers board for two years after the effective date of the reorganization if so authorized in the agreement establishing the joint powers board to govern the cooperative secondary facility. These representatives shall have the same powers as representatives of any other school district under the joint powers agreement.

Sec. 35. [124.4942] [MEETINGS.]

Notwithstanding any law to the contrary, the joint powers board established in section 124.494, and boards of any member districts may hold meetings in any of the member districts at a location convenient to the member districts and the public. The joint powers 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. 36. Minnesota Statutes 1988, section 124A.02, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] For the purpose of this chapter and ~~chapter~~ chapters 124 and 124B, the following terms have the meaning given them.

Sec. 37. Minnesota Statutes 1988, section 124A.036, is amended by adding a subdivision to read:

Subd. 6. [AREA LEARNING CENTER AID PAYMENTS.] General education aid paid to a district for an area learning center, as defined in sections 129B.52 to 129B.55, may include aid payments for Saturday instruction. General education aid paid to a district for staff development days permitted under section 124.19, may include aid payments for any Saturday devoted to staff development opportunities.

Sec. 38. [124B.01] [ELIGIBILITY.]

Education districts with a collective bargaining provision in the education district agreement under section 122.937, must certify general education revenue for all member districts in the education district. A member district of an education district that certifies general education revenue may levy only the amount allocated by the department of education for general education.

Sec. 39. [124B.02] [DEFINITIONS.]

Except as otherwise specified in this chapter, general education revenue for eligible education districts must be determined under

chapters 124 and 124A, as though an education district is a school district.

Sec. 40. [124B.03] [REFERENDUM LEVIES.]

Subdivision 1. [MEMBER DISTRICT REFERENDUM LEVIES.]

(a) As of the date that an education district first certifies general education revenue, the authorization for a referendum levy previously approved by the voters of a member district in that education district under section 124A.03 is canceled.

(b) The education district may certify to the department of education an amount equal to the combined dollar amount of the referendum authorized by each of the member districts for the year before the date that the education district first certifies general education revenue, unless the amount of revenue that the education district may certify is modified under subdivision 2.

(c) If the referendum levy authorizations for each of the member districts is limited to a specified number of years, the referendum levy authorization for the education district may continue for a period of time equal to the longest period authorized for any member district. If the referendum levy authorization of any member district is not limited to a specified number of years, the referendum levy authorization for the education district is not limited to a specified number of years.

Subd. 2. [REFERENDUM LEVY.] (a) The amount of general education revenue certified by an education district board under section 124B.10 may be increased in any amount that is approved by the voters of the education district at a referendum called for the purpose. The referendum may be called by the education district board or must be called by the education district board upon written petition of qualified voters of the education district. The referendum must be held on the first Tuesday after the first Monday in November. The ballot shall state the maximum amount of the increased levy as a percentage of net tax capacity, the amount that will be raised by that tax capacity rate in the first year it is to be levied, and that the tax capacity rate must be used to finance school operations. The ballot shall designate a specific number of years for which the referendum authorization applies. The ballot may contain a text with the information required in this subdivision and a question stating substantially the following:

“Shall the increase in the levy proposed by (petition to) the board of Education District No. . . , be approved?”

(b) If approved, the amount provided by the approved tax capacity rate applied to the net tax capacity for the year before the year the levy is certified is authorized for certification for the number of

years approved, if applicable, or until revoked or reduced by the voters of the education district at a later referendum.

(c) The education district board shall prepare and deliver by first class mail at least 15 days but no more than 30 days prior to the day of the election to each taxpayer at the address listed on each member district's current year's assessment roll, a notice of the referendum and the proposed levy increase. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the education district.

(d) The notice must include the following statement: "In 1989, the legislature reduced property taxes for education by increasing the state share of funding for education. However, state aid for cities and townships was reduced by a corresponding amount. As a result, property taxes for cities and townships may increase. Passage of this referendum will result in an increase in your property taxes."

(e) A referendum on the question of revoking or reducing the increased levy amount authorized under paragraph (a) may be called by the education district board and must be called by the education district board upon the written petition of qualified voters of the education district. A levy approved by the voters of the education district under paragraph (a) must be made at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one election may be held to revoke or reduce a levy for any specific year and for later years.

(f) A petition authorized by paragraph (a) or (e) shall be effective if signed by a number of qualified voters in excess of 15 percent of the average number of voters at the two most recent districtwide school elections in all the member school districts. A referendum invoked by petition must be held on the day specified in paragraph (a).

(g) The approval of 50 percent plus one of those voting on the question is required to pass a referendum.

(h) Within 30 days after the education district holds a referendum according to this subdivision, the education district shall notify the commissioner of education of the results of the referendum.

(i) The department shall allocate the amount certified by the education district board under paragraph (a) proportionately among the member districts based on net tax capacity. The member districts shall levy the amount allocated.

(j) Each year, a member district shall transfer referendum revenue to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount must be transferred equal to:

(1) 50 percent times

(2) the amount certified in this subdivision minus homestead and agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

Sec. 41. [124B.10] [GENERAL EDUCATION REVENUE.]

Subdivision 1. [GENERAL EDUCATION REVENUE.] The general education revenue for an education district that negotiates a collective bargaining agreement under section 122.937, equals the sum of the education district's basic revenue, compensatory education revenue, training and experience revenue, secondary sparsity revenue, and elementary sparsity revenue.

Subd. 2. [TRAINING AND EXPERIENCE REVENUE.] The training and experience index for an education district equals the weighted average of the ratios assigned to the full-time equivalent teachers in the education district.

Sec. 42. [124B.20] [GENERAL EDUCATION LEVY AND AID.]

Subdivision 1. [GENERAL EDUCATION LEVY.] To obtain general education revenue, an education district with a collective bargaining provision under section 122.937, may certify to the department of education an amount not to exceed the general education tax capacity rate times the adjusted net tax capacity of the education district for the preceding year. The department of education must allocate the levy amount proportionately among the member districts based on adjusted net tax capacity. The member districts must levy the amount allocated. The sum of the levies allocated to the member districts is defined as the "general education levy" for an education district. An education district general education levy is subject to the same adjustments as a school district general education levy under chapter 124A.

Subd. 2. [REVENUE TRANSFER.] Each year, a member district of an education district that certifies general education revenue for all member districts must transfer general education revenue to the education district board according to this subdivision. By June 20

and November 30 of each year, an amount must be transferred equal to:

(1) 50 percent times

(2) the amount certified in subdivision 1 minus homestead and agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

Subd. 3. [GENERAL EDUCATION AID.] General education aid equals the general education revenue under section 124B.10, subdivision 1, minus the general education levy under subdivision 1 of this section. General education aid for an education district that certifies revenue under this section must be paid to the education district.

Sec. 43. Minnesota Statutes 1988, section 126.12, subdivision 2, is amended to read:

Subd. 2. Except for technical institutes, area learning centers, and staff development days permitted as part of the required minimum number of school days, every Saturday shall be a school holiday, except that school may be held on a Saturday if necessary to meet the requirement in section 124.19 of making a good faith attempt to make up time lost on account of circumstances which were beyond the control of the school board. The school board shall determine the number of school days of each school year on or before April 1 of the calendar year in which such school year commences.

Sec. 44. Minnesota Statutes 1988, section 129B.53, subdivision 3, is amended to read:

Subd. 3. [RULES EXEMPTION.] Notwithstanding section 126.12 or any other law to the contrary, the center programs must be available throughout the entire year and may be available on Saturdays for pupils attending programs on those days. Pupils in a center may receive instruction for more than or less than the daily number of hours required by the rules of the state board of education. However, a pupil must receive instruction each year for at least the total number of instructional hours required by statutes and rules. A center may petition the state board under Minnesota Rules, part 3500.1000, for exemption from other rules.

Sec. 45. Minnesota Statutes 1988, section 275.125, subdivision 4, is amended to read:

Subd. 4. [MISCELLANEOUS LEVY AUTHORIZATIONS.] (a) A school district may levy the amounts necessary to make payments for bonds issued and for interest thereon, including the bonds and interest thereon, issued as authorized by Minnesota Statutes 1974,

section 275.125, subdivision 3, clause (7)(C); the amounts necessary for repayment of debt service loans and capital loans; the amounts necessary to pay the district's obligations under section 6.62; the amount authorized for liabilities of dissolved districts pursuant to section 122.45; the amounts necessary to pay the district's obligations under section 268.06, subdivision 25; the amounts necessary to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.08; the amounts necessary to pay the district's obligations under section 127.05; the amounts authorized by section 122.531; and the amounts necessary to pay the district's obligations under section 122.533.

(b) An education district that negotiates a collective bargaining agreement for teachers under section 122.937 may certify to the department of education the amount necessary to pay all of the member districts' obligations and the education district's obligations under section 268.06, subdivision 25.

The department of education must allocate the levy amount proportionately among the member districts based on adjusted net tax capacity. The member districts must levy the amount allocated.

(c) Each year, a member district of an education district that levies under this subdivision must transfer the amount of revenue certified under paragraph (b) to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount must be transferred equal to:

(1) 50 percent times

(2) the amount certified in paragraph (b) minus homestead and agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

Sec. 46. Minnesota Statutes 1989 Supplement, section 275.125, subdivision 8b, is amended to read:

Subd. 8b. [EARLY CHILDHOOD FAMILY EDUCATION LEVY.]

(a) A school district may levy for its early childhood family education program. The amount levied shall must not exceed the lesser of:

(a) a gross tax capacity rate of .4 percent times the adjusted gross tax capacity for taxes payable in 1990 or (1) a net tax capacity rate of .49 .54 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter of the school district for the year preceding the year the levy is certified, or

(b) (2) the maximum revenue as defined in section 124.2711, subdivision 1, for the school year for which the levy is attributable.

(b) An education district with a revenue provision under section 122.91, subdivision 2b, clause (2), may certify to the department of education the amount of revenue to be raised for its early childhood family education program. The early childhood family education levy shall equal the product of:

(1) the ratio of the amount of revenue actually certified by the education district to the maximum revenue as defined by section 124.2711, subdivision 1, paragraph (c); times

(2) the lesser of:

(i) a net tax capacity rate of .54 percent times the adjusted net tax capacity of the education district for the year before the year the amount of revenue is certified; or

(ii) the maximum revenue as defined in section 124.2711, subdivision 1, paragraph (c), for the school year for which the revenue is attributable.

The department of education must allocate the levy amount proportionately among the member districts based on adjusted net tax capacity. The member districts must levy the amount allocated.

(c) Each year, a member district of an education district that levies under this subdivision shall transfer early childhood family education revenue to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount must be transferred equal to:

(1) 50 percent times

(2) the amount certified in paragraph (b) minus homestead and agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

Sec. 47. Minnesota Statutes 1988, section 471.59, subdivision 2, is amended to read:

Subd. 2. [AGREEMENT TO STATE PURPOSE.] Such agreement shall state the purpose of the agreement or the power to be exercised and it shall provide for the method by which the purpose sought shall be accomplished or the manner in which the power shall be exercised. When the agreement provides for use of a joint board, the board shall be representative of the parties to the agreement. A joint board that is composed of school district members may conduct public meetings via interactive television if the board complies with section 471.705 in each location where board members are present. Irrespective of the number, composition, terms, or qualifications of its members, such board is deemed to comply with statutory or

charter provisions for a board for the exercise by any one of the parties of the power which is the subject of the agreement.

Sec. 48. [COOPERATION AND COMBINATION DEFICIENCY.]

\$432,000 is appropriated from the general fund to the department of education for fiscal year 1991 for a deficiency in the amount appropriated for cooperation and combination aid. This amount is added to the appropriation in Laws 1989, chapter 329, article 6, section 53, subdivision 3.

Sec. 49. [EFFECTIVE DATE.]

Section 6, paragraph (b) is retroactively effective January 1, 1990. Sections 7, 13, 18, 20, 35, 37, 43, 44, and 47 are effective the day after their final enactment.

ARTICLE 7

OTHER AIDS AND LEVIES

Section 1. [SHAKOPEE; 1991 AID CALCULATIONS.]

For purposes of determining state aids for taxes payable in 1991, the fiscal disparity prior year adjustments in the city of Shakopee for taxes payable years 1986, 1987, and 1988 shall not be recognized.

Sec. 2. [LOCAL APPROVAL.]

Section 1 is effective the day following compliance by the Shakopee city council with Minnesota Statutes, section 645.021, subdivision 2.

ARTICLE 8

OTHER PROGRAMS

Section 1. Minnesota Statutes 1989 Supplement, section 121.111, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The commissioner shall establish and maintain an office of educational leadership is established within the department of education. The purpose of the office is to assist school districts, education districts, and other education organizations in developing education policies that maximize the learning of all pupils.

Sec. 2. Minnesota Statutes 1989 Supplement, section 121.111, subdivision 2, is amended to read:

Subd. 2. [OFFICE STRUCTURE.] The assistant commissioner of instructional effectiveness, in consultation with the assistant commissioner of development and partnership effectiveness, shall administer the office of educational leadership. A director in the unclassified service appointed by the assistant commissioner of instructional effectiveness shall manage the office.

Sec. 3. Minnesota Statutes 1988, section 123.9361, is amended to read:

123.9361 [ADMINISTRATIVE COSTS.]

Each year, a school district or intermediary service area may claim and receive from the department of education an additional sum for the actual cost of administration of sections 123.933 and 123.935, which shall not exceed an amount equal to five percent of the district's or area's allocation for that year pursuant to those sections.

Sec. 4. Minnesota Statutes 1988, section 123.947, is amended to read:

123.947 [RESTRICTIONS TO PREVENT IMPROPER USE OF INDIVIDUALIZED INSTRUCTIONAL MATERIALS.]

(a) The department of education shall assure that textbooks and individualized instructional materials loaned to nonpublic school pupils are secular, neutral, nonideological and that they are incapable of diversion for religious use.

(b) Textbooks and individualized instructional materials shall not be used in religious courses, devotional exercises, religious training or any other religious activity.

(c) Textbooks and individualized instructional materials shall be loaned only to individual pupils upon the request of a parent or guardian or the pupil on a form designated for this use by the department of education. The request forms shall provide for verification by the parent or guardian or pupil that the requested textbooks and individualized instructional materials are for the use of the individual pupil in connection with a program of instruction in the pupil's elementary or secondary school.

(d) The department of education or the servicing school district or the intermediary service area shall take adequate measures to ensure an accurate and periodic inventory of all textbooks and individualized instructional materials loaned to elementary and secondary school pupils attending nonpublic schools. The state board of education shall promulgate rules under the provisions of chapter 14 to terminate the eligibility of any nonpublic school pupil if the department or the servicing school district or intermediary service

area of education determines, after notice and opportunity for hearing, that the textbooks and individualized instructional materials have been used in a manner contrary to the provisions of section 123.932, subdivision 1e, 123.933 or this section or any rules promulgated by the state board of education.

(e) Nothing contained in section 123.932, subdivision 1e, 123.933 or this section shall be construed to authorize the making of any payments to a nonpublic school or its faculty, staff or administrators for religious worship or instruction or for any other purpose.

Sec. 5. [125.188] [ALTERNATIVE PREPARATION LICENSING.]

Subdivision 1. [REQUIREMENTS.] (a) A preparation program that is an alternative to the higher education teacher preparation program as a means to acquire an entrance license is established. The program may be offered in all instructional fields.

(b) To participate in the alternative preparation program the candidate must:

(1) have a bachelor's degree;

(2) pass state tests of skills in reading, writing, and mathematics administered by the board of teaching;

(3) have been offered a job to teach in a school district, consortium of districts, or an education district approved by the state board of teaching to offer an alternative preparation licensure program;

(4)(i) document a college major in the subject area to be taught; or

(ii) have five years of experience in a related field; and

(5) document successful experiences with children or in areas related to the subject to be taught.

(c) The alternative preparation license is of one year duration and is issued by the state board of teaching to participants on admittance to the alternative preparation program. The standard entrance license must be issued by the state board of teaching upon satisfactory completion of the program.

Subd. 2. [INELIGIBLE.] The following classes of persons are ineligible to participate in the alternative preparation program:

(1) persons licensed as elementary or secondary school teachers in Minnesota or another state; and

(2) persons who have been convicted of a felony.

Subd. 3. [CHARACTERISTICS.] The alternative preparation program has the following characteristics:

(1) a training phase conducted by a resident mentorship team made up of administrators, teachers, and college or university faculty members;

(2) a preinstruction phase involving intensive preparation before taking charge of a classroom;

(3) formal instruction and peer coaching during the school year;

(4) regular evaluation and assessment of the candidates to determine the candidate's specific needs and to try to ensure the candidates satisfactory completion of the program;

(5) a research based and results oriented approach focused on skills teachers need to be effective;

(6) assurance of integration of education theory and classroom practices;

(7) the shared design and delivery of training between school district personnel and college and university faculty; and

(8) regular systematic supervision of the alternative preparation candidate.

Subd. 4. [PROGRAM APPROVAL.] (a) The board of teaching shall approve alternative preparation programs based on criteria adopted by the board after hearing recommendations on the subject from an advisory task force appointed by the board.

(b) An alternative preparation program at a school district, consortium of schools, or an education district must have an affiliation with a post-secondary institution of teacher preparation.

Subd. 5. [APPROVAL FOR STANDARD ENTRANCE LICENSE.] The resident mentorship team must prepare for the board of teaching an evaluation report on the performance of the alternative preparation licensee during the school year and a positive or negative recommendation on whether the alternative preparation licensee shall receive a standard entrance license.

Subd. 6. [STANDARD ENTRANCE LICENSE.] The board of teaching shall issue a standard entrance license to an alternative preparation licensee who has successfully completed the school year in the alternative preparation program and who has received a positive recommendation from the licensee's mentorship team.

Subd. 7. [QUALIFIED TEACHER.] A person with a valid alternative preparation license is a qualified teacher within the meaning of section 125.04.

Sec. 6. Minnesota Statutes 1988, section 125.231, subdivision 6, is amended to read:

Subd. 6. [REPORT TO THE LEGISLATURE.] By January 1, 1988 1991, the commissioner of education shall report to the legislature on how the teacher mentoring task force recommendations are being implemented for a system of incentives at the state and local level to assure that highly capable individuals are attracted to and retained in the teaching profession and for ways in which teachers can be empowered through expanding to new and more professional roles.

By January 1 of ~~1989~~ and 1990 and 1991, the commissioner of education shall report to the legislature on the design, development, implementation, and evaluation of the mentorship program.

Sec. 7. [126.112] [MINNESOTA EDUCATION IN AGRICULTURE COUNCIL.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota education in agriculture council is established to promote education about agriculture.

Subd. 2. [GOVERNANCE.] The council is governed by an executive council board of directors. The board must be appointed by the governor and have 12 members. One member must be appointed from each congressional district and the remaining members must be appointed at large. Board terms and removal of members are as provided in section 15.0575. The board may organize and appoint committees as it considers necessary. Board members may receive reimbursement for expenses only if sources other than a direct legislative appropriation are available to pay the costs of members' reimbursement.

Sec. 8. Minnesota Statutes 1989 Supplement, section 129.128, is amended to read:

129.128 [COMMISSIONER TO REPORT ON LEAGUE TO LEGISLATURE.]

Subdivision 1. [ANNUALLY ANNUAL REPORT.] The commissioner of education must report to the legislature before each regular session on the activities of the league. The report must contain at least:

(1) an accurate and concise summary of the annual financial and compliance audit prepared by the state auditor that includes infor-

mation about the compensation of and the expenditures by the executive director of the league and league staff;

(2) a list of all complaints filed with the league and all lawsuits filed against the league and the disposition of those complaints and lawsuits;

(3) an explanation of the executive director's performance review;

(4) information about the extent to which the league has implemented its affirmative action policy, its comparable worth plan, and its sexual harrassment and violence policy and rules; and

(5) an evaluation of any proposed changes in league policy.

Subd. 2. [URGE NEEDED LAWS RECOMMEND LAWS.] The commissioner must recommend to the legislature whether any legislation is made necessary by league activities. The commissioner may recommend legislation based upon the contents of the commissioner's annual report presented to the legislature under subdivision 1.

Sec. 9. Minnesota Statutes 1989 Supplement, section 275.125, subdivision 6i, is amended to read:

Subd. 6i. [RULE COMPLIANCE LEVY.] Each year a district that is required to implement a plan according to the requirements of Minnesota Rules, parts 3535.0200 to 3535.2200, may levy an amount not to exceed a gross tax capacity rate of 30 percent times the adjusted gross tax capacity of the district for taxes payable in 1990 or a net tax capacity rate of 1-0 2.0 percent times the adjusted net tax capacity of the district for taxes payable in 1991 and thereafter. Independent school district No. 625, St. Paul, may levy according to this subdivision and subdivision 6e. Notwithstanding section 121.904, the entire amount of this levy shall be recognized as revenue for 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. 10. Laws 1984, chapter 463, article 6, section 15, subdivision 2, is amended to read:

Subd. 2. [USE OF PROCEEDS.] The district shall establish a special account in the general fund which must be designated "appropriated fund balance reserve account to reduce preconsolidation operating debt" on its books and records. The account must reflect the levy authorized under this section. The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

Sec. 11. Laws 1989, chapter 329, article 11, section 15, subdivision 2, is amended to read:

Subd. 2. [TEACHER MENTORSHIP.] ~~For grants~~ To develop mentoring programs in school districts according to Minnesota Statutes, section 125.231:

\$250,000 1990

\$250,000 1991

Any unexpended balance in the first year does not cancel and is available for the second year.

\$110,000 each year is to provide \$10,000 annual grants to existing demonstration sites to further develop teacher mentorship programs. The department of education, in cooperation with the demonstration sites, must assist any interested district, group of districts, or coalition of districts, teachers and teacher education institutions in developing a teacher mentorship program.

\$90,000 each year is to provide grants to at least 18 districts, groups of districts or coalition of districts, teachers and teacher education institutions to initiate a teacher mentorship program that includes at least five probationary teachers. The commissioner shall award grants according to Minnesota Statutes, section 125.231, subdivisions 3 and 4. Grant program recipients must participate in training sessions and collaborate with existing demonstration sites.

\$50,000 each year is to evaluate the teacher mentorship program and to provide training and assistance.

Sec. 12. Laws 1989, chapter 329, article 11, section 15, subdivision 12, is amended to read:

Subd. 12. [ACADEMIC EXCELLENCE FOUNDATION.] For the academic excellence foundation according to Minnesota Statutes, section 121.612:

\$160,000 1990

\$160,000 1991

Up to \$50,000 each year is contingent upon the department's receipt match of \$1 in the previous year from private sources consisting of either direct monetary contributions or in-kind contributions of related goods or services, for each \$1 of the appropriation. The commissioner of education must certify receipt of the private matching funds monetary contributions and in-kind contributions. The unencumbered balance of the amount actually appropriated

from the contingent amount in 1990 does not cancel but is available in 1991. The amount carried forward must not be used to establish a larger annual base in the appropriation for later fiscal years.

Sec. 13. Laws 1989, chapter 329, article 11, section 16, subdivision 2, is amended to read:

Subd. 2. [FACULTY EXCHANGE.] For expenses incurred by elementary and secondary teachers participating participants in the faculty education exchange:

\$25,000 1990

This appropriation is available until June 30, 1991.

Sec. 14. [AKELEY FUND TRANSFER.]

Notwithstanding Minnesota Statutes, section 121.912, independent school district No. 301, Akeley, may permanently transfer any surplus amount from the capital expenditure fund to the general fund. The transfer is contingent upon independent school district No. 301, Akeley, consolidating under Minnesota Statutes, section 122.23, with independent school district No. 119, Walker. The transfer must take place before the end of the first full fiscal year that the consolidation is in effect. The transfer must be made to the general fund of the consolidated district.

Sec. 15. [SCHOOL OF EXCELLENCE.]

(a) The Minnesota academic excellence foundation and the department of education, in consultation with the state curriculum advisory committee, shall consider and prepare a report on the feasibility of establishing a Minnesota school of excellence program based upon the national school of excellence program. The report must at least discuss and recommend:

(1) standards of excellence established under the national school of excellence program that may be incorporated in a similar state program;

(2) criteria for showing improvement in academic performance over time by schools or districts participating in a state school of excellence program;

(3) alternatives for implementing a state school of excellence program based upon a detailed cost analysis of such a program;

(4) options for providing an external review process to verify the contents of an application submitted by a participating school or district; and

(5) funding mechanisms for permitting participating schools or districts to assist other schools or districts interested in participating in a state school of excellence program.

(b) The Minnesota academic excellence foundation and the department is to submit the report to the education committees of the legislature by February 1, 1991.

Sec. 16. [BOARD OF TEACHING APPROPRIATION.]

Subdivision 1. [BOARD OF TEACHING.] The sums indicated in this section are appropriated from the general fund to the board of teaching in the fiscal year indicated.

Subd. 2. [MENTORSHIP SITE GRANTS.] For grants for operating cooperative ventures between school district and post-secondary teacher preparation institutions:

\$150,000 1991

An application for a grant must be made by the cooperative. The funds must be used primarily to pay for coordination, instruction, and evaluation provided by the resident mentorship team.

Subd. 3. [FELLOWSHIP GRANTS.] For fellowship grants to highly qualified minorities seeking alternative preparation for licensure:

\$50,000 1991

A grant is not to exceed \$5,000 with one-half paid each year for two years. Grants must be awarded on a competitive basis by the board. Grant recipients must agree to remain as teachers in the district for two years if they satisfactorily complete the alternative preparation program and if their contracts as probationary teachers are renewed.

Subd. 4. [SKILLS ASSESSMENT.] To continue to define the knowledge, skills, and dispositions that should be acquired and demonstrated by all candidates for licensure:

\$100,000 1991

Subd. 5. [LICENSURE EVALUATION.] To continue the evaluation of the effectiveness of baccalaureate, post-baccalaureate, and alternative teacher preparation programs in the state:

\$75,000 1991

Sec. 17. ["WAY TO GROW" APPROPRIATION.]

\$150,000 is appropriated in fiscal year 1991 from the general fund to the commissioner of state planning to award three grants under Minnesota Statutes, section 145.926. The grants must go to eligible applicants located outside the seven-county metropolitan area. Grant recipients must coordinate their programs with existing community-based programs serving children prebirth to age five. Grant recipients may use up to two percent of this appropriation for administrative costs.

This appropriation must not be used to establish a larger annual base appropriation for fiscal year 1992 and after.

Sec. 18. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [GRANTS TO SUBURBS.] For grants to suburban districts to assist districts required to implement desegregation plans in implementing those plans:

\$200,000 1991

Grants are available to suburban districts for educational costs associated with implementing plans that have been approved by the state board.

Subd. 3. [REPORT ON SCHOOL OF EXCELLENCE.] To prepare a report on the feasibility of establishing a Minnesota school of excellence program:

\$20,000 1991

Sec. 19. [EFFECTIVE DATE.]

Sections 1, 2, 5, 11, 12 and 13 are effective the day following final enactment.

ARTICLE 9

MISCELLANEOUS

Section 1. Minnesota Statutes 1989 Supplement, section 121.612, subdivision 3, is amended to read:

Subd. 3. [BOARD OF DIRECTORS.] The board of directors of the foundation shall consist of the commissioner of education, a member of the state board of education selected by the state board who shall

serve as chair and ~~15~~ 20 members to be appointed by the governor. Of the ~~15~~ 20 members appointed by the governor, ~~six~~ eight shall represent various education groups and ~~nine~~ 12 shall represent various business groups. The commissioner of education shall serve as secretary for the board of directors and provide administrative support to the foundation. An executive committee of the foundation board composed of the board officers and chairs of board committees, may only advise and make recommendations to the foundation board.

Sec. 2. Minnesota Statutes 1989 Supplement, section 121.612, subdivision 5, is amended to read:

Subd. 5. [POWERS AND DUTIES.] The foundation may:

- (1) establish and collect membership fees;
- (2) publish brochures or booklets relating to the purposes of the foundation and collect reasonable fees for the publications;
- (3) receive money and, grants, and in-kind goods or services from nonstate sources for the purposes of the foundation;
- (4) contract with consultants; and
- (5) expend money for awards and other forms of recognition and appreciation.

Sec. 3. Minnesota Statutes 1989 Supplement, section 121.88, subdivision 9, is amended to read:

Subd. 9. [YOUTH SERVICE PROGRAMS.] A school board may offer, as part of a community education program with a youth development program, a plan must include a youth service program for pupils to promote active citizenship and to address community needs through youth service. The school board may award up to one credit, or the equivalent, toward graduation for a pupil who completes the youth service requirements of the district. The community education advisory council shall design the program in cooperation with the district planning, evaluating and reporting committee and local organizations that train volunteers or need volunteers' services. Programs must include:

- (1) preliminary training for pupil volunteers conducted, when possible, by organizations experienced in such training;
- (2) supervision of the pupil volunteers to ensure appropriate placement and adequate learning opportunity;

(3) sufficient opportunity, in a positive setting for human development, for pupil volunteers to develop general skills in preparation for employment, to enhance self esteem and self worth, and to give genuine service to their community; and

(4) integration of academic learning with the service experience into the curriculum.

Youth service projects include, but are not limited to, the following:

(1) human services for the elderly, including home care and related services;

(2) tutoring and mentoring;

(3) training for and providing emergency services;

(4) services at extended day programs; and

(5) environmental services.

The commissioner shall maintain a list of acceptable projects with a description of each project. A project that is not on the list must be approved by the commissioner.

A youth service project must have a community sponsor that may be a governmental unit or nonprofit organization. To assure that pupils provide additional services, each sponsor must assure that pupil services do not displace employees or reduce the workload of any employee.

The commissioner must assist districts in planning youth service programs, implementing programs, and developing recommendations for obtaining community sponsors.

Sec. 4. Minnesota Statutes 1988, section 121.908, subdivision 3, is amended to read:

Subd. 3. By December 31 of the calendar year of the submission of the unaudited financial statement, the district shall provide to the commissioner and state auditor an audited financial statement prepared in a form which will allow comparison with and correction of material differences in the unaudited statement. The audited financial statement must also provide a statement of assurance pertaining to uniform financial accounting and reporting standards compliance.

Sec. 5. Minnesota Statutes 1988, section 121.917, subdivision 4, is amended to read:

Subd. 4. (1) If the net negative undesignated fund balance in all the funds of a school district, other than statutory operating debt pursuant to section 121.914, capital expenditure, building construction, debt service, trust and agency, and post-secondary vocational technical education funds, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts, as of June 30 each year, is more than 2-1/2 percent of the year's expenditure amount, the district shall, prior to September 15, submit a special operating plan to reduce the district's deficit expenditures to the commissioner of education for approval. The commissioner may also require the district to provide evidence that the district meets and will continue to meet all of the curriculum requirements of the state board.

Notwithstanding any other law to the contrary, a district submitting a special operating plan to the commissioner under this clause which is disapproved by the commissioner shall not receive any aid pursuant to ~~chapter~~ chapters 124 and 124A until a special operating plan of the district is so approved.

(2) A district shall receive aids pending the approval of its special operating plan under clause (1). A district which complies with its approved operating plan shall receive aids as long as the district continues to comply with the approved operating plan.

Sec. 6. Minnesota Statutes 1988, section 123.33, subdivision 1, is amended to read:

Subdivision 1. The care, management, and control of independent districts shall be vested in a board of directors, to be known as the school board. The term of office of a member shall be three years and until a successor qualifies. The membership of the school board shall consist of six elected directors together with such ex officio member as may be provided by law. But the board may submit to the electors at any school election the question whether the board shall consist of seven members and if a majority of those voting on the proposition favor a seven member board, a seventh member shall be elected at the next election of directors for a three-year term and thereafter the board shall consist of seven members.

Those districts with a seven member board may submit to the electors at any school election at least 150 days before the next election of three members of the board the question whether the board shall consist of six members. If a majority of those voting on the proposition favor a six member board instead of a seven member board, two members instead of three members shall be elected at the next election of the board of directors and thereafter the board shall consist of six members.

Sec. 7. Minnesota Statutes 1988, section 123.35, is amended by adding a subdivision to read:

Subd. 20. [HEALTH INSURANCE COSTS OF BOARD MEMBERS.] Notwithstanding section 471.61, a school board, ECSU board, or education district board must not pay for a board member to enroll in or continue coverage under a policy of accident and health insurance regulated under chapter 62A, a health maintenance contract regulated under chapter 62A, a health benefit certificate offered through a fraternal beneficiary association regulated under chapter 64B, or a group subscriber contract offered by a nonprofit health service plan corporation regulated under chapter 62A.

Sec. 8. Minnesota Statutes 1988, section 123.37, subdivision 1, is amended to read:

Subdivision 1. No contract for work or labor, or for the purchase of furniture, fixtures, or other property, except books registered under the copyright laws, or for the construction or repair of school houses, the estimated cost or value of which shall exceed that specified in section 471.345, subdivision 3, shall be made by the school board without first advertising for bids or proposals by two weeks' published notice in the official newspaper. This notice shall state the time and place of receiving bids and contain a brief description of the subject matter.

Additional publication in the official newspaper or elsewhere may be made as the board shall deem necessary.

After taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids, every such contract shall be awarded to the lowest responsible bidder, be duly executed in writing, and be otherwise conditioned as required by law. The person to whom the contract is awarded shall give a sufficient bond to the board for its faithful performance. Notwithstanding section 574.26 or any other law to the contrary, on a contract for the purchase of a finished tangible product, a school board may require, at its discretion, a performance bond of a contractor in the amount the board considers necessary. A record shall be kept of all bids, with names of bidders and amount of bids, and with the successful bid indicated thereon. A bid containing an alteration or erasure of any price contained in the bid which is used in determining the lowest responsible bid shall be rejected unless the alteration or erasure is corrected as herein provided. An alteration or erasure may be crossed out and the correction thereof printed in ink or typewritten adjacent thereto and initialed in ink by the person signing the bid. In the case of identical low bids from two or more bidders, the board may, at its discretion, utilize 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. In the case where only a single bid is received, the board may, at its discretion, negotiate a mutually agreeable contract with the bidder so long as the price paid does not exceed the original bid. If no

satisfactory bid is received, the board may readvertise. Standard requirement price contracts established for supplies or services to be purchased by the district shall be established by competitive bids. Such 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. Either party to the contract may request that the other party demonstrate such increase or decrease. The term of such contracts shall not exceed two years with an option on the part of the district to renew for an additional two years. Provided that in the case of purchase of perishable food items except milk for school lunches and vocational training programs a contract of any amount may be made by direct negotiation by obtaining two or more written quotations for the purchase or sale, when possible, without advertising for bids or otherwise complying with the requirements of this section or section 471.345, subdivision 3. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof.

Every contract made without compliance with the provisions of this section shall be void. Provided, that in case of the destruction of buildings or injury thereto, where the public interest would suffer by delay, contracts for repairs may be made without advertising for bids.

Sec. 9. Minnesota Statutes 1988, section 123.38, subdivision 1, is amended to read:

Subdivision 1. Whenever it shall appear to be beneficial and for the best interest of the district and the pupils of the district to carry on any school sport activities or educational activities connected with their studies outside of the territorial limits of the school district, the board may must authorize such activities to be conducted under such rules and regulations as the board deems sufficient. The district may pay all necessary costs therefor including transportation from the school district funds available.

Sec. 10. Minnesota Statutes 1988, section 123.38, subdivision 2b, is amended to read:

Subd. 2b. The board may must take charge of and control all extra curricular activities of the teachers and children of the public schools in the district. Extra curricular activities shall mean all direct and personal services for public school pupils for their enjoyment that are managed and operated under the guidance of an adult or staff member. Extra curricular activities have all of the following characteristics:

(a) They are not offered for school credit nor required for graduation;

(b) They are generally conducted outside school hours, or if partly during school hours, at times agreed by the participants, and approved by school authorities;

(c) The content of the activities is determined primarily by the pupil participants under the guidance of a staff member or other adult.

If the board does not take charge of and control extra curricular activities, these activities shall be self-sustaining with all expenses, except direct salary costs and indirect costs of the use of school facilities, met by dues, admissions or other student fundraising events; moreover, the general fund or the technical institutes fund, if applicable, shall reflect only those salaries directly related to and readily identified with the activity and paid by public funds and other revenues and expenditures for extra curricular activities shall be recorded pursuant to the "Manual of Instructions for Uniform Student Activities Accounting for Minnesota School Districts." If the board takes charge of and controls extra curricular activities, any or all costs of these activities may be provided from school revenues and all revenues and expenditures for these activities shall be recorded in the same manner as other revenues and expenditures of the district. If the board takes charge of and controls extra curricular activities, no such activity shall be participated in by the teachers or pupils in the district, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the board. If a school board does not authorize an extracurricular activity, a teacher or pupil must not participate in that activity. The school name, or any allied name, must not be used in an extracurricular activity without approval from the school board.

Sec. 11. Minnesota Statutes 1988, section 124.195, is amended by adding a subdivision to read:

Subd. 13. [DELAY OF PAYMENTS.] If the audited financial report required in section 121.908, subdivision 3, has not been corrected and submitted by June 30 following the date it is required to be submitted, the commissioner shall delay payments made according to subdivision 3 until the district correctly submits the report. If the commissioner determines that the report is delayed because of circumstances beyond the district's control, the commissioner may extend the June 30 deadline.

Sec. 12. Minnesota Statutes 1989 Supplement, section 124A.22, subdivision 2a, is amended to read:

Subd. 2a. [ELIGIBILITY FOR INCREASE CONTRACT DEADLINE AND PENALTY.] (a) The following definitions apply to this subdivision:

(1) "Public employer" means:

(i) a school district; and

(ii) a public employer, as defined by section 179A.03, subdivision 15 (other than a school district) that, (A) negotiates a contract under chapter 179A with teachers, and (B) is established by, receives state money, or levies under chapters 120 to 129B or 136D, or section 275.125.

(2) "Teacher" means a person, other than a superintendent or assistant superintendent, principal, assistant principal, or a supervisor or confidential employee who occupies a position for which the person must be licensed by the board of teaching, state board of education, or state board of vocational technical education.

(b) Notwithstanding subdivision 2 or any other law to the contrary, if a school board public employer and the bargaining unit exclusive representative of the teachers in a school district have not ratified shall both sign a contract by collective bargaining agreement on or before January 15, 1990, for the two year period ending June 30, 1991, the district is no longer eligible for \$25 of the formula allowance for fiscal year 1990 of each even-numbered calendar year. The total amount of money that would have been paid to districts that are not eligible according to this subdivision If a collective bargaining agreement is not signed by that date, state aid paid to the public employer for that fiscal year must be reduced. However, state aid must not be reduced if:

(1) a public employer and the exclusive representative of the teachers have submitted all unresolved contract items to interest arbitration according to section 179A.16 before the last December 31 and filed required final positions on all unresolved items with the commissioner of mediation services before the signing deadline; and

(2) the arbitration panel has issued its decision within 60 days after the date the final positions were filed.

(c) The reduction in aid equals \$25 times

(1) the number of actual pupil units in a school district during that fiscal year; or

(2) the number of actual pupil units in a program provided by a public employer other than a school district during the last fiscal year.

The department of education shall determine the number of full-time equivalent actual pupil units in a school district or in a program provided by a public employer, and shall reduce general

education aid accordingly. If general education aid is insufficient to pay the reduction, or is not paid, the department shall reduce other state aids.

(d) Reductions from aid to school districts and public employers other than school districts shall be allocated returned to eligible districts according to the number of actual pupil units in all of the eligible districts the general fund.

Sec. 13. Minnesota Statutes 1988, section 125.185, is amended by adding a subdivision to read:

Subd. 10. [VARIANCES.] Notwithstanding subdivision 9 and section 14.05, subdivision 4, the board of teaching may grant a variance to its rules upon application by a school district for purposes of implementing experimental programs in learning or management.

Sec. 14. Minnesota Statutes 1988, section 125.60, subdivision 2, is amended to read:

Subd. 2. The board of any district may grant an extended leave of absence without salary to any full- or part-time elementary, secondary, or technical institute teacher who has been employed by the district for at least five years and has at least ten years of allowable service, as defined in section 354.05, subdivision 13, or the bylaws of the appropriate retirement association or ten years of full-time teaching service in Minnesota public elementary, secondary, and technical institutes. The maximum duration of an extended leave of absence pursuant to this section shall be determined by mutual agreement of the board and the teacher at the time the leave is granted and shall be at least three but no more than five years. An extended leave of absence pursuant to this section shall be taken by mutual consent of the board and the teacher and may be granted only once. If the school board denies a teacher's request, it shall provide reasonable justification for the denial.

Sec. 15. Minnesota Statutes 1988, section 126.666, subdivision 2, is amended to read:

Subd. 2. [CURRICULUM ADVISORY COMMITTEE.] Each school board shall establish a curriculum advisory committee to permit active community participation in all phases of the PER process. The advisory committee shall be representative of the community served by the district and include principals, teachers, parents, support staff, and other community residents. Whenever possible, parents, students and other community residents shall comprise at least two-thirds of the advisory committee. The committee shall make recommendations to the board about the programs enumerated in section 124A.27, that the committee determines

should be offered. The recommendations shall be based on district needs and priorities.

Sec. 16. Minnesota Statutes 1988, section 126.666, subdivision 4, is amended to read:

Subd. 4. [REPORT.] By October 1 of each year, the school board shall adopt, using state board standard reporting procedures, a report that includes the following:

- (1) learner outcomes adopted for that year;
- (2) results of local assessment data, and any additional test data;
- (3) the annual school district improvement plans; ~~and~~
- (4) information about progress that has been made toward the improvement plans that were previously adopted by the board; and
- (5) once during a district's curriculum review cycle, an evaluation of residents' satisfaction with the individual schools in the district based upon responses from students, parents and other district residents.

The school board shall publish the report in the local newspaper with the largest circulation in the district or by mail. The report shall be available for inspection by the public. A copy of the report shall be sent to the commissioner of education by October 15 of each year.

Sec. 17. [129B.79] [PARENTAL INVOLVEMENT PROGRAMS.]

Subdivision 1. [IMPROVING CHILDREN'S LEARNING ENVIRONMENT THROUGH PARENTAL INVOLVEMENT.] It is the intent of the legislature to enhance and support the role of parents and guardians in providing the best possible environment for the learning development of their children. The legislature recognizes that the educational partnership between the family, the school, and the community must be strengthened. Districts and parents or guardians are encouraged to jointly plan and implement parental involvement programs that will more fully involve parents or guardians in their children's learning development. The legislature believes that parent or guardian involvement in children's education raises the level of children's academic achievement, improves children's attitude and performance at school, helps parents or guardians understand the work of schools, enables parents or guardians and children to communicate more frequently and effectively, and builds school and community relationships in an on-going, problem preventing way.

Subd. 2. [PROGRAM GOALS.] The department of education, in consultation with the state curriculum advisory committee, must develop guidelines and model plans for parental involvement programs that will:

(1) engage the interests and talents of parents or guardians in recognizing and meeting the emotional, intellectual, and physical needs of their school-age children;

(2) promote healthy self-concepts among parents or guardians and other family members;

(3) offer parents or guardians a chance to share and learn about educational skills, techniques, and ideas; and

(4) provide creative learning experiences for parents or guardians and their school-age children.

Subd. 3. [PLAN CONTENTS.] Model plans for a parental involvement program must include at least the following:

(1) program goals;

(2) means for achieving program goals;

(3) methods for informing parents or guardians, in a timely way, about the program;

(4) strategies for ensuring the full participation of parents or guardians, including those parents or guardians who lack literacy skills or whose native language is not English;

(5) procedures for coordinating the program with kindergarten through grade 12 curriculum, with parental involvement programs currently available in the community, and with other education facilities located in the community;

(6) strategies for training teachers and other school staff to work effectively with parents and guardians;

(7) procedures for parents or guardians and educators to evaluate and report progress toward program goals; and

(8) a mechanism for convening a local community advisory committee composed primarily of parents or guardians to advise a district on implementing a parental involvement program.

Subd. 4. [PLAN ACTIVITIES.] Activities contained in the model plans must include:

(1) educational opportunities for families that enhance children's learning development;

(2) educational programs for parents or guardians on families' educational responsibilities and resources;

(3) the hiring, training, and use of parental involvement liaison workers to coordinate family involvement activities and to foster communication among families, educators, and students;

(4) curriculum materials and assistance in implementing home and community-based learning activities that reinforce and extend classroom instruction and student motivation;

(5) technical assistance, including training to design and carry out family involvement programs;

(6) parent resource centers;

(7) parent training programs and reasonable and necessary expenditures associated with parents' attendance at training sessions;

(8) reports to parents on children's progress;

(9) use of parents as classroom volunteers, tutors, and aides; or

(10) soliciting parents' suggestions in planning, developing and implementing school programs.

Subd. 5. [REPORT TO LEGISLATURE.] The commissioner of education must report to the education committees of the legislature by February 1, 1992, concerning the model plans developed by the department and provide in the report recommendations for implementing the plans.

Sec. 18. Minnesota Statutes 1988, section 181A.04, is amended by adding a subdivision to read:

Subd. 6. A high school student under the age of 18 must not be permitted to work after 11:00 p.m. on an evening before a school day.

For the purpose of this subdivision, a high school student does not include a student enrolled in an alternative education program approved by the state board of education under Minnesota Rules, part 3500.3500 or an area learning center, including area learning centers under sections 129B.52 to 129B.55 or according to section 121.11, subdivision 12.

Sec. 19. Minnesota Statutes 1988, section 181A.12, subdivision 1, is amended to read:

Subdivision 1. [FINES; PENALTY.] Any employer who hinders or delays the department or its authorized representative in the performance of its duties under sections 181A.01 to 181A.12 or refuses to admit the commissioner or an authorized representative to any place of employment or refuses to make certificates or lists available as required by sections 181A.01 to 181A.12, or otherwise violates any provisions of sections 181A.01 to 181A.12 or any rules issued pursuant thereto shall be assessed a fine to be paid to the commissioner for deposit in the general fund. The fine may be recovered in a civil action in the name of the department brought in the district court of the county where the violation is alleged to have occurred or the district court where the commissioner has an office. Fines are in the amounts as follows:

- | | |
|--|-----------|
| (a) employment of minors under the age of 14 (each employee) | \$ 50 |
| (b) employment of minors under the age of 16 during school hours while school is in session (each employee) | 50 |
| (c) employment of minors under the age of 16 before 7:00 a.m. (each employee) | 50 |
| (d) employment of minors under the age of 16 after 9:00 p.m. (each employee) | 50 |
| (e) <u>employment of a high school student under the age of 18 after 11:00 p.m. in the evening before a school day, except a student enrolled in an alternative education program approved by the state board of education under Minnesota Rules, part 3500.3500 or an area learning center, including area learning centers under sections 129B.52 to 129B.55 or according to section 121.11, subdivision 12, (each employee)</u> | <u>50</u> |
| (e) (f) employment of minors under the age of 16 over eight hours a day (each employee) | 50 |
| (f) (g) employment of minors under the age of 16 over 40 hours a week (each employee) | 50 |
| (g) (h) employment of minors under the age of 18 in occupations hazardous or detrimental to their well-being as defined by rule (each employee) | 100 |
| (h) (i) employment of minors under the age of 16 in occupations hazardous or detrimental to their well-being as defined by rule (each employee) | 100 |
| (i) (j) minors under the age of 18 injured in hazardous employment (each employee) | 500 |
| (j) (k) minors employed without proof of age (each employee) | 5 |

An employer who refuses to make certificates or lists available as required by sections 181A.01 to 181A.12 shall be assessed a \$500 fine.

An employer who engages in repeated violations of sections 181A.01 to 181A.12, excluding section 181A.12, subdivision 1, clause (e), is also guilty of a gross misdemeanor. An employer who engages in repeated violations of section 181A.12, subdivision 1, clause (e), is also guilty of a misdemeanor.

Sec. 20. [237.065] [RATES FOR SPECIAL SERVICE TO SCHOOLS.]

Each telephone company, including a company that has developed an incentive plan under section 237.625, that provides local telephone service in a service area that includes a public school that has classes within the range from kindergarten to 12th grade shall provide, upon request, basic service to the school that is sufficient to ensure access to telephone service from each classroom, library, gymnasium, and other work station within the school. Each company shall set a flat rate for this service that is less than the company's flat rate for an access line for a business and the same as or greater than the company's flat rate for an access line for a residence in the same local telephone service exchange. When a company's flat rates for businesses and residences are the same, the company shall use the residential rate for service to schools under this section.

Sec. 21. [TELEPHONE COMPANIES TO SUBMIT RATES.]

Notwithstanding Minnesota Statutes, section 237.07, each telephone company, as defined in Minnesota Statutes, section 237.01, subdivision 2, that is subject to section 20 shall make the service required by section 20 available no later than January 1, 1991, and shall develop proposed rates for the services and submit them to the public utilities commission within 30 days of receipt by the company of a request for service.

Sec. 22. Laws 1988, chapter 718, article 6, section 23, is amended by adding a subdivision to read:

Subd. 3a. The task force shall consider the goals of an integrated data base descriptive of students, teachers, districts and buildings, finance and programs and activities including curricular and extra-curricular activities. The task force shall make recommendations to the 1991 legislature on the integrated data base goals, the implementation timeline, and funding. The department of education, the ESV computer council, and the uniform financial accounting and reporting standards council shall assist the task force in making this report.

Sec. 23. [COUNCIL ROLES.]

The state board shall review the roles of the ESV computer

advisory council established under section 121.934 and the uniform financial accounting and reporting standards advisory council established under section 121.901. The board shall report to the legislature on the roles of the councils and make recommendations for statutory changes.

Sec. 24. [BADGER SCHOOL DISTRICT BORROWING.]

Subdivision 1. [BORROWING AGAINST TAXES PAYABLE.] Independent school district No. 676, Badger, may borrow money to anticipate all general taxes previously levied by the district for school purposes, including taxes on which penalties for nonpayment or delinquency have accrued. Minnesota Statutes, sections 124.71 to 124.76, apply to the borrowing except as provided in this subdivision.

Subd. 2. [NO LOCAL APPROVAL.] According to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a), subdivision 1 is effective the day following final enactment without local approval.

Sec. 25. [LEVY ADJUSTMENT.]

Notwithstanding any other law to the contrary, the commissioner of education shall make a levy adjustment to the levies certified by independent school district No. 319, Nashwauk-Keewatin.

The commissioner shall reduce the district's general fund levy limit by \$163,373 and increase its down payment levy limit under section 124.82 by the same amount for levies certified in the fall of 1989, 1990, 1991, 1992, and 1993.

Sec. 26. [EFFECTIVE DATE FOR CERTAIN TEACHER EXAMS.]

Notwithstanding any law to the contrary, successful completion of an examination of skills in reading, writing, and mathematics, as required by Minnesota Statutes, section 125.05, subdivision 1, is applicable for all persons applying for initial secondary vocational teaching licenses effective April 8, 1991.

Sec. 27. [RULEMAKING; TEACHER PREPARATION TIME.]

Subdivision 1. [PROPOSED RULE.] 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 adopting any rule, the state board shall consider the length and structure of the elementary day and, if appropriate, permit prepa-

ration time to be scheduled at more than one time during the school day.

Subd. 2. [VARIANCE.] The state board's rule must establish a process and criteria for granting one-year variances from the rule for districts that are unable to comply with the rule.

Subd. 3. [RULEMAKING COSTS.] The costs of rulemaking required by this section must be covered by the regular operating appropriation to the department of education.

Subd. 4. [EFFECTIVE DATE OF RULE.] The state board must complete chapter 14 procedures and report the rule to the legislature by February 15, 1991. Notwithstanding Minnesota Statutes, section 14.18, the rule is not effective until it has been approved by a bill enacted into law.

Sec. 28. [BIENNIAL BUDGET PREPARATION.]

The state board shall report to the education committees of the legislature by February 15, 1991, on the cost to school districts of implementing the rule adopted according to the section on teacher preparation time.

Sec. 29. [NEGOTIATED INCENTIVE PLAN; PARTICIPATION IN RETIREMENT FUND.]

A teacher employed by independent school district No. 709, Duluth, who voluntarily participates in an incentive plan negotiated by the school board and the exclusive representative of the teachers permitting 80 percent payment of salary over a five-year period, during which the teacher works four years and is on leave the fifth year, may receive service credit in the Duluth teachers retirement fund association for the entire five-year period of the incentive plan if the teacher and the employing board make employer and employee contributions for the period based on the annual salary the teacher would have received if teaching in the district during the period without the salary reduction to 80 percent.

Sec. 30. [EFFECTIVE DATE.]

Sections 1, 2, 8, 12, 14, 18, and 19 are effective the day following final enactment.

ARTICLE 10

ARTICLE 11

ARTICLE 12

STATE AGENCY APPROPRIATIONS

Section 1. Laws 1989, chapter 329, article 12, section 9, subdivision 2, is amended to read:

Subd. 2. [EDUCATIONAL SERVICES.]

\$8,302,000 1990

\$7,571,000 1991

\$21,000 each year is from the trunk highway fund.

\$100,000 each year is from the alcohol-impaired driver education account in the special revenue fund.

The federal complement of the community education section is increased by 3.0.

The base in the learner support section is reduced by \$691,000 in 1991.

\$1,191,000 in 1990 and \$500,000 in 1991 are for the learner support section. Any unexpended balance remaining in the first year is available for the second year. For the purpose of developing the fiscal years 1992-1993 biennial budget, the base for the learner support section is \$220,000 each year plus allowable statewide department of finance base adjustments.

The state complement in the institutional approval section is increased by 1.0.

The state complement in the equal opportunities section is increased by 1.0.

The state complement of the Indian education section is increased by 4.0.

\$47,000 is added to the vocational student organization base in 1990 only.

The state complement of the assessment and program evaluation

section is increased by 4.5. \$495,000 each year is for 2.0 of the 4.5 complement and for continued development of the assessment item bank and for technical assistance to districts in the use of assessment measures including the item bank.

One complement in the curriculum services section is transferred from the public health fund to the general fund.

\$450,000 each year may be used for the identification and integration of learner outcomes. Of these amounts, \$175,000 in fiscal year 1990 is for the identification and development of vocational career learner outcomes. Any unencumbered funds do not cancel but are available in fiscal year 1991.

The federal complement of the curriculum services section is increased by 2.0.

The federal complement of the special education section is increased by 1.0 in 1991.

The state complement includes 1.0 for the office of educational leadership and the federal complement includes 3.0 for the office of educational leadership.

Sec. 2. Laws 1989, chapter 329, article 12, section 11, is amended to read:

Sec. 11. [MINNESOTA CENTER FOR ARTS EDUCATION.]

Total Appropriations	\$5,800,000	\$6,200,000
Approved Complement -	1990	1991
General Fund -	39.0	49.0 53.0
Total -	39.0	49.0 <u>53.0</u>

The state complement for the Minnesota center for arts education is increased by 18.0 for the first year and ~~28.0~~ 32.0 the second year.

Any unexpended balance from the appropriation in this section in 1990 does not cancel but is available in 1991.

Sec. 3. [DEPARTMENT OF EDUCATION REDUCTION.]

The appropriations to the department of education in Laws 1989, article 12, section 9, subdivisions 2 and 3, for fiscal year 1991 are reduced by \$314,000. The commissioner must allocate this reduction within the agency.

The state complement for the fiscal year 1991 base must be adjusted to reflect the reduction in appropriations.

The state complement of the learner support section is increased by 2.0 to support the drug prevention programs in article 4.

The state complement of the community education section is increased by 1.0 to support the drug prevention programs in article 4.

The state complement of the vocational education section is increased by 3.5 and the federal complement by 1.0 to replace services for vocational student organizations that had been provided under contract.

The state complement of the financial management and transportation section is increased by 1.0 to implement additional facilities responsibilities as required under article 5.

Sec. 4. [ARTS CENTER REDUCTION.]

The appropriation to the Minnesota center for arts education in Laws 1989, article 12, section 11, for fiscal year 1991 is reduced by \$177,000.

Sec. 5. [ETHICS CURRICULUM.]

The department of education shall identify a model ethics curriculum currently being taught in one or more K-12 schools in Minnesota. The department shall compile the curriculum, notify the districts, and make it available to schools upon request.

Sec. 6. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

ARTICLE 13

TECHNICAL RATE CHANGES

Section 1. Minnesota Statutes 1989 Supplement, section 124.10, subdivision 2, is amended to read:

Subd. 2. The county auditor shall at the time of making the ~~March~~ May and November tax settlements of each year apportion to the several districts the amount received from liquor licenses, fines, estrays, and other sources belonging to the general school fund. The apportionment shall be made in proportion to each district's net tax capacity within the county in the prior year. No district shall receive any part of the money received from liquor licenses unless all sums paid for such licenses in such district are apportioned to the county school fund.

Sec. 2. Minnesota Statutes 1989 Supplement, section 124.26, subdivision 8, is amended to read:

Subd. 8. [ADULT BASIC EDUCATION LEVY.] To obtain adult basic education aid, a district may levy an amount not to exceed the amount raised by a gross tax capacity rate of .16 percent times the adjusted gross tax capacity of the district for the preceding year for taxes payable in 1990 or a net tax capacity rate of .20 .21 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 1991 and thereafter.

Sec. 3. Minnesota Statutes 1989 Supplement, section 124.2713, subdivision 6, is amended to read:

Subd. 6. [COMMUNITY EDUCATION LEVY.] To obtain community education revenue, a district may levy the amount raised by a gross tax capacity rate of 0.8 percent times the adjusted gross tax capacity of the district for taxes payable in 1990 or a net tax capacity rate of 1.0 1.07 percent times the adjusted net tax capacity of the district for taxes payable in 1991 and thereafter. If the amount of the community education levy would exceed the community education revenue, the community education levy shall equal the community education revenue.

Sec. 4. Minnesota Statutes Second 1989 Supplement, section 124.83, subdivision 4, is amended to read:

Subd. 4. [HEALTH AND SAFETY LEVY.] To receive health and safety revenue, a district may levy an amount equal to the district's health and safety revenue as defined in subdivision 3 multiplied by the lesser of one, or the ratio of:

(1) the quotient derived by dividing (a) the adjusted gross tax capacity for fiscal year 1991, and (b) the adjusted net tax capacity for 1992 and later fiscal years, 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) ~~\$7,128.10~~ \$7,103.60 for fiscal year 1991 and ~~\$5,304~~ \$5,304 for 1992 and later fiscal years.

Sec. 5. Minnesota Statutes 1989 Supplement, section 275.125, subdivision 5c, is amended to read:

Subd. 5c. [NONREGULAR TRANSPORTATION LEVY.] A school district may also make a levy for unreimbursed nonregular transportation costs pursuant to this subdivision. The amount of the levy shall be the result of the following computation:

(a) multiply

(1) the amount of the district's nonregular transportation revenue under section 124.225, subdivision 7c, that is more than the product of \$30 times the district's actual pupil units, by

(2) 60 percent;

(b) subtract the result in clause (a) from the district's total nonregular transportation revenue;

(c) multiply the result in clause (b) by the lesser of one or the ratio of (i) the quotient derived by dividing the adjusted gross net tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable, to (ii) ~~\$9,722~~ \$7,258.

Sec. 6. Minnesota Statutes 1989 Supplement, section 275.125, subdivision 6h, is amended to read:

Subd. 6h. [MINNEAPOLIS HEALTH INSURANCE SUBSIDY LEVY.] Each year special school district No. 1, Minneapolis, may make an additional levy not to exceed the amount raised by a gross tax capacity rate of .08 percent times the adjusted gross tax capacity for taxes payable in 1990 or a net tax capacity rate of ~~.11~~ .10 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter of the property in the district for the preceding year. The proceeds may be used only to subsidize health insurance costs for eligible teachers as provided in this section.

"Eligible teacher" means a retired teacher who was a basic member of the Minneapolis teachers retirement fund association, who retired before May 1, 1974, and who is not eligible to receive the hospital insurance benefits of the federal Medicare program of the Social Security Act without payment of a monthly premium. The district shall notify eligible teachers that a subsidy is available. To obtain a subsidy, an eligible teacher must submit to the school district a copy of receipts for health insurance premiums paid. The school district shall disburse the health insurance premium subsidy to each eligible teacher according to a schedule determined by the district, but at least annually. An eligible teacher may receive a subsidy up to an amount equal to the lesser of 90 percent of the cost of the eligible teacher's health insurance or up to 90 percent of the cost of the number two qualified plan of health coverage for individual policies made available by the Minnesota comprehensive health association under chapter 62E.

If funds remaining from the previous year's health insurance subsidy levy, minus the previous year's required subsidy amount, are sufficient to pay the estimated current year subsidy, the levy must be discontinued until the remaining funds are estimated by the school board to be insufficient to pay the subsidy.

Sec. 7. Minnesota Statutes 1989 Supplement, section 275.125, subdivision 8b, is amended to read:

Subd. 8b. [EARLY CHILDHOOD FAMILY EDUCATION LEVY.] A district may levy for its early childhood family education program. The amount levied shall not exceed the lesser of:

(a) a gross tax capacity rate of ~~4 percent times the adjusted gross tax capacity for taxes payable in 1990~~ or a net tax capacity rate of ~~.49 .54 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter of the district for the year preceding the year the levy is certified, or~~

(b) the maximum revenue as defined in section 124.2711, subdivision 1, for the school year for which the levy is attributable.

Sec. 8. Minnesota Statutes 1989 Supplement, section 275.125, subdivision 9a, is amended to read:

Subd. 9a. [STATUTORY OPERATING DEBT LEVY.] (1) In each year in which so required by this subdivision, a district shall make an additional levy to eliminate its statutory operating debt, determined as of June 30, 1977, and certified and adjusted by the commissioner. This levy shall not be made in more than 20 successive years and each year before it is made, it must be approved by the commissioner and the approval shall specify its amount. This levy shall be an amount which is equal to the amount raised by a levy of a gross tax capacity rate of ~~1.20 percent times the adjusted gross tax capacity of the district for the preceding year for taxes payable in 1990~~ or a net tax capacity rate of ~~1.50~~ 1.66 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 1991 and thereafter; provided that in the last year in which the district is required to make this levy, it shall levy an amount not to exceed the amount raised by a levy of a gross tax capacity rate of ~~1.20 percent times the adjusted gross tax capacity of the district for the preceding year for taxes payable in 1990~~ or a net tax capacity rate of ~~1.50~~ 1.66 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 1991 and thereafter. When the sum of the cumulative levies made pursuant to this subdivision and transfers made according to section 121.912, subdivision 4, equals an amount equal to the statutory operating debt of the district, the levy shall be discontinued.

(2) The district shall establish a special account in the general fund which shall be designated "appropriated fund balance reserve account for purposes of reducing statutory operating debt" on its books and records. This account shall reflect the levy authorized pursuant to this subdivision. The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(3) Any district which is required to levy pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivision 2, in that same year.

(4) Each district shall make permanent fund balance transfers so that the total statutory operating debt of the district is reflected in the general fund as of June 30, 1977.

Sec. 9. Minnesota Statutes 1989 Supplement, section 275.125, subdivision 9b, is amended to read:

Subd. 9b. [OPERATING DEBT LEVY.] (1) Each year, a district may make an additional levy to eliminate a deficit in the net unappropriated operating funds of the district, determined as of June 30, 1983, and certified and adjusted by the commissioner. This levy may in each year be an amount not to exceed the amount raised by a levy of a gross tax capacity rate of ~~1.20 percent times the adjusted gross tax capacity for taxes payable in 1990~~ or a net tax capacity rate of ~~1.50~~ 1.85 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter of the district for the preceding year as determined by the commissioner. However, the total amount of this levy for all years it is made shall not exceed the lesser of (a) the amount of the deficit in the net unappropriated operating funds of the district as of June 30, 1983, or (b) the amount of the aid reduction, according to Laws 1981, Third Special Session chapter 2, article 2, section 2, but excluding clauses (l), (m), (n), (o), and (p), and Laws 1982, Third Special Session chapter 1, article 3, section 6, to the district in fiscal year 1983. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

(2) The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(3) Any district that levies pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivisions 2 and 2a, in that same year.

Sec. 10. Minnesota Statutes 1989 Supplement, section 275.125, subdivision 9c, is amended to read:

Subd. 9c. [1985 OPERATING DEBT LEVY.] (1) Each year, a district may levy to eliminate a deficit in the net unappropriated balance in the general fund of the district, determined as of June 30, 1985, and certified and adjusted by the commissioner. Each year this levy may be an amount not to exceed the amount raised by a levy of a gross tax capacity rate of ~~1.20 percent times the adjusted gross tax capacity for taxes payable in 1990~~ or a net tax capacity rate of ~~1.50~~ 1.85 percent times the adjusted net tax capacity for taxes payable in

1991 and thereafter of the district for the preceding year. However, the total amount of this levy for all years it is made shall not exceed the amount of the deficit in the net unappropriated balance in the general fund of the district as of June 30, 1985. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

(2) A district, if eligible, may levy under this subdivision or subdivision 9b but not both.

(3) The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(4) Any district that levies pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivision 2, in that same year.

Sec. 11. Minnesota Statutes 1989 Supplement, section 275.125, subdivision 18, is amended to read:

Subd. 18. [NOTICE OF CERTIFIED LEVIES LEVY INFORMATION.] By September 15 of each year each district shall notify the commissioner of education of the proposed levies in compliance with the levy limitations of this section and chapters 124 and 124A. By January 15 of each year each district shall notify the commissioner of education of the final levies certified. The commissioner of education shall prescribe the form of these notifications and may request any additional information necessary to compute certified levy amounts."

Delete the title and insert:

"A bill for an act relating to education; starting, developing, adding to, clarifying, and financing elementary and secondary and related education programs and services, including those relating to general education, transportation, special programs, drug prevention and other community programs, facilities, programs of cooperation, other aids and levies, and the department of education; providing for technical rate changes; authorizing bonds and tax levies; appropriating money; amending Minnesota Statutes 1988, sections 120.062, subdivision 9, and by adding a subdivision; 121.148; 121.15, subdivisions 1 and 7; 121.88, subdivision 6; 121.882, subdivision 9, and by adding a subdivision; 121.908, subdivision 3; 121.917, subdivision 4; 122.91, by adding a subdivision; 122.93, by adding a subdivision; 122.94, subdivision 5; 123.33, subdivision 1; 123.35, by adding subdivisions; 123.3514, subdivisions 6 and 6b; 123.37, subdivision 1; 123.38, subdivisions 1 and 2b; 123.39, subdivision 6; 123.58, subdivisions 2 and 6; 123.9361;

123.947; 124.14, subdivision 7; 124.195, subdivision 10, and by adding subdivisions; 124.26, by adding a subdivision; 124.2711, subdivision 2; 124.494, by adding a subdivision; 124A.02, subdivision 1; 124A.036, subdivision 5, and by adding a subdivision; 125.185, by adding a subdivision; 125.231, subdivision 6; 125.60, subdivision 2; 126.12, subdivision 2; 126.666, subdivisions 2 and 4; 126.70, subdivision 2a; 129B.53, subdivision 3; 141.25, subdivisions 7 and 9; 181A.04, by adding a subdivision; 181A.12, subdivision 1; 275.125, subdivision 4; and 471.59, subdivision 2; Minnesota Statutes 1989 Supplement, sections 121.111, subdivisions 1 and 2; 121.15, subdivision 2; 121.612, subdivisions 3 and 5; 121.88, subdivision 9; 121.882, subdivision 2; 122.243, subdivision 2; 122.91, subdivisions 1 and 5; 122.92, subdivision 1; 122.94, subdivision 6; 122.945, subdivision 2; 123.58, subdivision 9; 124.10, subdivision 2; 124.155, subdivision 2; 124.19, subdivision 7; 124.225, subdivisions 1, 3a, and 8k; 124.26, subdivisions 7 and 8; 124.2711, subdivisions 1 and 3; 124.2713; 124.2715; 124.2721; 124.2725, subdivision 8, and by adding a subdivision; 124.38, subdivision 7; 124.573, subdivision 2d; 124.83, subdivision 6; 124.90, subdivision 2; 124A.22, subdivision 2a; 126.22, subdivisions 2 and 3; 128B.03, subdivision 4; 129.128; 141.35; 275.125, subdivisions 5c, 5e, 6h, 6i, 8b, 9a, 9b, 9c, 11d, and 18; Minnesota Statutes Second 1989 Supplement, sections 124.2442, subdivision 1; 124.83, subdivisions 1 and 4; 124A.03, subdivision 2; 124A.26, subdivision 1; Laws 1959, chapter 462, section 3, subdivision 10, as renumbered, as amended; Laws 1984, chapter 463, article 6, section 15, subdivision 2; Laws 1988, chapter 718, article 6, section 23; and Laws 1989, chapter 329, article 5, section 21, subdivision 4; article 11, sections 15, subdivisions 2 and 12; 16, subdivision 2; article 12, sections 9, subdivision 2; and 11; proposing coding for new law in Minnesota Statutes, chapters 121; 122; 124; 125; 126; 129B; and 237; proposing coding for new law as Minnesota Statutes, chapter 124B; repealing Minnesota Statutes 1988, sections 121.15, subdivision 4; 124.43, subdivisions 2, 3, 4, 5, and 6; Minnesota Statutes 1989 Supplement, section 124.43, subdivision 1."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

MOTIONS AND RESOLUTIONS

Stanius moved that the name of Tjornhom be added as an author on H. F. No. 1673. The motion prevailed.

Dempsey moved that the name of Henry be added as an author on H. F. No. 1784. The motion prevailed.

Abrams moved that the names of Orenstein and Henry be added as authors on H. F. No. 1882. The motion prevailed.

Skoglund moved that the name of Lynch be added as an author on H. F. No. 2205. The motion prevailed.

Wenzel moved that the name of Steensma be added as an author on H. F. No. 2662. The motion prevailed.

Rest moved that H. F. No. 2420, now on Technical General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Gutknecht moved that H. F. No. 1097 be returned to its author. The motion prevailed.

Dawkins moved that H. F. No. 1430 be returned to its author. The motion prevailed.

Blatz moved that H. F. No. 1641 be returned to its author. The motion prevailed.

Pauly moved that H. F. No. 1675 be returned to its author. The motion prevailed.

Dawkins moved that H. F. No. 1934 be returned to its author. The motion prevailed.

Tompkins moved that H. F. No. 1992 be returned to its author. The motion prevailed.

Dawkins moved that H. F. No. 2246 be returned to its author. The motion prevailed.

Dawkins moved that H. F. No. 2247 be returned to its author. The motion prevailed.

McPherson moved that H. F. No. 2555 be returned to its author. The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 12:30 p.m., Monday, March 26, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:30 p.m., Monday, March 26, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SEVENTY-SIXTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, MARCH 23, 1990

The Senate met on Friday, March 23, 1990, which was the Seventy-sixth Legislative Day of the Seventy-sixth Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SEVENTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 26, 1990

The House of Representatives convened at 12:30 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Parry Paraschou, St. George Greek Orthodox Church, St. Paul, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abrams	Greenfield	Lasley	Orenstein	Segal
Anderson, G.	Gruenes	Lieder	Osthoff	Simoneau
Anderson, R.	Gutknecht	Limmer	Ostrom	Skoglund
Battaglia	Hartle	Long	Otis	Solberg
Bauerly	Hasskamp	Lynch	Ozment	Sparby
Beard	Haukoos	Macklin	Pappas	Stanius
Begich	Hausman	Marsh	Pauly	Steensma
Bennett	Heap	McDonald	Pellow	Sviggum
Bertram	Henry	McEachern	Pelowski	Swenson
Bishop	Himle	McGuire	Peterson	Tjornhom
Blatz	Hugoson	McLaughlin	Poppenhagen	Tompkins
Boo	Jacobs	McPherson	Price	Trimble
Brown	Janezich	Milbert	Pugh	Tunheim
Burger	Jaros	Miller	Quinn	Uphus
Carlson, D.	Jefferson	Morrison	Redalen	Valento
Carlson, L.	Jennings	Munger	Reding	Vellenga
Carruthers	Johnson, A.	Murphy	Rest	Wagenius
Clark	Johnson, R.	Nelson, C.	Rice	Waltman
Cooper	Johnson, V.	Nelson, K.	Richter	Weaver
Dauner	Kahn	Neuenschwander	Rodosovich	Welle
Dawkins	Kalis	O'Connor	Rukavina	Wenzel
Dempsey	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olsen, E.	Schafer	Spk. Vanasek
Frederick	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omann	Schreiber	
Girard	Krueger	Onnen	Seaberg	

A quorum was present.

Dille was excused until 2:10 p.m.

The Chief Clerk proceeded to read the Journals of the preceding days. Hasskamp moved that further reading of the Journals be dispensed with and that the Journals be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1930, 2651, 2162, 2393, 2626, 2386, 2025, 2042 and 1855 and S. F. Nos. 1940, 2051, 2207, 1999, 2156, 1831, 2370, 2432, 2439, 1821, 1942, 1952, 1400, 1827, 2299, 1838, 1848, 1958, 2061, 2136 and 2213 have been placed in the members' files.

S. F. No. 1827 and H. F. No. 2027, 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. 1827 be substituted for H. F. No. 2027 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1848 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

O'Connor moved that the rules be so far suspended that S. F. No. 1848 be substituted for H. F. No. 2234 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1940 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

Greenfield moved that the rules be so far suspended that S. F. No. 1940 be substituted for H. F. No. 2118 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1942 and H. F. No. 1897, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Winter moved that the rules be so far suspended that S. F. No. 1942 be substituted for H. F. No. 1897 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1999 and H. F. No. 2497, 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. 1999 be substituted for H. F. No. 2497 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2207 and H. F. No. 2385, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Olson, E., moved that the rules be so far suspended that S. F. No. 2207 be substituted for H. F. No. 2385 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2213 and H. F. No. 2373, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Olson, K., moved that the rules be so far suspended that S. F. No. 2213 be substituted for H. F. No. 2373 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2299 and H. F. No. 2253, 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. 2299 be substituted for H. F. No. 2253 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2432 and H. F. No. 2706, 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. 2432 be substituted for H. F. No. 2706 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2370 and H. F. No. 2133, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Greenfield moved that S. F. No. 2370 be substituted for H. F. No. 2133 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2051 and H. F. No. 2689, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Greenfield moved that S. F. No. 2051 be substituted for H. F. No. 2689 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2061 and H. F. No. 2218, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Seaberg moved that S. F. No. 2061 be substituted for H. F. No. 2218 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2136 and H. F. No. 2381, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Nelson, K., moved that S. F. No. 2136 be substituted for H. F. No.

2381 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2156 and H. F. No. 2268, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Simoneau moved that S. F. No. 2156 be substituted for H. F. No. 2268 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1831 and H. F. No. 1908, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Cooper moved that S. F. No. 1831 be substituted for H. F. No. 1908 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2478, A bill for an act relating to taxation; updating references to the Internal Revenue Code; amending Minnesota Statutes 1989 Supplement, section 290.01, subdivision 19.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

INCOME, GROSS PREMIUMS, AND FRANCHISE TAXES

Section 1. Minnesota Statutes Second 1989 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. Except as provided in paragraph (b), installments must be based on

a sum equal to two percent of the premiums described in paragraph (c).

(b) For town and farmers' mutual insurance companies and mutual property and casualty insurance companies other than those (i) writing life insurance, or (ii) whose total assets at the end of the preceding calendar year exceed on December 31, 1989, exceeded \$1,600,000,000, the installments must be based on an amount equal to the following percentages of the premiums described in paragraph (c):

(1) for premiums paid after December 31, 1988, and before January 1, 1992, one percent; and

(2) for premiums paid after December 31, 1991, one-half of one percent.

(c) Installments under paragraph (a) or (b) 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.

(d) Failure of a company to make payments of at least one-third of either (1) the total tax paid during the previous calendar year or (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. [268.55] [FOOD SHELF ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] A food shelf account is established in the state general fund to receive contributions designated on income tax returns and property tax refund forms. The state treasurer shall credit all interest earned on the money to the account.

Subd. 2. [DISTRIBUTION OF MONEY.] The commissioner shall periodically distribute money in the account to qualifying food shelf programs. A food shelf program qualifies under this section if (1) it is a nonprofit corporation as defined under section 501(c)(3) of the Internal Revenue Code of 1986 or it operates a food shelf program and uses a section 501(c)(3) nonprofit corporation as its fiscal agent, and (2) it distributes a standard food order to needy individuals. The standard food order must consist of, at least, a two-day supply or six pounds per person of nutritionally balanced food items. A qualifying food shelf program may not limit food distributions to individuals of a particular religious affiliation, race, or other criteria unrelated to need or to requirements necessary to administration of a fair and orderly distribution system. A qualifying food shelf program may

not use the money received or the food distribution program to foster or advance religious or political views. A qualifying food shelf must have a stable address and directly serve individuals in a defined geographic area that is not also served in substantial part by another food shelf. The commissioner shall resolve questions of whether two food shelves are serving in substantial part the same area.

Subd. 3. [APPLICATION.] In order to receive money from the food shelf account, a program must apply to the commissioner. The application must be in a form prescribed by the commissioner and must contain information specified by the commissioner to verify that the applicant is a qualifying food shelf program and the amount the applicant is entitled to receive under subdivision 4. Applications must be filed at the times and for the periods determined by the commissioner.

Subd. 4. [DISTRIBUTION FORMULA.] The commissioner shall distribute the food shelf account money to qualifying food shelf programs in proportion to the number of individuals served by the program during the prior period of its operation. The commissioner shall gather data from applications or other appropriate sources to determine the proportionate amount each qualifying program is entitled to receive. The commissioner may increase or decrease the qualifying program's proportionate amount if the commissioner determines the increase or decrease is necessary or appropriate to meet changing needs or demands.

Subd. 5. [USE OF MONEY.] Money distributed to food shelf programs under this section must be used to purchase food for distribution to needy individuals and families. No more than one percent of the money expended may be used to pay for other expenses, such as transportation, rent, salaries, administrative expenses, and other nonfood purchases. Recipients must retain records documenting expenditure of the money for a three-year period and comply with any additional requirements imposed by the commissioner.

Subd. 6. [ENFORCEMENT.] The commissioner may undertake any reasonable actions, including but not limited to on-site inspections and auditing of accounts and records, to assure that recipients of money under this section comply with the requirements of the law. The commissioner may contract with an outside organization to audit or otherwise oversee recipients' use of the money. If ineligible expenditures are made by a recipient, the amount must be repaid to the commissioner and deposited in the food shelf account.

Subd. 7. [APPROPRIATION.] (a) The money deposited in the food shelf account is appropriated to the commissioner of jobs and training for distribution to food shelf programs under this section. No more than 15 percent of the money deposited in the account may

be expended for the department's cost of administering the program. The remaining money must be distributed to qualifying food shelf programs.

(b) For each fiscal year, the commissioner may estimate the amounts that will be received during the year by the food shelf account and may distribute the estimated receipts evenly over the fiscal year even though the contributions are not received until the second half of the year.

Sec. 3. Minnesota Statutes 1989 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(h) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

(1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply; and

(2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code.

The net income of a real estate investment trust as defined and limited by section 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

The Internal Revenue Code of 1986, as amended through December 31, 1986, shall be in effect for taxable years beginning after December 31, 1986. The provisions of sections 10104, 10202, 10203, 10204, 10206, 10212, 10221, 10222, 10223, 10226, 10227, 10228, 10611, 10631, 10632, and 10711 of the Omnibus Budget Reconciliation Act of 1987, Public Law Number 100-203, and the provisions of sections 1001, 1002, 1003, 1004, 1005, 1006, 1008, 1009, 1010, 1011, 1011A, 1011B, 1012, 1013, 1014, 1015, 1018, 2004, 3041, 4009, 6007, 6026, 6032, 6137, 6277, and 6282 of the Technical and Miscellaneous Revenue Act of 1988, Public Law Number 100-647, and the provi-

sions of sections 7811, 7816, and 7831 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, shall be effective at the time they become effective for federal income tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1987, shall be in effect for taxable years beginning after December 31, 1987. The provisions of sections 4001, 4002, 4011, 5021, 5041, 5053, 5075, 6003, 6008, 6011, 6030, 6031, 6033, 6057, 6064, 6066, 6079, 6130, 6176, 6180, 6182, 6280, and 6281 of the Technical and Miscellaneous Revenue Act of 1988, Public Law Number 100-647, and the provisions of sections 7815 and 7821 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, shall become effective at the time they become effective for federal tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1988, shall be in effect for taxable years beginning after December 31, 1988. The provisions of sections 7101, 7102, 7104, 7105, 7201, 7202, 7203, 7204, 7205, 7206, 7207, 7210, 7211, 7301, 7302, 7303, 7304, 7601, 7621, 7622, 7641, 7642, 7645, 7647, 7651, and 7652 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, and the provision of section 1401 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Public Law Number 101-73, shall become effective at the time they become effective for federal tax purposes.

Except as otherwise provided, references to the Internal Revenue Code in subdivisions 19a to 19g mean the code in effect for purposes of determining net income for the applicable year.

Sec. 4. Minnesota Statutes Second 1989 Supplement, section 290.05, subdivision 1, is amended to read:

Subdivision 1. The following corporations, individuals, estates, trusts, and organizations shall be exempted from taxation under this chapter, provided that every such person or corporation claiming exemption under this chapter, in whole or in part, must establish to the satisfaction of the commissioner the taxable status of any income or activity:

(a) corporations, individuals, estates, and trusts engaged in the business of mining or producing iron ore and other ores the mining or production of which is subject to the occupation tax imposed by section 298.01; but if any such corporation, individual, estate, or trust engages in any other business or activity or has income from any property not used in such business it shall be subject to this tax computed on the net income from such property or such other business or activity. Royalty shall not be considered as income from the business of mining or producing iron ore within the meaning of this section;

(b) the United States of America, the state of Minnesota or any political subdivision of either agencies or instrumentalities, whether engaged in the discharge of governmental or proprietary functions;

(c) any insurance company that is domiciled in a state or country other than Minnesota that imposes retaliatory taxes, fines, deposits, penalties, licenses, or fees and that does not grant, on a reciprocal basis, exemption from such retaliatory taxes to insurance companies or their agents domiciled in Minnesota. "Retaliatory taxes" means taxes imposed on insurance companies organized in another state or country that result from the fact that an insurance company organized in the taxing jurisdiction and doing business in the other jurisdiction is subject to taxes, fines, deposits, penalties, licenses, or fees in an amount exceeding that imposed by the taxing jurisdiction upon an insurance company organized in the other state or country and doing business to the same extent in the taxing jurisdiction; and

(d) town and farmers' mutual insurance companies and mutual property and casualty insurance companies, other than those (1) writing life insurance or (2) whose total assets at the end of the preceding calendar year exceed on December 31, 1989, exceeded \$1,600,000,000.

Sec. 5. Minnesota Statutes Second 1989 Supplement, section 290.06, subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION, CORPORATIONS.] The franchise tax imposed upon corporations shall be computed by applying to their taxable income the rate of 9.5 9.9 percent.

Sec. 6. Minnesota Statutes Second 1989 Supplement, section 290.091, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of the tax imposed by this section, the following terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding the ~~portion of the charitable contribution deduction that constitutes an item of tax preference~~ under section ~~57(a)(6)~~ 170 of the Internal Revenue Code;

(3) to the extent not included in federal alternative minimum

taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1); less the sum of

(i) interest income as defined in section 290.01, subdivision 19b, clause (1);

(ii) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2); and

(iii) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income.

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, ~~1987~~ 1989.

(c) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(d) "Tentative minimum tax" equals six percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

(e) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(f) "Net minimum tax" means the minimum tax imposed by this section.

Sec. 7. Minnesota Statutes Second 1989 Supplement, section 290.0921, subdivision 1, is amended to read:

Subdivision 1. [TAX IMPOSED.] (a) 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, for the taxable year of:

(1) ~~seven~~ 5.9 percent of Minnesota alternative minimum taxable income less the credit allowed under section 290.35, subdivision 3; over

(2) the tax imposed under section 290.06, subdivision 1, without regard to this section.

(b) If the sum of the corporation's Minnesota sales and receipts, property, and payrolls, as defined in section 290.092, subdivision 4, exceeds \$5,000,000, the amount under paragraph (a), clause (1), is the greater of

(1) \$500 or

(2) the amount otherwise determined.

The provisions of this paragraph do not apply to corporations subject to tax under section 60A.15, subdivision 1; real estate investment trusts; and regulated investment companies or a fund thereof.

Sec. 8. Minnesota Statutes Second 1989 Supplement, section 290.0921, subdivision 3, is amended to read:

Subd. 3. [ALTERNATIVE MINIMUM TAXABLE INCOME.] "Alternative minimum taxable income" is Minnesota net income as defined in section 290.01, subdivision 19, and includes the adjustments and tax preference items in sections 56, 57, 58, and 59(d), (e), (f) and (h) of the Internal Revenue Code. If a corporation files a separate company Minnesota tax return, the minimum tax must be computed on a separate company basis. If a corporation is part of a tax group filing a unitary return, the minimum tax must be computed on a unitary basis. The following adjustments must be made.

(1) For purposes of the depreciation adjustments under section 56(a)(1) and 56(g)(4)(A) of the Internal Revenue Code, the basis for depreciable property placed in service in a taxable year beginning before January 1, 1990, is the adjusted basis for federal income tax purposes, including any modification made in a taxable year under section 290.01, subdivision 19e, or Minnesota Statutes 1986, section 290.09, subdivision 7, paragraph (c).

(2) The alternative tax net operating loss deduction under sections 56(a)(4) and 56(d) of the Internal Revenue Code does not apply.

(3) The special rule for ~~100 percent~~ certain dividends under section 56(g)(4)(C)(ii) of the Internal Revenue Code does not apply.

(4) The special rule for dividends from section 936 companies under section 56(g)(4)(C)(iii) does not apply.

(5) The tax preference for depletion under section 57(a)(1) of the Internal Revenue Code does not apply.

(6) The tax preference for intangible drilling costs under section 57(a)(2) of the Internal Revenue Code must be calculated without

regard to the subtraction under section 290.01, subdivision 19d, clause (4).

(7) The tax preference for tax exempt interest under section 57(a)(5) of the Internal Revenue Code does not apply.

(8) The tax preference for charitable contributions of appreciated property under section 57(a)(6) of the Internal Revenue Code does not apply.

(9) For purposes of calculating the tax preference for accelerated depreciation or amortization on certain property placed in service before January 1, 1987, under section 57(a)(7) of the Internal Revenue Code, the deduction allowable for the taxable year is the deduction allowed under section 290.01, subdivision 19e.

(10) For purposes of calculating the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code, the term "alternative minimum taxable income" as it is used in section 56(g) of the Internal Revenue Code, means alternative minimum taxable income as defined in this subdivision, determined without regard to the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code.

(11) For purposes of determining the amount of adjusted current earnings under section 56(g)(3) of the Internal Revenue Code, no adjustment shall be made under section 56(g)(4) of the Internal Revenue Code with respect to (i) the amount of foreign dividend gross-up subtracted as provided in section 290.01, subdivision 19d, clause (1), (ii) the amount of refunds of income, excise, or franchise taxes subtracted as provided in section 290.01, subdivision 19d, clause (10), or (iii) the amount of royalties, fees or other like income subtracted as provided in section 290.01, subdivision 19d, clause (11).

Items of tax preference must not be reduced below zero as a result of the modifications in this subdivision.

Sec. 9. Minnesota Statutes Second 1989 Supplement, section 290.0921, is amended by adding a subdivision to read:

Subd. 3a. [EXEMPTIONS.] Cooperatives taxable under subchapter T of the Internal Revenue Code or organized under chapter 308 or a similar law of another state and corporations subject to tax under section 60A.15, subdivision 1, are exempt from the tax imposed by this section.

Sec. 10. [290.0922] [MINIMUM FEE; CORPORATIONS.]

Subdivision 1. [IMPOSITION.] In addition to the tax imposed by

this chapter without regard to this section, the franchise tax imposed on a corporation for the taxable year includes a tax equal to the following amounts:

If the sum of the corporation's Minnesota property, payrolls, and sales or receipts is:

less than \$1,000,000

\$1,000,000 to \$4,999,999

\$5,000,000 to \$19,999,999

\$20,000,000 or more

the tax equals:

\$ 100

\$ 250

\$1,000

\$3,000

Subd. 2. [EXEMPTIONS.] The following entities are exempt from the tax imposed by this section:

(1) corporations subject to tax under section 290.05, subdivision 3;

(2) corporations subject to tax under section 60A.15, subdivision 1;

(3) real estate investment trusts;

(4) regulated investment companies or a fund thereof;

(5) cooperatives taxable under subchapter T of the Internal Revenue Code of 1986 or organized under chapter 308 or a similar law of another state; and

(6) entities having a valid election in effect under section 1362 or 860D(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989.

Subd. 3. [DEFINITION.] "Minnesota sales or receipts," "Minnesota property," and "Minnesota payrolls" have the meanings given in section 290.092, subdivision 4.

Sec. 11. Minnesota Statutes 1988, section 290.431, is amended to read:

290.431 [NONGAME WILDLIFE CHECKOFF AND FOOD SHELF CHECKOFFS.]

Subdivision 1. [CHECKOFF AUTHORIZED.] 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 either into an account to be established for the management of nongame wildlife or for Minnesota food shelf programs, or both. 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 either into the nongame wildlife management account or the food shelf account, or both.

Subd. 2. [DEPOSIT OF MONEY.] 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 and to the food shelf account established under section 2.

Subd. 3. [NONGAME WILDLIFE ACCOUNT.] 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 resources 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.

Subd. 4. [STATE PLEDGE.] 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.

The state further pledges that all money given to the food shelf programs will be used for food shelf programs for needy people in Minnesota.

Sec. 12. Minnesota Statutes 1988, section 290.50, is amended by adding a subdivision to read:

Subd. 7. [WITHHOLDING REFUNDS FROM JUDGMENT DEBTORS.] The provisions of this subdivision apply only in a county to be designated by the commissioner of revenue not later than August 1, 1990. It applies only to refunds due with respect to returns filed before December 1, 1993, for 1990, 1991, and 1992 tax years.

Upon the docketing of a judgment in district court in an amount between \$25 and \$4,000 by a judgment creditor who is an individual, the amount of the judgment shall be withheld from a refund due a person under this section. When the judgment is docketed, the judgment creditor may pay the court administrator a fee of \$5 and request the court administrator to forward a certified copy of the judgment, and a fee of \$3 from the judgment creditor, to the commissioner of revenue. The court administrator shall also send

the judgment debtor written notice that the judgment has been forwarded to the commissioner pursuant to this subdivision.

Upon receipt of the certified copy of the judgment and the judgment creditor's fee, the commissioner shall withhold the refund due the judgment debtor, up to the amount of the judgment. The refund shall be remitted to the court administrator who forwarded the copy of the judgment to the commissioner. Upon receipt of the refund, the court administrator shall request the judgment creditor to certify the amount of the judgment that remains unsatisfied and shall remit to the judgment creditor the judgment debtor's refund, up to the unsatisfied amount of the judgment. Any additional amount received by the court administrator shall be forwarded to the judgment debtor.

If the refund forwarded to the court administrator is based on a joint return, the portion of the refund that is remitted to the judgment creditor shall be the proportion of the total refund that equals the proportion of the total federal adjusted gross income of the spouses that is the federal adjusted gross income of the spouse who is the judgment debtor.

A request for a refund pursuant to this subdivision shall be in effect with respect to any refunds due under this section until the judgment is satisfied or for ten years, whichever is earlier.

A claim for a refund under this subdivision by a judgment creditor is subordinate to claims filed under chapter 270A and subdivision 6.

The commissioner shall report to the chairs of the tax committee in the house of representatives and the senate on the experience with this subdivision and make recommendations for future proceedings under it on or before January 15, 1993.

Sec. 13. Laws 1989, First Special Session chapter 1, article 10, section 45, is amended to read:

Sec. 45. [TEMPORARY ALTERNATIVE MINIMUM TAX EXEMPTION.]

Corporations subject to tax under Minnesota Statutes, sections 60A.15, subdivision 1, and 290.35 or exempt from tax under section 290.092, subdivision 2, are not subject to the tax imposed by Minnesota Statutes, section 290.0921 for taxable years beginning after December 31, 1989 and before January 1, 1991 1992.

Sec. 14. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "Internal Revenue Code of 1986, as

amended through December 31, 1989" for the words "Internal Revenue Code of 1986, as amended through December 31, 1988" wherever it occurs in chapters 290, 290A, and 291 except for the use of the phrase in section 290.01, subdivision 19.

Sec. 15. [FEDERAL CHANGES.]

The changes made by sections 7841, 7304(a), 7817, 7110, 7815, 7816, 7811(d) of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, and sections 202, 203, and 204 of Public Law Number 101-140 that affect the computation of gross income as defined in Minnesota Statutes, section 290.01, subdivision 20, the credit for research and experimental expenditures as defined in Minnesota Statutes, section 290.068, subdivision 2, the credit for state death taxes allowable as defined in Minnesota Statutes, section 291.03, subdivision 1, and the federal alternative minimum taxable income as defined in Minnesota Statutes, section 290.091, subdivision 2, shall be in effect at the same time they become effective for federal income and estate tax purposes.

The change made by section 7631 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, that changes the definition of wages subject to withholding in Minnesota Statutes, section 290.92, subdivision 1, paragraph (1), shall be effective for Minnesota for wages paid after December 31, 1990.

Sec. 16. [SEVERABILITY; INSURANCE TAXATION.]

(a) If a provision of Minnesota Statutes, section 60A.15, subdivision 1, providing a reduced insurance premiums tax rate to mutual insurance companies is found by a final nonappealable order of a court of competent jurisdiction to be unconstitutional or to have an unconstitutional effect on the application of the insurance premiums tax to other insurance companies, the legislature intends that the provision granting a reduced rate to be invalid and the otherwise applicable insurance premiums tax rate to apply to all the affected companies.

(b) If a provision of Minnesota Statutes, section 290.05, subdivision 1, clause (d), exempting a mutual insurance company from taxation under the corporate franchise tax is found by a final nonappealable order of a court of competent jurisdiction to be unconstitutional or to have an unconstitutional effect on the application of the corporate franchise tax to other insurance companies, the legislature intends that the exemption to be invalid and the corporate franchise tax to apply to all the affected companies.

Sec. 17. [APPROPRIATION; INITIAL ADMINISTRATIVE EXPENSES.]

Notwithstanding the percentage restriction on administrative expenses in section 2, subdivision 7, \$75,000 is appropriated out of the food shelf account to the commissioner of jobs and training for fiscal year 1991. This appropriation replaces the amount permitted to be expended on administration by section 2, subdivision 7, for fiscal year 1991.

Sec. 18. [REPEALER.]

Minnesota Statutes Second 1989 Supplement, section 290.06, subdivision 1a, is repealed.

Sec. 19. [EFFECTIVE DATE.]

Section 1 is effective for premiums paid after December 31, 1989. Sections 4 to 11, 13, and 18 are effective for taxable years beginning after December 31, 1989, except as otherwise provided.

ARTICLE 2

PROPERTY TAXES

Section 1. Minnesota Statutes Second 1989 Supplement, section 103B.3369, subdivision 5, is amended to read:

Subd. 5. [FINANCIAL ASSISTANCE.] The board may award grants to counties only to carry out water resource protection and management programs identified as priorities in comprehensive local water plans. Grants may be used to employ persons and to obtain and use information necessary to:

(1) develop comprehensive local water plans under section 110B.04 that have not received state funding for water resources planning as provided for in Laws 1987, chapter 404, section 30, subdivision 5, clause (a); and

(2) implement comprehensive local water plans.

A basic grant shall be awarded to a county that levies a tax at the rate established under section 275.50, subdivision 5, paragraph (bb), item (i), in an amount equal to \$40,000 less the amount raised by that levy. If the amount necessary to develop and implement the local water plan for the county is less than \$40,000, the amount of the basic grant shall be the amount that, when added to the levy amount, equals the amount required to develop and implement the plan.

Sec. 2. Minnesota Statutes Second 1989 Supplement, section 103B.3369, subdivision 7, is amended to read:

Subd. 7. [RULES.] The board shall adopt rules that:

(1) establish performance criteria for grant administration for local implementation of state delegated or mandated programs that recognize regional variations in program needs and priorities;

(2) recognize the unique nature of state delegated or mandated programs;

(3) specify that program activities contracted by a county to another local unit of government are eligible for funding; and

(4) require that grants from the board may not exceed the amount matched by participating local units of government; and

(5) specify a process for the board to establish a base level grant amount that all participating counties may be eligible to receive.

Sec. 3. [134.342] [ALLOCATION OF LEVY AUTHORITY.]

Subdivision 1. [AUTHORITY.] A regional public library system board may adopt a written resolution to assume responsibility for the allocation of the regional library system levy authority throughout the region. If adopted, the board shall furnish a list to the commissioners of revenue and education by July 1 of the levy year, containing the name of each member city, town, and county that will be participating in that regional system.

Subd. 2. [DETERMINATION OF LEVY LIMITATION.] The levy limitation for a regional library system is equal to the sum of the total maximum amount allowable for operating regional library services for all member cities, towns, and counties within the region subject to the levy limitation under section 275.50, subdivision 5, clause (o). If a member city or town of a regional library system is not subject to the levy limitations under sections 275.50 to 275.56, the commissioner of revenue shall determine a levy limitation for the purposes of this section as if the member were subject to the provisions of section 275.50, subdivision 5, clause (o). The commissioner of revenue shall determine the total maximum amount allowable for the regional library system and shall certify the total amount to the regional library board and to the commissioner of education by August 1 of the levy year.

Subd. 3. [ALLOCATION OF AUTHORITY.] A regional public library system board that has resolved to allocate library levy authority among its member cities, towns, and counties shall allocate the amount, up to the total amount certified to the board by the commissioner of revenue, and shall notify each member city, town, and county by August 15 of the levy year of its respective share of the total library levy for the region. Each member city,

town, or county located in the region shall levy the amount negotiated and agreed upon by the board and each member city, town, or county.

The board shall certify to the commissioners of revenue and education by September 1 of the levy year, the levy amount allocated to each member city, town, and county in the regional library system.

Subd. 4. [NON-ALLOCATED REGIONAL LIBRARY LEVY LIMITATION.] A city, town, or county located within a regional library system that does not allocate library levy authority under subdivisions 1 to 3 but is subject to the levy limitations under sections 275.50 to 275.56, shall levy according to section 275.50, subdivision 5, clause (o), to pay the operating costs of a regional library system.

Sec. 4. Minnesota Statutes Second 1989 Supplement, section 272.02, subdivision 4, is amended to read:

Subd. 4. [CONVERSION TO EXEMPT OR TAXABLE USES.] (a) Any property exempt from taxation on January 2 of any year which, due to sale or other reason, loses its exemption prior to December 20 of any year, shall be placed on the current assessment rolls for that year.

The valuation shall be determined with respect to its value on January 2 of such year. The classification shall be based upon the use to which the property was put by the purchaser, or in the event the purchaser has not utilized the property by December 20, the intended use of the property, determined by the county assessor, based upon all relevant facts.

(b) Property subject to tax on January 2 that is acquired by a governmental entity, church, or educational institution before August 1 of the year is exempt for that year if (1) the property is to be used for an exempt purpose under subdivision 1, clauses (1) to (7), and (2) the property is not subject to the filing requirement under section 272.025.

Sec. 5. Minnesota Statutes 1989 Supplement, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 6, 8, and 9, and 11 or section 273.17, subdivision 1, all property shall be valued at its market value. The market value as determined pursuant to this section shall be stated such that any amount under \$100 is rounded up to \$100 and any amount exceeding \$100 shall be rounded to the nearest \$100. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall

the assessor adopt as a criterion of value the price for which such property would sell at a forced sale, or in the aggregate with all the property in the town or district; but the assessor shall value each article or description of property by itself, and at such sum or price as the assessor believes the same to be fairly worth in money. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the net tax capacity of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment. All property, or the use thereof, which is taxable under section 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 6. Minnesota Statutes 1988, section 273.11, is amended by adding a subdivision to read:

Subd. 11. [ZONING CHANGES TO RESIDENTIAL HOMESTEAD PROPERTY.] For purposes of property taxation, the market value determined by the assessor for residential homestead property classified under section 273.13, subdivision 22, up to a maximum of five acres of land, shall be based upon its use as residential property regardless of its zoning. A higher market value based upon a commercial, industrial, or other nonresidential zoning of the real property must be disregarded until the property ceases to be classified under section 273.13, subdivision 22.

Sec. 7. Minnesota Statutes 1989 Supplement, section 273.112, subdivision 3, is amended to read:

Subd. 3. Real estate shall be entitled to valuation and tax deferment under this section only if it is:

(a) actively and exclusively devoted to golf, skiing, or archery or firearms range recreational use or uses and other recreational uses carried on at the establishment;

(b) five acres in size or more, except in the case of an archery or firearms range;

(c)(1) operated by private individuals and open to the public; or

(2) operated by firms or corporations for the benefit of employees or guests; or

(3) operated by private clubs having a membership of 50 or more, provided that the club does not discriminate in membership requirements or selection on the basis of sex; and

(d) made available, in the case of real estate devoted to golf, for use without discrimination on the basis of sex during the time when the facility is open to use by the public or by members, except that use for golf may be restricted on the basis of sex no more frequently than one, or part of one, weekend each calendar month for each sex and no more than two, or part of two, weekdays each week for each sex.

If a golf club membership allows use of golf course facilities by more than one adult per membership, the use must be equally available to all adults entitled to use of the golf course under the membership, except that use may be restricted on the basis of sex as permitted in this section. Memberships that permit play during restricted times may be allowed only if the restricted times apply to all adults using the membership. A golf club may not offer a membership or golfing privileges to a spouse of a member that provides greater or less access to the golf course than is provided to that person's spouse under the same or a separate membership in that club, except that the terms of a membership may provide that one spouse may have no right to use the golf course at any time while the other spouse may have either limited or unlimited access to the golf course.

A golf club may have or create an individual membership category which entitles a member for a reduced rate to play during restricted hours as established by the club. The club must have on record a written request by the member for such membership.

A golf club that has food or beverage facilities or services must allow equal access to those services and facilities for both men and women members in all membership categories. Nothing in this paragraph shall be construed to require service or access to facilities to persons under the age of 21 years or require any act which would violate law or ordinance regarding sale, consumption, or regulation of alcoholic beverages.

For purposes of this subdivision and subdivision 7a, discrimination means a pattern or course of conduct and not linked to an isolated incident.

Sec. 8. Minnesota Statutes 1989 Supplement, section 273.124, subdivision 8, is amended to read:

Subd. 8. [HOMESTEAD OWNED BY FAMILY FARM CORPORATION OR PARTNERSHIP.] (a) Each family farm corporation and each partnership operating a family farm is entitled to class 1b under section 273.13, subdivision 22, paragraph (b), or class 2a assessment for ~~one~~ each homestead occupied by a shareholder or partner thereof who is residing on the land and actively engaged in farming of the land owned by the corporation or partnership. Homestead treatment applies even if legal title to the property is in the name of the corporation or partnership and not in the name of the person residing on it. "Family farm corporation" and "family farm" have the meanings given in section 500.24, except that the number of allowable shareholders or partners under this subdivision shall not exceed 12.

(b) In addition to property specified in paragraph (a), any other residences owned by corporations or partnerships described in paragraph (a) which are located on agricultural land and occupied as homesteads by shareholders or partners who are actively engaged in farming on behalf of the corporation or partnership must also be assessed as class 2a property or as class 1b property under section 273.13, subdivision 22, paragraph (b), but the property eligible is limited to the residence itself and as much of the land surrounding the homestead, not exceeding one acre, as is reasonably necessary for the use of the dwelling as a home, and does not include any other structures that may be located on it.

Sec. 9. Minnesota Statutes 1989 Supplement, section 273.124, subdivision 9, is amended to read:

Subd. 9. [HOMESTEAD ESTABLISHED AFTER ASSESSMENT DATE.] Any property that was not used for the purpose of a homestead on the assessment date, but which was used for the purpose of a homestead ~~by~~ on June 1 of a year, constitutes class 1 or class 2a.

Any taxpayer meeting the requirements of this subdivision must notify the county assessor, or the assessor who has the powers of the county assessor pursuant to section 273.063, in writing, prior to June 15 of the year of occupancy in order to qualify under this subdivision.

The county assessor and the county auditor may make the necessary changes on their assessment and tax records to provide for proper homestead classification as provided in this subdivision.

The owner of any property qualifying under this subdivision, which has not been accorded the benefits of this subdivision, regardless of whether or not the notification has been timely filed,

may be entitled to receive homestead classification by proper application as provided in section 270.07 or 375.192.

The county assessor shall publish in a newspaper of general circulation within the county no later than June 1 of each year a notice informing the public of the requirement to file an application for homestead prior to June 15.

Sec. 10. Minnesota Statutes 1988, section 273.124, is amended by adding a subdivision to read:

Subd. 15. [HOMESTEAD ACQUIRED UNDER EMINENT DOMAIN.] If a home classified as a homestead under section 273.13, subdivision 22, is acquired from the owner under eminent domain proceedings, a home purchased by the owner for use as a homestead within six months of the date of acquisition under eminent domain must be classified by the assessor as class 1 homestead property under section 273.13, subdivision 22, for taxes payable in the following year, notwithstanding the provisions of subdivision 9. The homeowner must apply to the assessor for classification under this subdivision within 30 days of the purchase of the home. The homeowner must provide the assessor with the information necessary for the assessor to determine that the property qualifies for homestead under this subdivision. The assessor may require the homeowner to submit an affidavit.

Sec. 11. Minnesota Statutes Second 1989 Supplement, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first \$68,000 of market value of class 1a property has a net class rate of one percent of its market value and a gross class rate of 2.17 percent of its market value. The market value of class 1a property that exceeds \$68,000 but does not exceed \$100,000 \$115,000 has a class rate of two percent of its market value. The market value of class 1a property that exceeds \$100,000 \$115,000 has a class rate of three percent of its market value.

(b) Class 1b property includes real estate or manufactured homes used for the purposes of a homestead by

(1) any blind person, if the blind person is the owner thereof or if the blind person and the blind person's spouse are the sole owners thereof; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes; or a wheelchair; and

(iii) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as a homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) receives 90 percent or more of total income from

(A) aid from any state as a result of that disability; or

(B) supplemental security income for the disabled; or

(C) workers' compensation based on a finding of total and permanent disability; or

(D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(E) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability; or

(iii) whose household income as defined in section 290A.03, subdivision 5, is 150 percent or less of the federal poverty level.

Property is classified and assessed pursuant to clause (1) only if the commissioner of jobs and training certifies to the assessor that the owner of the property satisfies the requirements of this subdivision.

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which

brings the person an income. The first \$32,000 market value of class 1b property has a net class rate of .4 percent of its market value and a gross class rate of .87 percent of its market value. The remaining market value of class 1b property has a gross or net class rate using the rates for class 1 or class 2a property, whichever is appropriate, of similar market value.

(c) Class 1c property is commercial use real property that abuts a lakeshore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 225 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner, which includes a dwelling occupied as a homestead by a shareholder of a corporation that owns the resort or a partner in a partnership that owns the resort, even if the title to the homestead is held by the corporation or partnership. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property, excluding the portion used exclusively as a homestead, is used or available for use for residential occupancy and a fee is charged for residential occupancy. Class 1c property has a class rate of .4 percent of the first \$32,000 of market value for taxes payable in 1990, .6 percent of the first \$32,000 of market value for taxes payable in 1991, .8 percent of the first \$32,000 of market value for taxes payable in 1992, and one percent of market value in excess of \$32,000 for taxes payable in 1990, 1991, and 1992, and one percent of total market value for taxes payable in 1993 and thereafter with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore.

Sec. 12. Minnesota Statutes Second 1989 Supplement, section 273.13, subdivision 23, is amended to read:

Subd. 23. [CLASS 2.] (a) Class 2a property is agricultural land including any improvements that is homesteaded. The market value of the house and garage and immediately surrounding one acre of land has the same class rates as class 1a property under subdivision 22. If the market value of the house, garage, and surrounding one acre of land is less than \$100,000, the value of the remaining land including improvements equal to the difference between \$100,000 and the market value of the house, garage, and surrounding one acre of land has a net class rate of .4 percent of market value and a gross class rate of 1.75 percent of market value. The remaining value of class 2a property over \$100,000 of market value that does not exceed 320 acres has a net class rate of 1.3 percent of market value for taxes payable in 1990, ~~1.4 percent of market value for taxes payable in 1991, and 1.5 percent of market value for taxes payable in 1992~~ and thereafter, and a gross class rate of 2.25 percent of market value. The remaining property over the \$100,000 market value in excess of 320 acres has a class rate of 1.7 percent of market value for taxes payable

in 1990, 1.6 percent of market value for taxes payable in 1991, and 1.5 percent of market value for taxes payable in 1992 and thereafter, and a gross tax capacity of 2.25 percent of market value.

(b) Class 2b property is (1) real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products; and (2) real estate that is nonhomestead agricultural land. Class 2b property has a net class rate of 1.7 percent of market value for taxes payable in 1990, 1.6 percent of market value for taxes payable in 1991, and 1.5 percent of market value for taxes payable in 1992 and thereafter, and a gross class rate of 2.25 percent of market value.

(c) Agricultural land as used in this section means contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land, and land included in federal farm programs. "Agricultural purposes" as used in this section means the raising or cultivation of agricultural products, and includes the commercial boarding of horses if the commercial boarding of horses is done in conjunction with the raising or cultivation of agricultural products.

(d) Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, including the breeding of fish for sale and consumption if the fish breeding occurs on land zoned for agricultural use, shall be considered as agricultural land, if it is not used primarily for residential purposes. The term "agricultural products" as used in the preceding sentence means any of the products identified in section 273.111, subdivision 6, clause (2). "Agricultural purposes" as used in this section means the raising or cultivation of agricultural products.

(e) If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:

- (1) wholesale and retail sales;
- (2) processing of raw agricultural products or other goods;
- (3) warehousing or storage of processed goods; and
- (4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3),

the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where

horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 13. Minnesota Statutes Second 1989 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 has a class rate of 3.6 percent of market value.

(b) Class 4b includes:

(1) residential real estate containing less than four units, other than seasonal residential, and recreational;

(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;~~

(4) ~~(3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b).~~

Class 4b property has a class rate of 3.0 percent of market value.

(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 local government unit loan, 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 (i) property of a nonprofit or limited dividend entity, and (ii) property upon which restrictions are enforced by a public agency or governmental unit to ensure the affordability of rents for persons and families of low and moderate income, restricted to the same income limits as those used for the low income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1988. Property is classified as class 4c under this clause for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan;

(2) a structure that is:

(i) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and

(ii) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel. Property is classified as class 4c under this clause for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter; and

(3) a qualified low-income building that (i) receives a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1988; or (ii) meets the requirements of that section. Classification pursuant to this clause is limited to buildings the construction or rehabilitation of which began after May 1, 1988, and to a term of 15 years.

For all class 4c properties described in clauses (1), (2), and (3) and for class 4d properties described in paragraph (d), the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents. The land on which these structures are situated has the class rate given class 4b property in paragraph (b) if the structure contains fewer than four units, and the class rate given class 4a property in paragraph (a) if the structure contains four or more units.

(4) a parcel of land, not to exceed one acre, and its improvements or a parcel of unimproved land, not to exceed one acre, if it is owned by a neighborhood real estate trust and at least 60 percent of the dwelling units, if any, on all land owned by the trust are leased to or occupied by lower income families or individuals. This clause does not apply to any portion of the land or improvements used for

nonresidential purposes. For purposes of this clause, a lower income family is a family with an income that does not exceed 65 percent of the median family income for the area, and a lower income individual is an individual whose income does not exceed 65 percent of the median individual income for the area, as determined by the United States Secretary of Housing and Urban Development. For purposes of this clause, "neighborhood real estate trust" means an entity which is certified by the governing body of the municipality in which it is located to have the following characteristics: (a) it is a nonprofit corporation organized under chapter 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

(5) except as provided in subdivision 22, paragraph (c), real property devoted to temporary and seasonal residential occupancy for recreation purposes, including real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than 225 days in the year preceding the year of assessment. For this purpose purposes of this clause, property is devoted to a commercial use purpose on a specific day if it any portion of the property is used, or offered available for use for residential occupancy, and a fee is charged for the use residential occupancy. Class 4c also includes commercial use real property used exclusively for recreational purposes in conjunction with class 4c property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 225 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property classified in this clause and clause (6) also includes the remainder of class 1c resorts; and

(6) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization; provided that the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment and the property is not used for residential purposes on either a temporary or permanent basis. For purposes of this clause, a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through December 31, 1988. 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

(7) Post-secondary student housing of not more than one acre of land that is owned by a nonprofit corporation organized under chapter 317 and is used exclusively by a student cooperative, sorority, or fraternity for on-campus housing or housing located within two miles of the border of a college campus.

Class 4c property has a class rate of 2.4 percent of market value.

(d)(1) Class 4d property includes 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 is classified under this clause for 15 years from the date of the completion of the original construction or for the original term of the loan.

Classification under this clause is only available to property of a nonprofit or limited dividend entity.

(2) The class rates in paragraph (c), clauses (1), (2), and (3) and this clause (1) apply to the properties described in them, only in proportion to occupancy of the structure by elderly or handicapped persons or low and moderate income families as defined in the applicable laws unless construction of the structure had been commenced prior to January 1, 1984; or the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or financing of the project had been approved by a federal or state agency prior to June 30, 1983. Classification under this clause is only available to property of a nonprofit or limited dividend entity. The restrictions contained in this clause apply to all properties financed by a local government unit loan, regardless of

when construction of the project began or when the project was approved.

Class 4d property has a class rate of 1.7 percent of market value for taxes payable in 1990, and two percent of market value for taxes payable thereafter.

(e) Residential rental property that would otherwise be assessed as class 4 property under paragraph (a); paragraph (b), clauses (1) and (2) clause (1); paragraph (c), clause (1), (2), (3), or (4), or (7); or paragraph (d), is assessed at the class rate applicable to it under Minnesota Statutes 1988, section 273.13, if it is found to be a substandard building under section 273.1316.

Sec. 14. Minnesota Statutes Second 1989 Supplement, section 273.371, subdivision 1, is amended to read:

Subdivision 1. [REPORT REQUIRED.] Every electric light, power, gas, water, express, stage, and transportation company and pipeline doing business in Minnesota shall annually file with the commissioner on or before March 31 a report under oath setting forth the information prescribed by the commissioner to enable the commissioner to make valuations, recommended valuations, and equalization required under sections 273.33, 273.35, 273.36, and 273.37. If all the required information is not available on March 31, the company or pipeline shall file the information that is available on or before March 31, and the balance of the information as soon as it becomes available.

Sec. 15. Minnesota Statutes 1988, section 273.42; subdivision 1, is amended to read:

Subdivision 1. The property set forth in section 273.37, subdivision 2, consisting of transmission lines of less than 69 kv and transmission lines of 69 kv and above located in an unorganized township, and distribution lines not taxed as provided in sections 273.38, 273.40 and 273.41 shall be taxed at the average tax capacity rate of taxes levied for all purposes throughout the county after disparity reduction aid is applied, and shall be entered on the tax lists by the county auditor against the owner thereof and certified to the county treasurer at the same time and in the same manner that other taxes are certified, and, when paid, shall be credited as follows: 50 percent to the general revenue fund of the county and 50 percent to the general school fund of the county, except that if there are high voltage transmission lines as defined in section 116C.52, the construction of which was commenced after July 1, 1974 and which are located in unorganized townships within the county, then the distribution of taxes within this subdivision shall be credited as follows: 50 percent to the general revenue fund of the county, 40 percent to the general school fund of the county and ten percent to a utility property tax credit fund, which is hereby established.

Sec. 16. Minnesota Statutes Second 1989 Supplement, section 275.065, subdivision 1, is amended to read:

Subdivision 1. [PROPOSED LEVY.] Notwithstanding any law or charter to the contrary, on or before September 1, each taxing authority, other than a school district, shall adopt a proposed budget and each taxing authority shall certify to the county auditor the proposed property tax levy for taxes payable in the following year. For purposes of this section, "taxing authority" includes all home rule and statutory cities, towns with a population over 5,000, counties, school districts, and special taxing districts. Intermediate school districts that levy a tax under chapter 136D and joint powers boards established under sections 124.491 to 124.496, are special taxing districts for purposes of this section.

Sec. 17. Minnesota Statutes 1988, section 275.065, is amended by adding a subdivision to read:

Subd. 5a. [PUBLIC ADVERTISEMENT.] (a) The taxing authority shall advertise in a newspaper a notice of its intent to adopt a budget and property tax levy at a public hearing. The notice must be published not less than two days nor more than six days before the hearing.

The advertisement must be at least one-eighth page in size of a standard-size or a tabloid-size newspaper, and the headlines in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than 24-point. The text of the advertisement must be no smaller than 18-point, except that the property tax amounts and percentages may be in 14-point type. The advertisement must not be placed in the part of the newspaper where legal notices and classified advertisements appear. The advertisement must be published in a newspaper of general paid circulation in the taxing authority. The advertisement must appear in a newspaper that is published at least once per week. The newspaper selected must be one of general interest and readership in the community, and not one of limited subject matter.

(b) The advertisement must be in the following form:

"NOTICE OF
PROPOSED PROPERTY TAXES
(City/County/School District) of

The governing body of will soon hold budget hearings and vote on the property taxes for (city/county/school district) services that will be provided in 199-.

The property tax amounts below compare current (city/county/school district) property taxes and the property taxes that would be collected in 199- if the budget now being considered is approved.

<u>199-</u> <u>Property Taxes</u>	<u>Proposed 199-</u> <u>Property Taxes</u>	<u>199- Increase</u> <u>or Decrease</u>
\$	\$%

NOTICE OF PUBLIC HEARING:

All concerned citizens are invited to attend a public hearing and express their opinions on the proposed (city/county/school district) budget and property taxes. The hearing will be held on (Month/Day/Year) at (Time) at (Location, Address).

A continuation of the hearing, if necessary, will be held on (Month/Day/Year) at (Time) at (Location, Address).

Written comments may be directed to (Address)."

Sec. 18. Minnesota Statutes Second 1989 Supplement, section 275.065, subdivision 6, is amended to read:

Subd. 6. [PUBLIC HEARING; ADOPTION OF BUDGET AND LEVY.] Between November 15 and December 20, the governing bodies of the city and county shall each hold a public hearing to adopt its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold a public hearing to adopt its property tax levy for taxes payable in the following year.

At the hearing, the taxing authority, other than a school district, may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy, and the school district may amend the proposed property tax levy and must adopt a final property tax levy.

The adopted property tax levy must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

(1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 124A.03, subdivision 2, or 124.82, subdivision 3, after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters under section 275.58 after the proposed levy was certified;

(3) the amount of a levy to pay principal and interest on bonds

issued or approved by the voters under section 475.58 after the proposed levy was certified;

(4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a; and

(5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a.

At the hearing the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. The governing body, other than the governing body school districts, 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 commissioner of revenue county auditor shall provide for the coordination of and approve the hearing dates for all taxing authorities within the county for which the county auditor is home auditor so that a taxing authority does not schedule public meetings on the days scheduled for the hearing by another taxing authority. The county must set its hearing date and notify the county auditor by September 15. The school district must set its hearing date and notify the county auditor after the county in which it is located has set its date, but no later than September 22. A city or town must set its hearing date and notify the county auditor after the county and school district in which it is located have set their dates, but no later than October 1.

This subdivision does not apply to towns and special taxing districts.

Sec. 19. Minnesota Statutes Second 1989 Supplement, section 275.07, subdivision 1, is amended to read:

Subdivision 1. The taxes voted by cities, towns with a population over 5,000, counties, school districts, and special districts, shall be certified by the proper authorities to the county auditor on or before five working days after December 20 in each year. Towns with a population under 5,000 must certify the levy adopted by the town board to the county auditor by September 1 each year. If the town board modifies the levy at a special town meeting after September 1,

the town board must recertify its levy to the county auditor on or before five working days after December 20. The taxes certified shall not be adjusted by the aid received under sections 273.1398, subdivisions 2 and 3, and 477A.013, subdivision 5. If a city, town, county, school district, or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year.

Sec. 20. Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1989 payable in 1990 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) for taxes levied in 1990, payable in 1991 and subsequent years, pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. The aggregate amounts levied under this clause for the costs of purchase or delivery of social services and income maintenance programs, other than those identified in section 273.1398, subdivision 1, paragraph (i), are subject to a maximum increase over the amount levied for the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties. For purposes of this clause, "income maintenance programs" include income maintenance programs in section 273.1398, subdivision 1, paragraph (i), to the extent the county provides benefits under those programs over the statutory mandated standards. Effective with taxes levied in 1990, the portion of this special levy for human service programs identified in section 273.1398, subdivision 1, paragraph (i), is eliminated;

(b) pay the costs of principal and interest on bonded indebtedness except on bonded indebtedness issued under section 471.981, subdivisions 4 to 4c, or to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(c) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency; and to pay the cost for certificates of indebtedness issued pursuant to sections 298.28 and 298.282;

(d) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(e) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(f) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(g) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(h) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(i) to compensate the state for the cost of a reassessment ordered by the commissioner of revenue pursuant to section 270.16;

(j) pay the debt service on tax increment financing revenue bonds to the extent that revenue to pay the bonds or to maintain reserves for the bonds is insufficient as a result of the provisions of Laws 1988, chapter 719, article 5;

(k) pay the cost of hospital care under section 261.21;

(l) pay the unreimbursed costs incurred in the previous year to satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivi-

sion in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, provided that an appeal for the unreimbursed costs under this clause was approved by the commissioner of revenue under section 275.51, subdivision 3;

(m) pay the expenses reasonably and necessarily incurred in preparing for or repairing the effects of natural disaster including the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from natural causes such as earthquake, fire, flood, wind storm, wave action, oil spill, water contamination, air contamination, or drought in accordance with standards formulated by the emergency services division of the state department of public safety, provided that an appeal for the expenses incurred under this clause were approved by the commissioner of revenue under section 275.51, subdivision 3;

(n) pay a portion of the losses in tax receipts to a city due to tax abatements or court actions in the year preceding the current levy year, provided that an appeal for the tax losses was approved by the commissioner of revenue under section 275.51, subdivision 3. This special levy is limited to the amount of the losses times the ratio of the nonspecial levies to total levies for taxes payable in the year the abatements were granted. County governments are not authorized to claim this special levy;

(o) pay the operating cost of regional library services authorized under section 134.34, subject to a maximum increase over the previous year of the greater of (1) 103 percent multiplied by one plus the percentage increase determined for the governmental subdivision under section 275.51, subdivision 3h, clause (b), or (2) six percent. If a governmental subdivision elected to include some or all of its levy for libraries within its adjusted levy limit base in the prior year, but elects to claim the levy as a special levy in the current levy year, the allowable increase is determined by applying the greater percentage determined under clause (1) or (2) to the total amount levied for libraries in the prior levy year. After levy year 1989, the increase must not be determined using a base amount other than the amount that could have been levied as a special levy in the prior year. This limit may be redistributed according to the provisions of section 134.342. In no event shall the special levy be less than the minimum levy required under sections 134.33 and 134.34, subdivisions 1 and 2;

(p) pay the amount of the county building fund levy permitted under section 373.40, subdivision 6;

(q) pay the county's share of the costs levied in 1989, 1990, and 1991 for the Minnesota cooperative soil survey under Minnesota Statutes 1988, section 40.07, subdivision 15;

(r) for taxes levied in 1989, payable in 1990 only, pay the cost incurred for the minimum share required by counties levying for the first time under section 134.34 as required under section 134.341. For taxes levied in 1990, and thereafter, counties levying under this provision must levy under clause (o), and their allowable increase must be determined with reference to the amount levied in 1989 under this paragraph;

(s) for taxes levied in 1989, payable in 1990 only, provide an amount equal to 50 percent of the estimated amount of the reduction in aids to a county under sections 273.1398, subdivision 2, paragraph (d), and 477A.012, subdivision 3, for aids payable in 1990;

(t) for taxes levied in 1990 only by a county in the eighth judicial district, provide an amount equal to the amount of the levy, if any, that is required under Laws 1989, chapter 335, article 3, section 54, subdivision 8;

(u) for taxes levied in 1989, payable in 1990 only, pay the costs not reimbursed by the state or federal government:

(i) for the costs of purchase or delivery of social services. The aggregate amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties.

(ii) for payments made to or on behalf of recipients of aid under any public assistance program authorized by law. The aggregate amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent and must be used only for the public assistance programs; and.

If the amount levied under this paragraph (u) in 1989 is less than the actual expenditures needed for these programs for 1990, the difference between the actual expenditures and the amount levied may be levied in 1990 as a special levy. If the amount levied in 1989 is greater than the actual expenditures needed for these programs for 1990, the difference between the amount levied and the actual expenditures shall be deducted from the 1990 levy limit, payable in 1991;

(v) pay an amount of up to 25 percent of the money sought for distribution and approved under section 115A.557, subdivision 3, paragraph (b), clause (3);

(w) pay the unreimbursed costs of per diem jail or correctional facilities services paid by the county in the previous 12-month period ending on July 1 of the current year provided that the county

is operating under a department of corrections directive that limits the capacity of county jails or correctional facilities;

(x) for taxes levied in 1990 and 1991, payable in 1991 and 1992 only, pay the operating or maintenance costs of a county jail as authorized in section 641.01 or 641.262, or of a correctional facility as defined in section 241.021, subdivision 1, paragraph (5), to the extent that the county can demonstrate to the commissioner of revenue that the amount has been included in the county budget as a direct result of a rule, minimum requirement, minimum standard, or directive of the department of corrections. If the county utilizes this special levy, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.51, shall be deducted from the levy limit base under section 275.51, subdivision 3f, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination;

(y) for taxes levied in 1990, payable in 1991 only, pay an amount equal to the unreimbursed county costs paid in 1990 for the purpose of grasshopper control on public lands; and, for taxes levied in 1991 payable in 1992 only, pay an amount equal to the unreimbursed county costs paid in 1991 for the purpose of grasshopper control on public lands;

(z) pay the unreimbursed county costs for court-ordered family-based services and court-ordered out-of-home placement for children to the extent that the county can demonstrate to the commissioner of revenue that the estimated amount included in the county's budget for the following levy year is for the purposes specified under this clause. For purposes of this special levy, costs for "family-based services" and "out-of-home placement" means costs resulting from court-ordered targeted family services designed to avoid out-of-home placement and from court-ordered out-of-home placement under the provisions of sections 260.172 and 260.191, which are unreimbursed by the state or federal government, insurance proceeds, or parental or child obligations. Any amount levied under this clause must only be used by the county for the purposes specified in this clause.

If the county uses this special levy and the county levied an amount in the previous levy year, for the purposes specified under this clause, under another special levy or under the levy limitation in section 275.51, the following adjustments must be made:

(i) The amount levied in the previous levy year for the purposes specified under this clause under the levy limitation in section 275.51 must be deducted from the levy limit base under section

275.51, subdivision 3f when determining the current year levy limitation.

(ii) The amount levied in the previous levy year, for the purposes specified under clause (a) or clause (u) must be deducted from the previous year's amount used to calculate the maximum amount allowable under clause (a) in the current levy year; and

(aa) pay the unreimbursed costs of a municipality for the salaries and benefits of peace officers whose primary responsibilities are to investigate controlled substance crimes under chapter 152 or to teach drug abuse resistance education curricula in schools. This special levy is limited to the amount that the city can demonstrate to the commissioner of revenue is included in the city's budget for the following levy year for the purposes specified under this clause.

If the municipality utilizes this special levy, any amount levied by the municipality in the previous levy year for the purpose specified under this clause and included in the municipality's previous year's levy limitation computed under section 275.51, shall be deducted from the levy limit base under section 275.51, subdivision 3f, when determining the municipality's current year levy limitation. The municipality shall provide the necessary information to the commissioner of revenue for making this determination; and

(bb) for a county, provide an amount needed to fund comprehensive local water planning and implementation activities under sections 103B.3361 to 103B.3369 as provided in this clause.

(i) A county may levy an amount not to exceed the water planning and implementation local tax rate times the adjusted net tax capacity of the county for the preceding year. The water planning and implementation local tax rate shall be set by September 1 each year by the commissioner of revenue for taxes payable in the following year. As used in this paragraph, the "adjusted net tax capacity of the county" means the net tax capacity of the county as equalized by the commissioner of revenue based upon the results of an assessment/sales ratio study. That rate shall be the rate, rounded up to the nearest one-tenth of a percent, that, when applied to the adjusted gross tax capacity for all counties, raises the amount specified in this item. The water planning and implementation local tax rate for taxes levied in 1990 shall be the rate that raises \$1,740,000 and the rate for taxes levied in 1991 shall be the rate that raises \$1,740,000. A county must levy a tax at the rate established under this item to qualify for a grant from the board of water and soil resources under section 103B.3369, subdivision 5, except that if the amount necessary to develop and implement the local water plan for the county is less than \$40,000, the levy under this item shall be \$20,000, less one-half of the difference between \$40,000 and the amount necessary to develop and implement the plan.

(ii) A county may also levy the amount necessary to implement a comprehensive local water plan approved by the board of water and soil resources to the extent that that amount exceeds the sum of the amount levied under item (i) and the amount of any grant to the county from the board under section 103B.3369, subdivision 5.

If the amount levied in 1989 is less than the actual expenditures needed for these programs for 1990, the difference between the actual expenditures and the amount levied may be levied in 1990 as a special levy. If the amount levied in 1989 is greater than the actual expenditures needed for these programs for 1990, the difference between the amount levied and the actual expenditures shall be deducted from the 1990 levy limit, payable in 1991.

Sec. 21. Minnesota Statutes Second 1989 Supplement, section 275.51, subdivision 3f, is amended to read:

Subd. 3f. [LEVY LIMIT BASE.] (a) The property tax levy limit base for governmental subdivisions for taxes levied in 1988 shall be equal to the total actual levy for taxes payable in 1988 with additions and subtractions as specified in paragraphs (b) and (c).

(b) The amounts to be added to the actual 1988 levy are (1) the amount of local government aid the governmental subdivision was certified to receive in 1988 under sections 477A.011 to 477A.014, (2) its 1988 taconite aids under sections 298.28 and 298.282, and (3) its 1988 wetlands and native prairie reimbursements under Minnesota Statutes 1986, sections 273.115, subdivision 3, and 273.116, subdivision 3.

(c) The amounts to be subtracted from the actual 1988 levy are (1) any special levies claimed for taxes payable in 1988 pursuant to Laws 1987, chapter 268, article 5, section 12, subdivision 4, clauses (1), (2), (3), and (4); and (2) for a governmental subdivision participating in a regional library system receiving grants from the department of education under section 134.34, the amount levied for taxes payable in 1988 for the operating costs of a public library service.

(d) For taxes levied in 1989 and subsequent years, a governmental subdivision's levy limit base is equal to its adjusted levy limit base for the preceding year, provided that for taxes levied in 1989, the amount of the administrative reimbursement aid received in 1988 shall be added to the base.

(e) For taxes levied by a county in 1989, the levy limit base determined under paragraph (d) shall be reduced by an amount equal to 90 percent of the cost of public defender services for felonies and gross misdemeanors and the costs of law clerks in the county that are assumed by the state during calendar year 1990, less 103 percent of one-half the amount of fees collected by the courts in the

county during calendar year 1988. For taxes levied in 1990, the levy limit base determined under paragraph (d) shall be reduced by an amount equal to the cost of public defender services for felonies and gross misdemeanors and the cost of law clerks in the county that are assumed by the state during calendar year 1991, less the amount of fees collected by the courts in the county during calendar year 1989, computed at the rate of \$30 for civil and probate filings and \$20 for marriage dissolutions.

(f) For taxes levied in 1989 only, by a county that is located in the eighth judicial district, the levy limit base determined under paragraphs (d) and (e) shall be further reduced by an amount equal to 90 percent of the cost of operation of the trial courts in the county during calendar year 1990 that are assumed by the state and for which an appropriation is provided, less 103 percent of the sum of (1) the remaining one-half of the amount of fees and (2) 100 percent of the amount of fines collected by the courts in the county during calendar year 1988. For taxes levied in 1990 only by those counties, the levy limit base determined under paragraphs (d) and (e) shall be further reduced by an amount equal to the cost of operation of the trial courts in the county during the first six months of calendar year 1991 that are assumed by the state less 50 percent of the amount of fines collected by the courts during calendar year 1989.

(g) By October 15, 1989, the board of public defense shall determine and certify to the commissioner of revenue the pro rata share for each county of the state-financed public defense services described in paragraph (e) during the six-month period beginning July 1, 1990. By October 15, 1989, the supreme court shall determine and certify to the department of revenue for each county the pro rata share for each county of the cost of providing law clerks during the three-month period beginning October 1, 1990, plus, for each county located in the eighth judicial district, the cost of operation of the trial courts during calendar year 1990.

By July 15, 1990, the board of public defense shall determine and certify to the department of revenue the pro rata share for each county of the state-financed public defense services described in paragraph (e) during calendar year 1991. By July 15, 1990, the supreme court shall determine and certify to the department of revenue for each county the pro rata share for each county of the cost of providing law clerks during calendar year 1991 plus, for each county located in the eighth judicial district, the cost of operation of the trial courts during the first six months of 1991.

(h) For taxes levied in a county in 1991, the levy limit base shall be reduced by an amount equal to the cost in the county of court reporters, judicial officers, and district court referees and the expenses of law clerks and court reporters as authorized in sections 484.545, subdivision 3, and 486.05, subdivisions 1 and 1a, as

certified by the supreme court pursuant to section 477A.012, subdivision 4.

(i) If a governmental subdivision received an adjustment to its levy limit base for taxes levied in 1988 under section 275.51, subdivision 3j, its levy limit base for taxes levied in 1989 must be reduced by the lesser of (1) the adjustment under section 275.51, subdivision 3j, or (2) the difference between its (i) levy limit for taxes levied in 1988 and its (ii) total actual levy for taxes levied in 1988 minus any special levies claimed for taxes levied in 1988 under section 275.50, subdivision 5.

(j) For taxes levied in 1990, the levy limit base of cities and counties shall be reduced by the amount equal to .6 percent of the city's and county's revenue base determined under sections 477A.012, subdivision 5, and 477A.013, subdivision 7.

Sec. 22. Minnesota Statutes Second 1989 Supplement, section 276.09, is amended to read:

276.09 [SETTLEMENT BETWEEN AUDITOR AND TREASURER.]

On the later of May 20 of each year or 19 calendar days after the postmark date on the envelopes containing real or personal property tax statements, the county treasurer shall make full settlement with the county auditor of all receipts collected for all purposes, from the date of the last settlement up to and including each day mentioned. The county auditor shall, within 30 days after the settlement, send an abstract of it to the state auditor in the form prescribed by the state auditor. At the settlement the treasurer shall make complete returns of the receipts on the current tax list, showing the amount collected on account of the several funds included in the list.

Settlement of receipts from the later of May 20 or the actual settlement date to December 31 of each year must be made as provided in section 276.111.

For purposes of this section, "receipts" includes all tax payments received by the county treasurer on or before the settlement date.

Sec. 23. Minnesota Statutes Second 1989 Supplement, section 276.10, is amended to read:

276.10 [APPORTIONMENT AND DISTRIBUTION OF FUNDS.]

On the settlement day in May of determined in section 276.09 for each year, the county auditor and county treasurer shall distribute all undistributed funds in the treasury. The funds must be appor-

tioned as provided by law, and credited to the state, town, city, school district, special district and each county fund. Within 20 days after the distribution is completed, the county auditor shall report to the state auditor in the form prescribed by the state auditor. The county auditor shall issue a warrant for the payment of money in the county treasury to the credit of the state, town, city, school district, or special districts on application of the persons entitled to receive the payment. The county auditor may apply the tax capacity rate from the year before the year of distribution when apportioning and distributing delinquent tax proceeds, if the composition of the previous year's tax capacity rate between taxing districts is not significantly different than the tax capacity rate that existed for the year of the delinquency.

Sec. 24. Minnesota Statutes Second 1989 Supplement, section 276.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] As soon as practical after the May settlement day determined in section 276.09 the county treasurer shall pay to the state treasurer or the treasurer of a town, city, school district, or special district, on the warrant of the county auditor, all receipts of taxes levied by the taxing district and deliver up all orders and other evidences of indebtedness of the taxing district, taking triplicate receipts for them. The treasurer shall file one of the receipts with the county auditor, and shall return one by mail on the day of its receipt to the clerk of the town, city, school district, or special district to which payment was made. The clerk shall keep the receipt in the clerk's office. Upon written request of the taxing district, to the extent practicable, the county treasurer shall make partial payments of amounts collected periodically in advance of the next settlement and distribution. A statement prepared by the county treasurer must accompany each payment. It must state the years for which taxes included in the payment were collected and, for each year, the amount of the taxes and any penalties on the tax. Upon written request of a taxing district, except school districts, the county treasurer shall pay at least 70 percent of the estimated collection within 30 days after the May settlement date determined in section 276.09. Within seven business days after the due date, or 21 calendar days after the postmark date on the envelopes containing real property tax statements, whichever is later, the county treasurer shall pay to the treasurer of the school districts 50 percent of the estimated collections arising from taxes levied by and belonging to the school district. The remaining 50 percent of the estimated collections must be paid to the treasurer of the school district within the next seven business days. The treasurer shall pay the balance of the amounts collected to the state or to a municipal corporation or other body within 60 days after the May settlement date determined in section 276.09. After 45 days interest at an annual rate of eight percent accrues and must be paid to the taxing district. Interest must be paid upon appropriation from the general revenue fund of

the county. If not paid, it may be recovered by the taxing district, in a civil action.

Sec. 25. Minnesota Statutes 1988, section 276.111, is amended to read:

276.111 [DISTRIBUTIONS AND FINAL YEAR-END SETTLEMENT.]

Within seven business days after October 15, the county treasurer shall pay to the school districts 50 percent of the estimated collections arising from taxes levied by and belonging to the school district from May 20 the settlement day determined in section 276.09 to October 20. The remaining 50 percent of the estimated tax collections must be paid to the school district within the next seven business days. Within ten business days after November 15, the county treasurer shall pay to the school district 100 percent of the estimated collections arising from taxes levied by and belonging to the school districts from October 20 to November 20.

Within ten business days after November 15, the county treasurer shall pay to each taxing district, except any school district, 100 percent of the estimated collections arising from taxes levied by and belonging to each taxing district from May 20 the settlement day determined in section 276.09 to November 20.

On or before January 5, the county treasurer shall make full settlement with the county auditor of all receipts collected from May 20 the settlement day determined in section 276.09 to December 31. After subtracting any tax distributions that have been made to the taxing districts in October and November, the treasurer shall pay to each of the taxing districts on or before January 25, the balance of the tax amounts collected on behalf of each taxing district. Interest accrues at an annual rate of eight percent and must be paid to the taxing district if this final settlement amount is not paid by January 25. Interest must be paid upon appropriation from the general revenue fund of the county. If not paid, it may be recovered by the taxing district in a civil action.

Sec. 26. Minnesota Statutes Second 1989 Supplement, section 277.01, subdivision 1, is amended to read:

Subdivision 1. Except as provided in this subdivision, all unpaid personal property taxes shall be deemed delinquent on May 16 next after they become due or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, and thereupon a penalty of eight percent shall attach and be charged upon all such taxes. In the case of unpaid personal property taxes due and owing under section 272.01, subdivision 2, the first half shall become delinquent if not paid before May 16, or 14 days after the postmark date, whichever is later, and thereupon a penalty of

eight percent shall attach on the unpaid first half; and the second half shall become delinquent if not paid before October 16, and thereupon a penalty of eight percent shall attach on the unpaid second half. This section shall not apply to class 2a property.

A county may provide by resolution that in the case of a property owner that has multiple personal property tax statements with the 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 277.011 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

Sec. 27. Minnesota Statutes Second 1989 Supplement, section 277.02, is amended to read:

277.02 [DELINQUENT LIST FILED IN COURT.]

By June 15 of each year, the county treasurer shall make a list of all personal property taxes remaining delinquent May 16, and by November 15 of each year the county treasurer shall make a list of all personal property taxable under section 272.01, subdivision 2, remaining delinquent October 16. The county treasurer shall immediately certify to and file the same each list with the court administrator of the district court of the county, and. Upon such filing, the list shall be prima facie evidence that all of the provisions of law in relation to the assessment and levy of such taxes have been complied with.

Sec. 28. Minnesota Statutes Second 1989 Supplement, section 277.05, is amended to read:

277.05 [SHERIFF TO FILE LIST OF UNCOLLECTED TAXES.]

If the sheriff is unable, for want of goods and chattels whereon to levy, to collect by a distress, or otherwise, the taxes, or any part thereof, assessed upon the personal property of any persons, the sheriff shall file with the court administrator of the district court, on July 15 following, a list of such taxes. The list shall be filed with an affidavit of the sheriff, or of the deputy sheriff entrusted with the collection thereof, stating that the affiant has made diligent search and inquiry for goods and chattels from which to collect such taxes, and is unable to collect the same. The list of such taxes as they apply to manufactured homes shall be filed on December 1 and the list of

such taxes as they apply to property taxable under section 272.01, subdivision 2, shall be filed on December 15. The sheriff shall note on the margin of such list the place to which any delinquent taxpayer may have removed, with the date of removal, if known. At the time of filing the list the sheriff shall also return all the warrants with endorsements thereon showing the doings of the sheriff or deputy in the premises, and the court administrator shall file and preserve the same. On or before ~~September tenth~~ July 25 thereafter, the court administrator shall deliver such list and affidavit to the county treasurer, who shall, by comparison of such list with the tax duplicates in the treasurer's office, ascertain whether or not all personal property taxes reported by the treasurer to the court administrator as delinquent, except those included in such list, have been paid into the treasurer's office, and shall attach to the list a certificate stating whether or not all taxes reported by the treasurer to the court administrator as delinquent and not included in the list have been received, and stating the items of such taxes, if any, as have been received. The court administrator shall deliver such list and affidavit as they apply to manufactured homes on or before December 10 and as they apply to property taxable under section 272.01, subdivision 2, on or before December 24. The treasurer shall deliver such list and affidavit, with the certificate attached, to the county board at its first session thereafter, which shall cancel such taxes as it is satisfied cannot be collected. A copy of the tax list so revised, and also a separate list of the taxes so canceled, shall be included in the records of the proceedings of the board, and published in full, as a part of the proceedings.

Sec. 29. Minnesota Statutes Second 1989 Supplement, section 277.06, is amended to read:

277.06 [CITATION TO DELINQUENTS; DEFAULT JUDGMENT.]

On September 5, or within ten days after the adjournment of the county board, whichever occurs first, the county auditor shall file a copy of such revised list with the court administrator of the district court. The county auditor shall file a copy of the revised list as it applies to manufactured homes on January 20 and a copy of the revised list as it applies to property taxable under section 272.01, subdivision 2, on February 15. Within ten days after the list has been filed, the court administrator shall issue a citation to each delinquent named in the list, stating the amount of tax and penalty, and requiring such delinquent to appear on a day to be set by the district court in the county, appointed to be held at a time not less than 30 days after the issuance of such citation, and show cause, if any there be, why the delinquent should not pay the tax and penalty. The citation shall be delivered for service to the sheriff of the county where such person may at the time reside or be. If such person, after service of the citation, fails to pay such tax, penalty, and costs to the sheriff before the first day of the term, or on such day to show cause

as aforesaid, the court shall direct judgment against the person for the amount of such tax, penalty, and costs. When unable to serve the citation, the sheriff shall return the same to the court administrator, with a return thereto to that effect, and thereupon, or if the court decides that the service of such citation made or attempted to be made, or the issuance thereof by the court administrator, was illegal, the court administrator shall issue another like citation, requiring such delinquent to appear on the first day of the next general term to be held in the county, and show cause as aforesaid, and if the delinquent fails to pay or to show cause, the court shall direct judgment as aforesaid. Whenever the sheriff has been unable to serve any such citation theretofore issued in any year or years, or whenever the court decides that the service of any such citation theretofore made or attempted to be made, or the issuance thereof by the court administrator, was illegal, the court administrator shall issue another like citation requiring such delinquent to appear, as in the case last provided, and with like effect; provided, that all citations other than the first shall be issued only on the request of the county attorney.

Sec. 30. Minnesota Statutes 1988, section 277.15, is amended to read:

277.15 [INTEREST.]

When a judgment has heretofore been entered and docketed, or shall hereafter be entered and docketed, for the recovery of taxes, except in the case of real estate tax judgments provided for in section 279.19, the same shall bear interest until paid at the rate of six percent per annum until January 1, 1981, ~~and~~ at the rate determined under section 549.09 ~~thereafter~~ until December 31, 1990, and at the rate provided in section 279.03, subdivision 1a, on or after January 1, 1991.

Sec. 31. Minnesota Statutes 1989 Supplement, section 278.05, subdivision 4, is amended to read:

Subd. 4. [SALES RATIO STUDIES AS EVIDENCE.] The sales ratio studies published by the department of revenue, or any part of the studies, or any copy of the studies or records accumulated to prepare the studies which is prepared by the commissioner of revenue for use in determining education aids shall be admissible in evidence as a public record without the laying of a foundation if the sales prices used in the study are adjusted for the terms of the sale to reflect market value and are adjusted to reflect the difference in the date of sale compared to the assessment date. The department of revenue sales ratio study shall be prima facie evidence of the level of assessment. Additional evidence relevant to the sales ratio study is also admissible. No sales ratio study received into evidence shall be conclusive or binding on the court and evidence of its reliability or unreliability may be introduced by any party including, but not

limited to, evidence of inadequate adjustment of sale prices for terms of financing, inadequate adjustment of sales prices to reflect the difference in the date of sale compared to the assessment date, and inadequate sample size.

No reduction in value on the grounds of discrimination shall be granted on the basis of a sales ratio study unless

(a) the sales prices are adjusted for the terms of the sale to reflect market value,

(b) the sales prices are adjusted to reflect the difference in the date of sale compared to the assessment date,

(c) there is an adequate sample size, and

(d) the median ratio of the same classification of property in the same county, city, or town as the subject property is lower than 90 percent, except that in the case of a county containing a city of the first class, the median ratio for the county shall be the ratio determined excluding sales from the first class city within the county.

~~If a reduction in value on the grounds of discrimination is granted based on the above criteria, the reduction shall equal the difference between 90 percent and the median ratio determined by the court.~~

Sec. 32. Minnesota Statutes 1989 Supplement, section 279.01, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3, on the later of May 16, of each year or 14 calendar days after the postmark date on the envelope containing the property tax statement, 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 the later of June 1 of each year or 29 calendar days after the postmark date on commercial use real property used for seasonal residential recreational purposes and classified as class 1c 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 the later of June 1 or 29 calendar days after the postmark date 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 first day

of each month, up to and including October 1 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 the later of May 16 or 14 calendar days after the postmark date on the envelope containing the property tax statement; 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 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 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 the later of May 16 or 14 calendar days after the postmark date on the envelope containing the property tax statement, 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. 33. Minnesota Statutes 1988, section 279.03, is amended by adding a subdivision to read:

Subd. 1a. [RATE AFTER DECEMBER 31, 1990.] Interest on delinquent property taxes, penalties, and costs unpaid on or after January 1, 1991, shall be payable at the per annum rate determined in section 270.75, subdivision 5. The rate shall be subject to change on January 1 of each year.

Sec. 34. Minnesota Statutes 1988, section 279.03, subdivision 2, is amended to read:

Subd. 2. [COMPOSITE JUDGMENT.] Amounts included in composite judgment, as judgments authorized by section 279.37, subdi-

vision 1, and confessed on or after July 1, 1982, are subject to interest at the rate determined pursuant to under section 549.09. Amounts confessed under this authority after December 31, 1990, are subject to interest at the rate calculated under subdivision 1a. During each calendar year, interest shall accrue on the unpaid balance of the composite judgment from the time it is confessed until it is paid. The rate of interest is subject to change each year in the same manner that section 549.09 or subdivision 1a, whichever is applicable, provides for rate changes on judgments. Interest on the unpaid contract balance on judgments confessed before July 1, 1982, is payable at the rate applicable to the judgment at the time that it was confessed.

Sec. 35. Minnesota Statutes 1988, section 281.17, is amended to read:

281.17 [PERIOD FOR REDEMPTION.]

The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) nonagricultural homesteaded land as defined in section 273.13, subdivision 22, (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a), or (c) seasonal recreational land as defined in section 273.13, subdivision 25, paragraph (d)(1) or (c)(4), in which event the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for homesteaded lands as defined in section 273.13, subdivision 22, located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, and sold to the state at a tax judgment sale is ~~two~~ three years from the date of sale. The period of redemption for ~~other~~ all lands located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, except homesteaded lands as defined in section 273.13, subdivision 22, and sold to the state at a tax judgment sale is one year from the date of sale.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale.

Sec. 36. Minnesota Statutes 1989 Supplement, section 282.01, subdivision 1, is amended to read:

Subdivision 1. [CLASSIFICATION; USE; EXCHANGE.] It is the general policy of this state to encourage the best use of tax-forfeited lands, recognizing that some lands in public ownership should be retained and managed for public benefits while other lands should be returned to private ownership. All Parcels of land becoming the property of the state in trust under ~~the provisions of any law now existing or hereafter enacted~~ declaring the forfeiture of lands to the

state for taxes, shall be classified by the county board of the county wherein such in which the parcels lie as conservation or nonconservation. Such In making the classification shall be made with consideration, among other things, to the board shall consider the present use of adjacent lands, the productivity of the soil, the character of forest or other growth, accessibility of lands to established roads, schools, and other public services, their peculiar suitability or desirability for particular uses and the suitability of the forest resources on the land for multiple use, sustained yield management. Such The classification, furthermore, shall aid: to must encourage and foster a mode of land utilization that will facilitate the economical and adequate provision of transportation, roads, water supply, drainage, sanitation, education, and recreation; to facilitate reduction of governmental expenditures; to conserve and develop the natural resources; and to foster and develop agriculture and other industries in the districts and places best suited thereto to them.

In making such the classification the county board may make use of such data and information as may be made available by any office or department of the federal, state, or local governments, or by any other person or agency possessing pertinent information pertinent thereto at the time such the classification is made. Such The lands may be reclassified from time to time as the county board may deem consider necessary or desirable, except as to for conservation lands held by the state free from any trust in favor of any taxing district.

If any such the lands are located within the boundaries of any an organized town, with taxable valuation in excess of \$20,000, or incorporated municipality, the classification or reclassification and sale shall must first be approved by the town board of such the town or the governing body of such the municipality insofar as in which the lands are located therein are concerned. The town board of the town or the governing body of the municipality will be deemed is considered to have approved the classification or reclassification and sale if the county board is not notified of the disapproval of the classification or reclassification and sale within 90 days of the date the request for approval was transmitted to the town board of the town or governing body of the municipality. If the town board or governing body desires to acquire any parcel lying in the town or municipality by procedures authorized in this subdivision, it shall, within 90 days of the request for classification or reclassification and sale, must file a written application with the county board to withhold the parcel from public sale. The application must be filed within 90 days of the request for classification or reclassification and sale. The county board shall then withhold the parcel from public sale for one year.

Subd. 1a. [CONVEYANCE; GENERALLY.] Any Tax-forfeited lands may be sold by the county board to any an organized or incorporated governmental subdivision of the state for any public

purpose for which such the subdivision is authorized to acquire property or may be released from the trust in favor of the taxing districts upon application of any a state agency for any an authorized use at not less than their value as determined by the county board. The commissioner of revenue may convey by deed in the name of the state any a tract of tax-forfeited land held in trust in favor of the taxing districts, to any a governmental subdivision for any an authorized public use, provided that if an application is submitted to the commissioner with which includes a statement of facts as to the use to be made of the tract and the need therefor and the recommendation of the county board.

Subd. 1b. [CONVEYANCE; TARGETED NEIGHBORHOOD LANDS.] Notwithstanding subdivision 1a, in the case of tax-forfeited lands located in a targeted neighborhood, as defined in section 469.201, subdivision 10, the commissioner of revenue shall may convey by deed in the name of the state any tract of tax-forfeited land held in trust in favor of the taxing districts, to a political subdivision that submits an application to the commissioner of revenue and the county board. The application must include a statement of facts as to the use to be made of the tract, the need therefor, and a resolution, adopted by the governing body of the political subdivision, finding that the conveyance of a tract of tax-forfeited land to the political subdivision is necessary to provide for the redevelopment of land as productive taxable property.

Subd. 1c. [DEED OF CONVEYANCE.] The deed of conveyance shall must be upon on a form approved by the attorney general and shall must be conditioned upon on continued use for the purpose stated in the application, provided, however, that. If, however, the governing body of such the governmental subdivision by resolution determines that some other public use shall should be made of such the lands, and such the change of use is approved by the county board and an application for such change of use is made to, and approved by, the commissioner, such the changed use may be made of such lands without the necessity of the governing body conveying the lands back to the state and securing a new conveyance from the state to the governmental subdivision for such the new public use.

Subd. 1d. [FAILURE TO USE; CONVEYANCE TO STATE.] Whenever any When a governmental subdivision to which any tax-forfeited land has been conveyed for a specified public use as provided in this section shall fail fails to put such the land to such that use, or to some other authorized public use as provided herein in this section, or shall abandon such abandons that use, the governing body of the subdivision shall authorize the proper officers to convey the same land, or such portion thereof the part of the land not required for an authorized public use, to the state of Minnesota; and such. The officers shall execute a deed of such conveyance forthwith, which immediately. The conveyance shall be is subject to the approval of the commissioner and in its form must be approved

by the attorney general, ~~provided, however, that~~. A sale, lease, transfer, or other conveyance of ~~such tax-forfeited lands~~ by a housing and redevelopment authority, a port authority, an economic development authority, or a city as authorized by chapter 469 ~~shall not be is not~~ an abandonment of ~~such~~ use and ~~such the~~ lands shall not be reconveyed to the state nor shall they revert to the state. A certificate made by a housing and redevelopment authority, a port authority, an economic development authority, or a city referring to a conveyance by it and stating that the conveyance has been made as authorized by chapter 469 may be filed with the county recorder or registrar of titles, and the rights of reverter in favor of the state provided by ~~this~~ subdivision 1e will then terminate. No vote of the people ~~shall be is~~ required for ~~such the~~ conveyance.

Subd. 1e. [REVERSION.] ~~In case any such~~ If the tax-forfeited land ~~shall is not be so~~ conveyed to the state in accordance with subdivision 1d, the commissioner of revenue shall by written instrument, in form approved by the attorney general, declare the same land to have reverted to the state, and shall serve a notice ~~thereof~~ of reversion, with a copy of the declaration, by certified mail upon the clerk or recorder of the governmental subdivision concerned, ~~provided, that~~. No declaration of reversion shall be made earlier than five years from the date of conveyance for failure to put ~~such~~ land to ~~such the~~ use specified or from the date of abandonment of ~~such that~~ use if ~~such the~~ lands have been put to ~~such that~~ use. The commissioner shall file the original declaration in the commissioner's office, with verified proof of service as ~~herein~~ required. The governmental subdivision may appeal to the district court of the county in which the land lies by filing with the court administrator a notice of appeal, specifying the grounds of appeal and the description of the land involved, mailing a copy ~~thereof of the~~ notice of appeal by certified mail to the commissioner of revenue, and filing a copy ~~thereof~~ for record with the county recorder or registrar of titles, all within 30 days after the mailing of the notice of reversion. The appeal shall be tried by the court in like manner as a civil action. If no appeal is taken as ~~herein~~ provided in this subdivision, the declaration of reversion shall be is final. The commissioner of revenue shall file for record with the county recorder or registrar of titles, of the county within which the land lies, a certified copy of the declaration of reversion and proof of service.

Subd. 1f. [EXCHANGE.] Any A city of the first class ~~now or hereafter~~ having with a population of 450,000, or over, or its board of park commissioners, which has acquired tax-forfeited land for a specified public use pursuant to the terms of under this section, may convey ~~said the~~ land in exchange for other land of substantially equal worth located in ~~said the~~ city of the first class, ~~provided that~~. The land conveyed to ~~said the~~ city of the first class ~~now or hereafter~~ having a population of 450,000, or over, or its board of park commissioners, in exchange shall be is subject to the public use and reversionary provisions of this section. The tax-forfeited land so

conveyed shall is thereafter be free and discharged from the public use and reversionary provisions of this section, provided that said. The exchange shall in no way affect the mineral or mineral rights of the state of Minnesota, if any, in the lands so exchanged.

Sec. 37. Minnesota Statutes 1988, section 282.01, subdivision 4, is amended to read:

Subd. 4. [CONDUCT OF SALE.] The sale shall be conducted by the county auditor at the county seat of the county in which the parcels lie, provided that, in St. Louis and Koochiching counties, the sale may be conducted in any county facility within the county, and the parcels shall be sold for cash only and at not less than the appraised value, unless the county board of the county shall have adopted a resolution providing for their sale on terms, in which event the resolution shall control with respect thereto. When the sale is made on terms other than for cash only a payment of at least ten percent of the purchase price must be made at the time of purchase, thereupon the balance shall be paid in no more than ten equal annual installments. No standing timber or timber products shall be removed from these lands until an amount equal to the appraised value of all standing timber or timber products on the lands at the time of purchase has been paid by the purchaser; provided, that in case any parcel of land bearing standing timber or timber products is sold at public auction for more than the appraised value, the amount bid in excess of the appraised value shall be allocated between the land and the timber in proportion to the respective appraised values thereof, and no standing timber or timber products shall be removed from the land until the amount of the excess bid allocated to timber or timber products has been paid in addition to the appraised value thereof. The purchaser is entitled to immediate possession, subject to the provisions of any existing valid lease made in behalf of the state.

For sales occurring on or after July 1, 1982, the unpaid balance of the purchase price is subject to interest at the rate determined pursuant to section 549.09. The unpaid balance of the purchase price for sales occurring after December 31, 1990, is subject to interest at the rate determined in section 279.03, subdivision 1a. The interest rate is subject to change each year on the unpaid balance in the manner provided for rate changes in section 549.09 for rate changes ~~on judgments or section 279.03, subdivision 1a, whichever is applicable.~~ Interest on the unpaid contract balance on sales occurring before July 1, 1982, is payable at the rate applicable to the sale at the time that the sale occurred.

Sec. 38. Minnesota Statutes 1988, section 282.261, subdivision 2, is amended to read:

Subd. 2. [INTEREST RATE.] The unpaid balance on any repurchase contract approved by the county board on or after July 1, 1982,

is subject to interest at the rate determined pursuant to under section 549.09. Repurchase contracts approved after December 31, 1990, are subject to interest at the rate determined in section 279.03, subdivision 1a. The interest rate is subject to change each year on the unpaid balance in the manner provided for rate changes in section 549.09 for rate changes on judgments or section 279.03, subdivision 1a, whichever is applicable. Interest on the unpaid contract balance on repurchases approved before July 1, 1982, is payable at the rate applicable to the repurchase contract at the time that it was approved.

Sec. 39. Minnesota Statutes 1989 Supplement, section 375.192, subdivision 2, is amended to read:

Subd. 2. Notwithstanding section 270.07, Upon written application by the owner of the property, if the application seeks a reduction in estimated market value not in excess of \$10,000, the county board may grant the reduction or abatement of estimated market valuation or taxes and of any costs, penalties, or interest on them as the board deems just and equitable and order the refund in whole or part of any taxes, costs, penalties, or interest which have been erroneously or unjustly paid. The application must be approved by the county assessor, or, if the property is located in a city of the first or second class having a city assessor, by the city assessor, and by the county auditor before consideration by the county board. The methods of obtaining a reduction or abatement of ad valorem values contained in subdivisions 1 and 2 are in addition to the method provided in section 270.07. No reduction, abatement, or refund of any special assessments made or levied by any municipality for local improvements shall be made unless it is also approved by the board of review or similar taxing authority of the municipality. Before taking action on any reduction or abatement where the reduction of taxes, costs, penalties, and interest exceed \$10,000, the county board shall give 20 days' notice to the school board and the municipality in which the property is located. The notice must describe the property involved, the actual amount of the reduction being sought, and the reason for the reduction. If the school board or the municipality object to the granting of the reduction or abatement, the county board must refer the abatement or reduction to the commissioner of revenue with its recommendation. The commissioner shall consider the abatement or reduction under section 270.07, subdivision 1.

An appeal may not be taken to the tax court from any order of the county board made in the exercise of the discretionary authority granted in this section.

Sec. 40. Minnesota Statutes 1989 Supplement, section 410.32, is amended to read:

410.32 [CITIES AUTHORIZED TO ISSUE CAPITAL NOTES FOR CERTAIN EQUIPMENT ACQUISITIONS.]

Notwithstanding any contrary provision of other law or charter, a home rule charter city may, by resolution and without public referendum, issue capital notes subject to the city debt limit to purchase public safety equipment, ambulance and other medical equipment, road construction and maintenance equipment, and other capital equipment having an expected useful life at least as long as the term of the notes. The notes shall be payable in not more than five years and be issued on terms and in the manner the city determines. The total principal amount of the capital notes issued in a fiscal year shall not exceed 0.03 percent of the market value of taxable property in the city for that year. A tax levy shall be made for the payment of the principal and interest on the notes, in accordance with section 475.61, as in the case of bonds. Notes issued under this section shall require an affirmative vote of two-thirds of the governing body of the city. Unless prohibited by its charter Notwithstanding a contrary provision of other law or charter, a home rule charter city may also issue capital notes subject to its debt limit in the manner and subject to the limitations applicable to statutory cities pursuant to section 412.301.

Sec. 41. Minnesota Statutes 1989 Supplement, section 462.396, subdivision 2, is amended to read:

Subd. 2. On or before August 20 each year, the commission shall submit its proposed budget for the ensuing calendar year showing anticipated receipts, disbursements and ad valorem tax levy with a written notice of the time and place of the public hearing on the proposed budget to each county auditor and municipal clerk within the region and those town clerks who in advance have requested a copy of the budget and notice of public hearing. On or before October 1 each year, the commission shall adopt, after a public hearing held not later than September 20, a budget covering its anticipated receipts and disbursements for the ensuing year and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget. After adoption of the budget and no later than October 1, the secretary of the commission shall certify to the auditor of each county within the region the county share of the tax, which shall be an amount bearing the same proportion to the total levy agreed on by the commission as the net tax capacity of the county bears to the net tax capacity of the region. For taxes levied in 1990, the maximum amount amounts of any levy levies made for the purposes of sections 462.381 to 462.398 shall not exceed 0.00403 percent of market value on all taxable property in the region. are the following amounts, less the sum of regional planning grants from the state planning agency to that region: for Region 1, \$180,337; for Region 2, \$150,000; for Region 3, \$353,110; for Region 5, \$195,865; for Region 6E, \$197,177; for Region 6W, \$150,000; for Region 7E, \$158,653; for Region 8, \$206,107; for Region 9, \$343,572. For taxes levied in 1991 and thereafter, the maximum levy for each region is: (1) 103 percent of (i) the previous year's tax levy, plus (ii) the sum of regional planning grants from the state planning agency

for the previous levy year, minus (2) the sum of regional planning grants from the state planning agency for the current levy year. The auditor of each county in the region shall add the amount of any levy made by the commission within the limits imposed by this subdivision to other tax levies of the county for collection by the county treasurer with other taxes. When collected the county treasurer shall make settlement of the taxes with the commission in the same manner as other taxes are distributed to political subdivisions.

Sec. 42. Minnesota Statutes 1988, section 469.059, subdivision 11, is amended to read:

Subd. 11. [PROCEDURE.] Tax-forfeited lands in an industrial development district that are vested in the state shall be conveyed to the port authority that is developing the district for one dollar per tract. The port authority may use and later resell the land for purposes of sections 469.048 to 469.068.

In conveying tax-forfeited land to a port authority, the state may not retain a possibility of reverter or right of reentry as it does under section 282.01, subdivision 1 e.

The commissioner of revenue shall convey tax-forfeited parcels in an industrial development district to the port authority, if the authority petitions for conveyance under sections 469.048 to 469.068 and pays one dollar per tract.

The attorney general shall approve the form of the deed of conveyance. The port authority shall receive absolute title to the tract, subject only to a reservation of minerals and mineral rights, under section 282.12. The deed of conveyance must not contain a restriction on the use of the premises. The conveyance divests the state of all further right, title, claim or interest in the tracts, except for the reservation of minerals and mineral rights.

Sec. 43. Laws 1989, chapter 326, article 3, section 49, is amended to read:

Sec. 49. [EFFECTIVE DATE.]

Section 9 is effective July 1, 1989, but a well notification is not required to be filed with the commissioner for construction of a well until after December 31, 1989.

Section 14 relating to disclosing wells to buyers and transferees is effective July 1, 1990 1991.

~~Section~~, Sections 31, 32, and 33 are effective July 1, 1990, and limited well contractor licenses and limited well sealing licenses may not be issued until after that date.

Sections 24 and 33 relating to permits required for elevator shafts and elevator shaft contractor licenses are effective July 1, 1990.

Sec. 44. Laws 1989, chapter 353, section 13, is amended to read:

Sec. 13. [EFFECTIVE DATE.]

This act is effective July 1, 1989. Sections 6 and 9 apply to state land and tax-forfeited land sold after March 15, 1990 1991.

Sec. 45. Laws 1989, First Special Session chapter 1, article 3, section 32, subdivision 1, is amended to read:

Subdivision 1. [NO VALUATION INCREASE.] (a) Notwithstanding Minnesota Statutes, section 273.11, or any other law to the contrary, the estimated market value of a manufactured home parks park, as defined in section 327.14, subdivision 3, and assessed under section 273.13, subdivision 25, paragraph (a) or (b), for taxes levied in 1989 1990, may not exceed 125 percent of its estimated market value for taxes levied in 1988 1989.

(b) This subdivision does not apply to increases in value attributable to improvements made to the real estate since the January 2, 1988 1989, assessment. It does not apply to property becoming subject to taxation since the January 2, 1988 1989, assessment. The limitation in this subdivision applies to any increase in valuation imposed by the local boards of review under section 274.01, the county boards of equalization under section 274.13, and the state board of equalization and the commissioner of revenue under sections 270.11, 270.12, and 270.16.

Sec. 46. Laws 1989, First Special Session chapter 1, article 3, section 32, subdivision 2, is amended to read:

Subd. 2. [NOTICE TO PROPERTY OWNER.] (a) If an assessor has increased the estimated market value of property over that allowed in subdivision 1, the assessor must reduce the estimated market value to the amount allowed under subdivision 1.

On or before November 1, 1989, the assessor must mail notices to all owners of property subject to subdivision 1. The notice must state that any increase in the estimated market value of manufactured home park land for taxes levied in 1989 over that for taxes levied in 1988 has been limited by this act. (b) If an assessor has notified owners of property subject to subdivision 1 of an increase in estimated market value for taxes payable in 1991, the assessor must mail notice to the property owners by July 1, 1990. The notice must state that any increase in the estimated market value of manufactured home park land for taxes levied in 1990 over that for taxes levied in 1989 has been limited by this act.

Sec. 47. Laws 1989, First Special Session chapter 1, article 5, section 52, is amended to read:

Sec. 52. [EFFECTIVE DATE.]

Except as otherwise provided, sections 12 to 19, 27, 35, 45, and 47 are effective for taxes levied in 1989, payable in 1990 and subsequent years. Section 49 is effective upon approval by the Itasca county board for taxes levied in 1988, payable in 1989 only. Sections 1, 5, 6, 20, 31, 34, 41, 44, and 51 are effective for taxes levied by cities and towns in 1991, payable in 1992 and thereafter, and for taxes levied by counties in 1992, payable in 1993 and thereafter. Sections 2, 4, 7, 9 to 11, 21 to 26, 28 to 30, 32, 33, 36 to 40, 42, and 43 are effective for taxes levied in 1991 1992, payable in 1992 1993, and thereafter. Sections 3 and 8 are effective for taxes levied in 1992, payable in 1993 and thereafter. Section 50 is effective for taxes payable in 1989 and 1990 only.

Sec. 48. [CITY OF BAYPORT; LIBRARY LEVY.]

Notwithstanding the limit in Minnesota Statutes, section 275.50, subdivision 5, clause (o), for taxes levied in 1990, payable in 1991, the city of Bayport may levy \$156,158 to pay operating costs of the city library. This amount is not subject to the limitations in Minnesota Statutes, sections 275.50 to 275.56. For taxes levied in 1991 and thereafter, payable in 1992 and thereafter, the city may levy as a special levy the amount authorized under Minnesota Statutes, section 275.50, subdivision 5, clause (o). For purposes of determining the maximum levy increase under that section, the amount levied in 1990, payable in 1991, shall be the base amount.

Sec. 49. [LOCAL APPROVAL; EFFECTIVE DATE.]

Section 48 is effective the day after approval by the governing body of the city of Bayport and its compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 50. [REVERSE REFERENDUM.]

If the Bayport city council intends to exercise the authority provided by section 48 in subsequent years, it shall pass a resolution stating the fact before January 1, 1991. The resolution must be published for two successive weeks in the official newspaper of the city or, if there is no official newspaper, in a newspaper of general circulation in the city, together with a notice fixing a date for a public hearing on the matter. The hearing must be held at least two weeks but not more than four weeks after the first publication of the resolution. Following the public hearing, the city may determine to take no further action or adopt a resolution confirming its intention to exercise the authority. That resolution must also be published in

the official newspaper of the city or, if there is no official newspaper, in a newspaper of general circulation in the city. If within 30 days after publication of the resolution a petition signed by voters equal in number to five percent of the votes cast in the city in the last general election requesting a vote on the proposed resolution is filed with the county auditor, the resolution is not effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election before December 1, 1991.

Sec. 51. [GOODHUE COUNTY; HISTORICAL SOCIETY LEVY.]

For taxes levied in 1990, payable in 1991, and thereafter Goodhue county may levy \$360,000 each year on property in the county and use the proceeds of the levy for the county historical society. This amount is not subject to the limitations in Minnesota Statutes, sections 275.50 to 275.56. If the county utilizes this levy, any amount levied by the county in the previous levy year for the purposes specified under this section and included in the county's previous year's levy limitation computed under section 275.51, shall be deducted from the levy limit base under section 275.51, subdivision 3f, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination.

Sec. 52. [LOCAL APPROVAL; EFFECTIVE DATE.]

Section 51 is effective the day after approval by the Goodhue county board and its compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 53. [REVERSE REFERENDUM.]

If the Goodhue county board intends to exercise the authority provided by section 51 in subsequent years, it shall pass a resolution stating the fact before January 1, 1991. The resolution must be published for two successive weeks in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county, together with a notice fixing a date for a public hearing on the matter. The hearing must be held at least two weeks but not more than four weeks after the first publication of the resolution. Following the public hearing, the county may determine to take no further action or adopt a resolution confirming its intention to exercise the authority. That resolution must also be published in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county. If within 30 days after publication of the resolution a petition signed by voters equal in number to five percent of the votes

cast in the county in the last general election requesting a vote on the proposed resolution is filed with the county auditor, the resolution is not effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election before December 1, 1991.

Sec. 54. [CITY OF WINDOM; HOSPITAL LEVY.]

For taxes levied in 1990 and 1991, payable in 1991 and 1992, the city of Windom may levy an amount up to \$50,000 each year to meet the operating costs of the operating deficit of the municipal hospital. The annual amount levied under this section shall not exceed the amount needed to meet the cost of the operating deficit of the hospital. This amount is not subject to the limitations in Minnesota Statutes, sections 275.50 to 275.56.

Sec. 55. [LOCAL APPROVAL; EFFECTIVE DATE.]

Section 54 is effective the day after approval by the governing body of the city of Windom and its compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 56. [REVERSE REFERENDUM.]

If the Windom city council intends to exercise the authority provided by section 54 in subsequent years, it shall pass a resolution stating the fact before January 1, 1991. The resolution must be published for two successive weeks in the official newspaper of the city or, if there is no official newspaper, in a newspaper of general circulation in the city, together with a notice fixing a date for a public hearing on the matter. The hearing must be held at least two weeks but not more than four weeks after the first publication of the resolution. Following the public hearing, the city may determine to take no further action or adopt a resolution confirming its intention to exercise the authority. That resolution must also be published in the official newspaper of the city or, if there is no official newspaper, in a newspaper of general circulation in the city. If within 30 days after publication of the resolution a petition signed by voters equal in number to five percent of the votes cast in the city in the last general election requesting a vote on the proposed resolution is filed with the county auditor, the resolution is not effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election before December 1, 1991.

Sec. 57. [CITY OF JACKSON; HOSPITAL LEVY.]

For taxes levied in 1990 and 1991, payable in 1991 and 1992, the city of Jackson may levy an amount up to \$50,000 per year to meet the operating costs of the operating deficit of the municipal hospital. The annual amount levied under this section shall not exceed the amount needed to meet the cost of the operating deficit of the hospital. This amount is not subject to the limitations in Minnesota Statutes, sections 275.50 to 275.56.

Sec. 58. [LOCAL APPROVAL; EFFECTIVE DATE.]

Section 57 is effective the day after approval by the governing body of the city of Windom and its compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 59. [REVERSE REFERENDUM.]

If the Jackson city council intends to exercise the authority provided by section 57 in subsequent years, it shall pass a resolution stating the fact before January 1, 1991. The resolution must be published for two successive weeks in the official newspaper of the city or, if there is no official newspaper, in a newspaper of general circulation in the city, together with a notice fixing a date for a public hearing on the matter. The hearing must be held at least two weeks but not more than four weeks after the first publication of the resolution. Following the public hearing, the city may determine to take no further action or adopt a resolution confirming its intention to exercise the authority. That resolution must also be published in the official newspaper of the city or, if there is no official newspaper, in a newspaper of general circulation in the city. If within 30 days after publication of the resolution a petition signed by voters equal in number to five percent of the votes cast in the city in the last general election requesting a vote on the proposed resolution is filed with the county auditor, the resolution is not effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election before December 1, 1991.

Sec. 60. [KOOCHICHING COUNTY; AMBULANCE SERVICE LEVY.]

For taxes levied in 1990, payable in 1991, and thereafter, Koochiching County may levy to pay the costs of ambulance service in a county subordinate service district under Minnesota Statutes, section 375B.09. This amount is not subject to the limitations in Minnesota Statutes, sections 275.50 to 275.56. If the county utilizes this special levy, any amount levied by the county in the previous

levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under Minnesota Statutes, section 275.51, shall be deducted from the levy limit base under Minnesota Statutes, section 275.51, subdivision 3f, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination.

Sec. 61. [SEASONAL RESORT CLASSIFICATION STUDY.]

The taxes committee of the house of representatives and the taxes and tax laws committee of the senate shall study the class rates that apply to seasonal resort properties.

The study shall include the legislative history and an analysis of the policy objectives of the present classes, and an analysis of the former and current economic circumstances of the seasonal resort and tourism industries.

In addition, the committees shall (1) consider whether the application of the present resort classes results in an equitable distribution of the tax burden among similarly situated competitors based on ability to pay, (2) consider the administrative feasibility of the various classes, (3) identify other policy issues related to property tax burdens of the seasonal resort industry, and (4) recommend alternative methods of assessing seasonal resorts.

In conducting the study, the committees shall consider data available from the department of revenue, the department of trade and economic development, assessors, legislative committees and subcommittees, and other appropriate sources.

The committees shall report their findings and recommendations prior to the third week of the 1991 legislative session.

Sec. 62. [AUTHORITY TO TRANSFER LIGHT RAIL MONEY.]

Notwithstanding any law to the contrary, a regional railroad authority located in the metropolitan area, as defined in Minnesota Statutes, section 473.121, may transfer any available money of the authority, including money in capital accounts, to the county in which the authority is located. The county may spend the amount transferred for social service costs during 1990. The authority under this section to transfer the regional railroad authority levy applies only during calendar year 1990.

Sec. 63. [REPEALER.]

Minnesota Statutes 1989 Supplement, section 375.192, subdivision 1, is repealed.

Sec. 64. [EFFECTIVE DATE.]

Sections 5 and 6 are effective for the 1990 assessment and thereafter.

Sections 3, 8, 10 to 13, 16 to 21, 41, 45, and 46, are effective for taxes levied in 1990, payable in 1991, and thereafter, except as otherwise provided.

Section 4 is effective January 1, 1990, and thereafter.

Section 7 is effective for taxes levied in 1990, payable in 1991, and thereafter. Notwithstanding Minnesota Statutes, section 273.112, subdivision 6, in order to qualify for valuation under Minnesota Statutes, section 273.112, for the 1990 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 July 1, 1990, showing that the bylaws in rules and regulations of the private club meet the eligibility requirements of section 7 by July 1, 1990.

Sections 9, 15, 22 to 29, and 32, are effective for taxes levied in 1989, payable in 1990, and thereafter.

Section 14 is effective for reports filed in 1990, and thereafter.

Sections 30, 33, 34, 37, and 38, are effective January 1, 1991.

Section 31 is effective for appeals filed after the date of final enactment.

Sections 35, 36, 40, 42 to 44, 47, 61, and 62, are effective the day following final enactment.

Sections 39 and 63 are effective for reductions or abatements filed with the county board after June 30, 1990.

Pursuant to Minnesota Statutes, section 645.023, subdivision 1, section 60 is effective without local approval for taxes levied in 1990 and thereafter.

ARTICLE 3

PROPERTY TAX AIDS AND CREDITS

Section 1. Minnesota Statutes Second 1989 Supplement, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of tax capacity rates.

(c) "Gross tax capacity" means the product of the gross class rates and estimated market values. "Total gross tax capacity" means the gross tax capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's gross tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the gross tax capacity of transmission lines deducted from a local government's total gross tax capacity under section 273.425. Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of the appropriate net class rates for the year in which the aid is payable, except that for class 3 utility real and personal property the portion of class 1 residential market value in excess of \$100,000 the class rate applied shall be 5.38 percent 3.0 percent, and estimated market values for the assessment two years prior to that in which aid is payable. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be increased by (1) the unique taxing jurisdiction's fiscal disparities distribution tax capacity under section 473F.08, subdivision 2, paragraph (b), and reduced by the sum of (1) (2) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) (3) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) (4) the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. For purposes of determining the net tax capacity of property referred to in clauses (1) and (2), and (3), the net tax capacity shall be multiplied by the ratio of the highest class rate for class 3a property for taxes payable in the year in which the aid is payable to the highest class rate for class 3a property in the prior year. Net tax capacity cannot be less than zero.

(e) "Previous net tax capacity" means the product of the appropriate net class rates for the year previous to the year in which the aid is payable, and estimated market values for the assessment two years prior to that in which aid is payable. "Total net tax capacity"

means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity shall be increased by (1) the unique taxing jurisdiction's fiscal disparities distribution tax capacity under section 473F.08, subdivision 2, paragraph (b), and reduced by the sum of (2) the unique taxing jurisdiction's net tax capacity of commercial-industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (3) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (4) the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. Previous net tax capacity cannot be less than zero.

(f) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. The equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(g) "Local tax rate" means the quotient derived by dividing the gross taxes levied within a unique taxing jurisdiction for taxes payable in 1989 by the gross tax net capacity of the unique taxing jurisdiction for taxes payable in 1989. For computation of the local tax rate for aid payable in 1991 and subsequent years, gross taxes for taxes payable in 1989 exclude equalized levies as defined in subdivision 2a. For purposes of computation of the local tax rate only, gross taxes shall not be adjusted by inflation or household growth.

(g) For purposes of calculating the homestead and agricultural credit aid authorized pursuant to subdivision 2, the "subtraction factor" is the product of (i) a unique taxing jurisdiction's local tax rate; (ii) its total net tax capacity; and (iii) 0.9767.

(h) For purposes of calculating and allocating homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties" or "gross taxes" means the total gross taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction before reduction by any credits for taxes payable in 1989. Gross taxes are before

any reduction for disparity reduction aid. Gross taxes levied cannot be less than zero.

For homestead and agricultural credit aid payable in 1991 and subsequent years, "gross taxes" or "gross taxes levied on all properties" shall mean gross taxes payable in 1989, excluding taxes defined as "equalized levies" in subdivision 2a, multiplied by the cost-of-living adjustment factor and the household adjustment factor.

(i) "Human services aids" means:

(1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;

(2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(3) general assistance medical care under section 256D.03, subdivision 6;

(4) general assistance under section 256D.03, subdivision 2;

(5) work readiness under section 256D.03, subdivision 2;

(6) emergency assistance under section 256.871, subdivision 6;

(7) Minnesota supplemental aid under section 256D.36, subdivision 1;

(8) preadmission screening and alternative care grants under section 256B.091;

(9) work readiness services under section 256D.051;

(10) case management services under section 256.736, subdivision 13;

(11) general assistance claims processing, medical transportation and related costs; and

(12) medical assistance, medical transportation and related costs.

(j) "Adjustment factor" means one plus the percentage change in (1) the ratio of estimated market value of residential homesteads to the estimated market value of all taxable property within the city or township containing the unique taxing jurisdiction based on the assessment one year prior to the year in which the aid is payable when compared to the same ratio based on the assessment two years

prior to the year in which the aid is payable. If the market value of farm homesteads exceeds the market value of residential homesteads in the city or township containing the unique taxing jurisdiction, "adjusted factor" means one plus the percentage change in the ratio of the estimated market value of farm homesteads to the estimated market value of all taxable property within the city or township containing the unique taxing jurisdiction based on the assessment one year prior to the year in which the aid is payable when compared to the same ratio based on the assessment two years prior to the year in which the aid is payable. The adjustment factor cannot be less than one. Estimates of market value for the assessment one year prior to the year in which the aid is paid will be made on the basis of the abstract submitted pursuant to section 270.11. Discrepancies between the estimate and actual market values will not result in increased or decreased aid in the year in which the estimates are used to compute aid.

(k) "Cost of living adjustment factor" means one plus the percentage, if any, by which:

(1) the consumer price index for the calendar year preceding that in which aid is payable, exceeds

(2) the consumer price index for calendar year 1989.

(l) "Consumer price index for any calendar year" means the average of the consumer price index as of the close of the 12-month period ending on May 31 of such calendar year.

(m) "Consumer price index" means the last consumer price index for all-urban consumers published by the department of labor. For purposes of the preceding sentence, the revision of the consumer price index which is most consistent with the consumer price index for calendar year 1989 shall be used.

(n) "Household adjustment factor" means the number of households for the most recent year preceding that in which the aids are payable divided by the 1988 number of households for the previous year. The household adjustment factor cannot be less than one.

(k) "Homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2.

(l) "Net tax capacity adjustment factor" means (1) the net tax capacity minus previous net tax capacity multiplied by (2) the unique taxing jurisdiction's local tax rate for taxes payable in the year preceding the aid distribution year. The net tax capacity adjustment cannot be less than 0.

Sec. 2. Minnesota Statutes Second 1989 Supplement, section 273.1398, subdivision 2, is amended to read:

Subd. 2. [HOMESTEAD AND AGRICULTURAL CREDIT AID.]
(a) Initial homestead and agricultural credit aid for each unique taxing jurisdiction equals the total gross taxes levied on all properties, minus the unique taxing jurisdiction's subtraction factor. The commissioner of revenue may, in computing the amount of the homestead and agricultural credit aid paid in 1990, adjust the gross tax capacity, net tax capacity, and gross taxes of a taxing jurisdiction for taxes payable in 1989 to reflect auditor's errors in computing taxes payable for 1989 in unique taxing jurisdictions within independent school district Nos. 720 and 792. Homestead and agricultural credit aid cannot be less than zero.

(b)(1) The homestead and agricultural credit aid is allocated to each local government levying taxes in the unique taxing jurisdiction in the proportion that the local government's gross taxes bears to the total gross taxes levied within the unique taxing jurisdiction.

(2) The 1990 homestead and agricultural credit aid so determined for school districts for purposes of general education levies pursuant to section 124A.23, subdivisions 2 and 2a, and transportation levies pursuant to section 275.125, subdivisions 5 and 5c, shall be multiplied by the ratio of the adjusted gross tax capacity based upon the 1988 adjusted gross tax capacity to the estimated 1987 adjusted gross tax capacity based upon the 1987 adjusted assessed value.

(3) If a local government's total tax capacity rate for all funds for taxes payable in 1989 varies within the area in which it exercises taxing authority, the local government's allocated homestead and agricultural credit aid must be further allocated between the part of its levy in respect to which the tax capacity rate is constant throughout the area in which it exercises taxing authority and the part of its levy in respect to which the tax capacity rate varies throughout the area in which it exercises taxing authority.

(c) The calendar year 1990 homestead and agricultural credit aid shall be adjusted by the adjustment factor.

(d) Payments under this subdivision to counties in 1990 and subsequent years shall be reduced by the amount provided in section 477A.012, subdivisions 3, paragraph (d), and 4, paragraph (d), and 5.

(e) Payments under this subdivision to cities and towns in 1990 shall be annually reduced by the amount of the homestead and agricultural credit aid adjustment, if any, determined for 1990 under section 477A.013, subdivision 6.

(f) Payments under this subdivision to cities in 1990 shall be

reduced by the amount of the homestead and agricultural credit aid adjustment, if any, determined for 1990 under section 477A.013, subdivisions 6 and 7.

(g) Payments under this subdivision to special taxing districts, excluding hospital districts, in 1990 shall be reduced by an amount equal to one percent of the revenue base. "Revenue base," in this clause, means the amount levied for taxes payable in 1990, before reduction for the homestead and agricultural credit aid under this subdivision, and disparity reduction aid under subdivision 3.

(h) Payments under this subdivision to cities, towns, counties, and special taxing districts in 1991 and subsequent years are equal to the product of (1) the homestead and agricultural credit aid base plus the net tax capacity adjustment factor, and (2) the household adjustment factor.

Sec. 3. Minnesota Statutes 1988, section 273.1398, is amended by adding a subdivision to read:

Subd. 2c. [CITY, TOWN REDUCTION.] (a) For homestead and agricultural credit aid payable in 1991 and subsequent years, if the city or town local tax rate for taxes payable in the preceding year is less than 90 percent of the state weighted average city and town local tax rate for the preceding taxes payable year, then homestead and agricultural credit aid is reduced by an amount equal to two percent of the city or town net tax capacity, not to exceed one-half of the difference between the state weighted average tax capacity rate multiplied by the previous net tax capacity and the city or town tax capacity rate multiplied by the previous net tax capacity.

(b) For purposes of this subdivision, "city and town local tax rate" includes the county local tax rate for property located in the city or town subject to a county levy. If the city is located in more than one county, then a weighted average local tax rate for the part of the county located within the city must be calculated.

(c) "State weighted average city and town local tax rate" means the taxes after disparity reduction aid on all properties located within this state divided by the taxable net tax capacity for all properties located within this state.

Sec. 4. Minnesota Statutes 1989 Supplement, section 275.08, subdivision 1d, is amended to read:

Subd. 1d. If, after computing each local government's adjusted tax capacity rate within a unique taxing jurisdiction pursuant to subdivision 1c, the auditor finds that the total adjusted tax capacity rate of all local governments combined is less than 90 percent of gross tax capacity for taxes payable in 1989 and 90 100 percent of

net tax capacity for taxes payable in 1990 and thereafter, the auditor shall increase each local government's adjusted tax capacity rate proportionately so the total adjusted tax capacity rate of all local governments combined equals ~~90~~ 100 percent. The total amount of the increase in tax resulting from the increased tax capacity rates must not exceed the amount of disparity aid allocated to the unique taxing district under section 273.1398. The auditor shall certify to the department of revenue the difference between the disparity aid originally allocated under section 273.1398, subdivision 3, and the amount necessary to reduce the total adjusted tax capacity rate of all local governments combined to ~~90~~ 100 percent. Each local government's disparity reduction aid payment under section 273.1398, subdivision 6, must be reduced accordingly.

Sec. 5. Minnesota Statutes Second 1989 Supplement, section 477A.011, subdivision 1a, is amended to read:

Subd. 1a. [CITY.] City means a statutory or home rule charter city. City also means a town having a population of 5,000 or more for purposes of the aid payable under section 477A.013, subdivision 3. Towns and cities of the first class are not eligible to be treated as cities for purposes of aid payable under section 477A.013, subdivision 5 or the aid adjustment under section 477A.013, subdivision 7.

Sec. 6. Minnesota Statutes 1988, section 477A.011, subdivision 17, is amended to read:

Subd. 17. [REVENUE GUARANTEE INCREASE.] "Revenue guarantee increase" is the sum of:

(1) \$190 per household for cities of the first class located in the metropolitan area and \$190 per household for cities located outside the metropolitan area; and

(2) 15 percent of a city's base revenue guarantee for cities in which the population has declined since the estimate for the third year preceding the most recent estimate. If the city's population has not declined since the estimate for the third year preceding the most recent estimate, but a city's revenue guarantee increase included an amount under this clause in the year prior to the year for which the aid is being calculated, an amount equal to the product of (i) the percent of base revenue increase it received under this clause in the previous year less three percent, and (ii) its base revenue guarantee.

Sec. 7. Minnesota Statutes Second 1989 Supplement, section 477A.011, subdivision 25, is amended to read:

Subd. 25. [NET TAX CAPACITY.] "Net tax capacity" means for aids payable under section 477A.013, subdivision 5, (1) the net tax capacity of a city computed using the net tax capacity class rates in

Minnesota Statutes 1988, section 273.13, for taxes payable the year prior to the aid distribution; and based on 1988 estimated market values for taxes payable the year prior to the aid distribution, plus (2) a city's fiscal disparities distribution tax capacity under section 473F.08, subdivision 2, paragraph (b), for taxes payable in 1989 the year prior to the aid distribution. The market value utilized in computing net tax capacity shall be reduced by the sum of (1) a city's market value of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 2, paragraph (a), (2) the market value of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the market value of transmission lines deducted from a city's total net tax capacity under section 273.425. The net tax capacity will be computed using equalized market values.

Sec. 8. Minnesota Statutes 1988, section 477A.011, is amended by adding a subdivision to read:

Subd. 26. [REVENUE BASE.] "Revenue base" means the amount levied for taxes payable in 1990, before reduction for the homestead and agricultural credit aid under section 273.1398, subdivision 2, equalization aid under section 477A.013, subdivision 5, and disparity reduction aid under section 273.1398, subdivision 3; plus the local government aid under sections 477A.011; 477A.012, subdivisions 1 and 3, determined without regard to subdivision 2; and 477A.013, subdivisions 3 and 6; and taconite aid under sections 298.28, and 298.282, for taxes payable in 1990.

Sec. 9. Minnesota Statutes 1988, section 477A.012, subdivision 1, is amended to read:

Subdivision 1. [AID AMOUNT.] In calendar year 1988 and calendar years thereafter 1990, each county government shall receive a distribution equal to the aid amount certified for 1987 pursuant to this subdivision. In calendar year 1991 and subsequent years, each county government shall receive a distribution equal to the aid amount it received in 1990 under this subdivision less the reduction made under subdivision 5.

Sec. 10. Minnesota Statutes 1988, section 477A.012, is amended by adding a subdivision to read:

Subd. 5. [COUNTY AID ADJUSTMENT.] For calendar year 1990, a county's aid amount as calculated under subdivisions 1 and 3 is reduced by an amount equal to .6 percent of its revenue base. The amount of aid computed under this subdivision cannot be less than \$0. If the subtraction amount under this subdivision is greater than the amount of aid calculated for any county under subdivisions 1 and 3, the remaining amount shall be subtracted from the county's

homestead and agricultural credit aid under section 273.1398, subdivision 2.

Sec. 11. Minnesota Statutes Second 1989 Supplement, section 477A.013, subdivision 3, is amended to read:

Subd. 3. [CITY AID DISTRIBUTION.] In 1989, a city whose initial aid is greater than \$0 will receive the following aid increases in addition to an amount equal to the local government aid it received in 1988 under Minnesota Statutes 1987 Supplement, section 477A.013:

(1) for a city whose expenditure/unlimited aid ratio is at least 1.5, two percent of city revenue;

(2) for a city whose expenditure/unlimited aid ratio is at least 1.4 but less than 1.5, 2.5 percent of city revenue;

(3) for a city whose expenditure/unlimited aid ratio is at least 1.3 but less than 1.4, three percent of city revenue;

(4) for a city whose expenditure/unlimited aid ratio is at least 1.2 but less than 1.3, four percent of city revenue;

(5) for a city whose expenditure/unlimited aid ratio is at least 1.1 but less than 1.2, five percent of city revenue;

(6) for a city whose expenditure/unlimited aid ratio is at least 1.05 but less than 1.1, six percent of city revenue;

(7) for a city whose expenditure/unlimited aid ratio is at least 1.0 but less than 1.05, seven percent of city revenue;

(8) for a city whose expenditure/unlimited aid ratio is at least .95 but less than 1.0, 7.5 percent of city revenue;

(9) for a city whose expenditure/unlimited aid ratio is at least .75 but less than .95, 8.5 percent of city revenue; and

(10) for a city whose expenditure/unlimited aid ratio is less than .75, nine percent of city revenue.

In 1990, a city whose initial aid is greater than \$0 will receive an amount equal to the aid it received under this section in the year prior to that for which aids are being calculated plus an aid increase equal to 50 percent of the rates listed in clauses (1) to (10) multiplied by city revenue.

In 1991 and subsequent years, a city whose initial aid is greater than \$0 will receive an amount equal to the local government aid it

received under this section in the year prior to that for which aids are being calculated plus an aid increase equal to 25 eight percent of the rates listed in clauses (1) to (10) multiplied by city revenue.

In 1992 and subsequent years, a city will receive an amount equal to the local government aid it received under this section in the previous year.

A city's aid increase under this subdivision is limited to the lesser of (1) 20 percent of its levy for taxes payable in the year prior to that for which aids are being calculated after the adjustments provided in section 273.1398, subdivision 2, or (2) its initial aid amount, or (3) 15 percent of the total local government aid amount received under this section in the previous year, provided that no city will receive an increase that is less than two percent of its 1989 local government aid for aids payable in 1990.

A city whose initial aid is \$0 will receive in 1990 an amount equal to 102 percent of the local government aid it received in 1989 under Minnesota Statutes 1988, section 477A.013. A city whose initial aid is \$0 will receive in 1991 and subsequent years an amount equal to the aid it received in the previous year under this section. For purposes of this subdivision, the term "local government aid" includes does not include equalization aid for aids payable in 1991 and thereafter amounts under subdivision 5.

Sec. 12. Minnesota Statutes Second 1989 Supplement, section 477A.013, subdivision 5, is amended to read:

Subd. 5. [EQUALIZATION AID.] A city is eligible for equalization aid in 1990 only. The amount of the aid is equal to (1) the aid amount received under this subdivision in 1990 after the adjustments, if any, under subdivisions 6 and 7, plus an equalization aid increase equal to the product of (i) a city's average levy for the three immediately preceding years less the disparity reduction aids allocated to the city pursuant to Minnesota Statutes 1988, section 273.1398, subdivision 3, for the year prior to the aid distribution, and less the equalization aid it received under this subdivision in the year prior to that for which the aid is being calculated, (ii) .36 .30, and (iii) one minus the ratio of the net tax capacity per capita to 900; less (2) the local government aid increase for the city under subdivision 3. The equalization aid increase under this section is limited to 15 12 percent of the total local government aid the city received in 1989 under this section in the prior year. The aid under this section cannot be less than zero. For the purposes of this subdivision, "levy" includes a city's levy on fiscal disparities distribution under section 473F.08, subdivision 3, paragraph (a).

If the amount appropriated under section 477A.03, subdivision 1, is insufficient to pay the aid amounts calculated under this subdivision, the commissioner of revenue shall first proportionately

reduce the equalization aid increase for each city so that the sum of the equalization aid amounts paid under this subdivision equals the amount appropriated in section 477A.03, subdivision 1. If the equalization aid increase is reduced to zero and the amount appropriated under section 477A.03, subdivision 1, is still insufficient to pay the aid amounts under this subdivision, the remaining amount of equalization aid for each city will be reduced proportionately so that the sum of the aid paid under this subdivision equals the amount appropriated in section 477A.03, subdivision 1.

Sec. 13. Minnesota Statutes 1988, section 477A.013, is amended by adding a subdivision to read:

Subd. 7. [1990 CITY AID ADJUSTMENT.] For cities only in calendar year 1990, there shall be an amount, equal to .6 percent of a city's revenue base, subtracted from the aid amounts computed under subdivisions 3, 5, and 6. The subtraction will be made first from the local government aid computed under subdivisions 3 and 6. If the subtraction amount under this subdivision is greater than the local government aid computed under subdivisions 3 and 6, the remaining amount will be subtracted from the equalization aid computed under subdivisions 5 and 6. The resulting amounts shall be the city's local government aid and equalization aid for calendar year 1990. The local government aid and equalization aid amount for any city cannot be less than zero. If the subtraction amount under this section is greater than the aid amount for any city computed under subdivisions 3, 5, and 6, the remaining amount shall be subtracted from the city's homestead and agricultural credit aid under section 273.1398, subdivision 2.

Sec. 14. Minnesota Statutes 1988, section 477A.03, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL APPROPRIATION.] A sum sufficient to discharge the duties imposed by sections 477A.011 to 477A.014, except to pay equalization aid amounts under section 477A.013, subdivision 5, is annually appropriated from the general fund to the commissioner of revenue. \$21,000,000 is appropriated for fiscal year 1992 from the general fund to the commissioner of revenue to pay the equalization aid amounts for aids payable in 1991 under section 477A.013, subdivision 5. \$22,500,000 is appropriated for fiscal year 1993 from the general fund to the commissioner of revenue to pay equalization aid amounts for aids payable in 1992 under section 477A.013, subdivision 5.

Sec. 15. Minnesota Statutes 1988, section 477A.11, subdivision 4, is amended to read:

Subd. 4. "Other natural resources land" means:

(1) any other land presently owned in fee title by the state and

administered by the commissioner, or any tax-forfeited land, other than platted lots within a city, which is owned by the state and administered by the commissioner or by the county in which it is located; and

(2) land leased by the state from the United States of America through the United States Secretary of Agriculture pursuant to Title III of the Bankhead Jones Farm Tenant Act, which land is commonly referred to as land utilization project land that is administered by the commissioner.

Sec. 16. Minnesota Statutes 1988, section 477A.13, is amended to read:

477A.13 [TIME OF PAYMENT, DEDUCTIONS.]

Payments to the counties shall be made from the general fund during the month of July of the year next following certification. There shall be deducted from amounts paid any amounts paid to a county or township during the preceding year pursuant to sections 89.036, 97A.061, subdivisions 1 and 2, and 272.68, subdivision 3 with respect to the lands certified pursuant to section 477A.12.

Payments under section 477A.12 must also be reduced by the following percentages of the amounts paid during the preceding year under section 84A.51:

- (1) for the payment made July 15, 1984, 75 percent;
- (2) for the payment made July 15, 1985, 50 percent;
- (3) for the payment made July 15, 1986, 25 percent; and
- (4) for the payment made thereafter, 0 percent.

Sec. 17. [SPECIAL TAXING DISTRICTS; HOMESTEAD AND AGRICULTURAL CREDIT AID REDUCTION.]

Subdivision 1. [APPLICATION.] This section applies only to special taxing districts receiving payments of homestead and agricultural credit aid for taxes payable in 1990 of \$150,000 or more. The section applies only to the homestead and agricultural aid payments for taxes payable in 1990.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "Budget" means the budget adopted by the special taxing district to determine its levy for property taxes payable in 1990. It

includes changes in the budget formally adopted by the governing body of the district before March 15, 1990.

(b) "General fund" means the general fund or equivalent current operating fund of the special taxing district. It does not include a separate fund to pay for capital improvements and equipment or other capital costs.

(c) "Projected unreserved fund balance" means for the district's general fund the sum of the balance at the end of 1989 and the projected revenues for 1990 in its budget, less the budgeted amount of current, general fund expenditures for 1990. Current expenditures include budgeted payments to other public agencies or entities for their operations to the extent that the source of the payment is derived 25 percent or more from the district's property tax levy. Federal aid or other nonproperty tax revenues (other than homestead and agricultural credit aid) must be excluded from computation of the unreserved fund balance, if the revenues are passed through or paid to another entity and the expenditures are also excluded.

(d) "Special taxing district" or "district" means a political subdivision with the authority to levy property taxes, other than a city, county, or school district.

Subd. 3. [REPORTING OF RESERVE FUNDS.] By May 15, 1990, each special taxing district must report to the commissioner of revenue the following amounts: (1) its projected unreserved fund balance, (2) the revenues to be derived from its property tax levy and homestead and agricultural credit aid for taxes payable in 1990, and (3) the general fund expenditures authorized by its budget for 1990.

Subd. 4. [REDUCTION IN AID PAYMENTS.] The commissioner shall reduce the homestead and agricultural credit aid payments in calendar year 1990 to the district by the amount of the excess of the projected unreserved fund balance, over the greater of (1) 50 percent of its levy before reduction for homestead and agricultural credit aid and disparity reduction aid or (2) 20 percent of its general fund expenditures authorized by its 1990 budget. If the commissioner calculates that the sum of the reductions under this subdivision for all districts exceeds \$3,000,000, the commissioner shall proportionately reduce the amount for each district so that the total reduction is \$3,000,000.

Sec. 18. [REPEALER.]

Minnesota Statutes Second 1989 Supplement, section 273.1398, subdivision 2b, is repealed.

Sec. 19. [EFFECTIVE DATE.]

Sections 4, 6, 7, and 12, are effective for aids paid in 1991 and thereafter. The part of section 5 striking a reference to cities of the first class is effective for aids paid in 1991 and thereafter. The rest of section 5 and section 8 are effective for aids paid in 1990 and thereafter. Sections 14 and 18 are effective the day following final enactment. Section 15 is effective July 1, 1990, and applies to payments due on or after that date.

ARTICLE 4

PROPERTY TAX REFUNDS

Section 1. Minnesota Statutes Second 1989 Supplement, section 290A.04, subdivision 2a, is amended to read:

Subd. 2a. [RENTERS.] A claimant whose rent constituting property taxes exceeds the percentage of the household income stated below must 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 rent constituting property taxes. The state refund equals the amount of rent constituting property taxes that remain, up to the maximum state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
\$0 to 999	1.0 percent	9 percent	\$1,000
1,000 to 1,999	1.1 1.0 percent	9 percent	\$1,000
2,000 to 2,999	1.2 1.0 percent	10 percent	\$1,000
3,000 to 3,999	1.3 1.0 percent	10 percent	\$1,000
4,000 to 4,999	1.4 1.1 percent	11 percent	\$1,000
5,000 to 5,999	1.5 1.2 percent	12 percent	\$1,000
6,000 to 6,999	1.5 1.2 percent	13 percent	\$1,000
7,000 to 7,999	1.6 1.3 percent	14 percent	\$1,000
8,000 to 8,999	1.6 1.3 percent	15 percent	\$1,000
9,000 to 9,999	1.7 1.4 percent	16 percent	\$1,000
10,000 to 10,999	1.7 1.4 percent	17 percent	\$1,000
11,000 to 11,999	1.8 1.5 percent	19 percent	\$1,000
12,000 to 12,999	1.8 1.5 percent	21 percent	\$1,000
13,000 to 13,999	1.9 1.6 percent	23 percent	\$1,000
14,000 to 14,999	2.0 1.7 percent	24 percent	\$1,000
15,000 to 15,999	2.0 1.8 percent	26 percent	\$1,000
16,000 to 16,999	2.1 1.8 percent	27 percent	\$1,000
17,000 to 17,999	2.2 1.9 percent	28 percent	\$1,000
18,000 to 18,999	2.3 2.0 percent	30 percent	\$1,000
19,000 to 19,999	2.5 2.2 percent	32 percent	\$1,000
20,000 to 20,999	2.7 2.4 percent	34 percent	\$1,000
21,000 to 21,999	2.9 2.6 percent	36 percent	\$1,000
22,000 to 22,999	3.0 2.7 percent	37 percent	\$1,000
23,000 to 23,999	3.1 2.8 percent	38 percent	\$1,000

24,000 to 24,999	3.2 2.9 percent	40 percent	\$1,000
25,000 to 25,999	3.3 3.0 percent	43 percent	\$1,000
26,000 to 26,999	3.4 3.1 percent	43 percent	\$1,000
27,000 to 27,999	3.5 3.2 percent	45 percent	\$1,000
28,000 to 28,999	3.6 3.3 percent	47 percent	\$ 900
29,000 to 29,999	3.7 3.4 percent	47 percent	\$ 800
30,000 to 30,999	3.8 3.5 percent	48 percent	\$ 700
31,000 to 31,999	3.9 3.5 percent	48 percent	\$ 600
32,000 to 32,999	4.0 3.5 percent	50 percent	\$ 500
33,000 to 33,999	4.0 3.5 percent	50 percent	\$ 300
34,000 to 34,999	4.0 3.5 percent	50 percent	\$ 100

The payment made to a claimant is the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is \$35,000 or more.

Sec. 2. Minnesota Statutes 1989 Supplement, section 290A.04, subdivision 5, is amended to read:

Subd. 5. [COMBINED RENTER AND HOMEOWNER REFUND.] In the case of a claimant who is entitled to a refund in a calendar year for claims based both on rent constituting property taxes and property taxes payable, the refund allowable equals the sum of the refunds allowable, ~~except that the sum may not exceed the higher of the maximum refund payable either based on rent constituting property taxes or property taxes payable.~~

Sec. 3. Minnesota Statutes Second 1989 Supplement, section 290A.045, subdivision 6, is amended to read:

Subd. 6. [ADMINISTRATION.] Sections 290A.10, 290A.11, 290A.111, 290A.112, 290A.12, 290A.14, 290A.15, 290A.17, 290A.18, and 290A.20, including the penalties imposed on the claimants and tax return preparers in those sections, apply to claims allowed under this section. The commissioner of revenue has the powers granted in those sections to administer the refund under this section.

Sec. 4. Minnesota Statutes 1989 Supplement, section 290A.045, subdivision 7, is amended to read:

Subd. 7. [APPROPRIATION.] ~~\$10,000,000~~ \$6,000,000 is appropriated for fiscal year 1991 from the general fund to the commissioner of revenue to pay the refund under this section for taxes payable in 1990. ~~\$10,000,000~~ \$6,000,000 is appropriated for fiscal year 1992 from the general fund to the commissioner of revenue to pay the refund under this section for taxes payable in 1991.

Sec. 5. Minnesota Statutes 1988, section 290A.10, is amended to read:

290A.10 [PROOF OF TAXES PAID.]

Every claimant who files a claim for relief for property taxes payable shall include with the claim a property tax statement or a reproduction thereof in a form deemed satisfactory by the commissioner of revenue indicating that there are no delinquent property taxes on the homestead property. Indication on the property tax statement from the county treasurer that there are no delinquent taxes on the homestead property shall be sufficient proof. Taxes included in a confession of judgment under section 279.37 shall not constitute delinquent taxes as long as the claimant is current on the payments required to be made under section 279.37. In the case of the commercial-industrial equalization refund under section 290A.045, the notice of eligibility from the county treasurer shall be sufficient proof that taxes have been paid.

Sec. 6. Minnesota Statutes 1988, section 290A.19, is amended to read:

290A.19 [OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE; PENALTY.]

(a) The owner or managing agent of any property for which rent is paid for occupancy as a homestead shall furnish a certificate of rent constituting property tax to each person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves prior to December 31, the owner or managing agent has the option to either provide the certificate to the renter at the time of moving, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate shall be made available to the renter not later than January 31 of the year following the year in which the rent was paid. The owner or managing agent must retain a duplicate of each certificate for a period of three years. The duplicate must be made available to the commissioner or the renter if either requests a copy.

(b) Any owner or managing agent who willfully fails to furnish a certificate to the renter and the commissioner as required by this section is liable to the commissioner for a penalty of \$100 for each act or failure to act. The penalty shall be assessed and collected in the manner provided in chapter 290 for the assessment and collection of income tax. If the owner or managing agent willfully furnishes certificates that report total rent constituting property taxes in excess of the amount of actual property taxes paid on the rented part of a property, as determined under this section, the owner or managing agent is liable for a penalty equal to the greater of (1) \$100 or (2) 50 percent of the excess that is reported. If the owner or managing agent reports a total amount of rent constituting property taxes that exceeds by ten percent or more the actual property taxes, the report is deemed to be willful.

(c) If the owner or managing agent elects to provide the renter with the certificate at the time of moving, rather than after

December 31, the amount of rent constituting property taxes shall be computed as follows:

(i) The net tax shall be reduced by 1/12 for each month remaining in the calendar year.

(ii) In calculating the denominator of the fraction pursuant to section 290A.03, subdivision 11, the gross rent paid through the last month of claimant's occupancy shall be substituted for "the gross rent paid for the calendar year for the property in which the unit is located."

(d) The certificate of rent constituting property taxes shall include the address of the property, including the county, and the property tax parcel identification number and any additional information which the commissioner determines is appropriate.

(e) If the owner or managing agent fails to provide the renter with a certificate of rent constituting property taxes, the commissioner shall allocate the net tax on the building to the unit on a square footage basis or other appropriate basis as the commissioner determines. The renter shall supply the commissioner with a statement from the county treasurer which gives the amount of property tax on the parcel, the address and property tax parcel identification number of the property, and the number of units in the building.

(f) The owner or managing agent must file a copy of the certificate of rent paid with the commissioner before April 15 of the year following the year in which the rent was paid. The commissioner may require that By February 15 each owner or managing agent shall report to the commissioner on a single form the total property taxes for a property and the allocation of the property taxes as rent constituting property taxes among the renters of the property.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 and 6 are effective for claims based on rent paid in 1990 and thereafter. Section 2 is effective for claims based on rent paid in 1990 and thereafter, and property taxes payable in 1991 and thereafter. Sections 3 to 5 are effective the day following final enactment.

ARTICLE 5

SALES AND LODGING TAXES

Section 1. Minnesota Statutes Second 1989 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. "Sale" does not include:

(1) meals or drinks served to patients, inmates, or persons residing at hospitals, sanitariums, nursing homes, senior citizens homes, and correctional, detention, and detoxification facilities,

(2) meals or drinks purchased for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, 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, or

(3) 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 to employees of restaurants, resorts, and hotels, and except meals furnished at no charge to employees of hospitals, nursing homes, boarding care homes, sanitariums, group homes, and correctional, detention, and detoxification facilities, who are required to eat with the patients, residents, or inmates residing in them. Notwithstanding section 297A.25, subdivision 2, taxable food or meals include, but are not limited to; the following:

(i) heated food or drinks;

(ii) sandwiches prepared by the retailer;

(iii) single sales of prepackaged ice cream or ice milk novelties prepared by the retailer;

(iv) hand-prepared or dispensed ice cream or ice milk products including cones, sundaes, and snow cones;

(v) soft drinks and other beverages prepared or served by the retailer;

(vi) gum;

(vii) ice;

(viii) all food sold in vending machines;

(ix) party trays prepared by the retailers; and

(x) all meals and single servings of packaged snack food, single cans or bottles of pop, sold in restaurants and bars;

(d) The granting of the privilege of admission to places of amusement, recreational areas, or athletic events, except a national championship football game sponsored by the national football league, and the privilege of having access to and the use of amusement devices, tanning facilities, reducing salons, steam baths, turkish baths, 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. The furnishing for a consideration of access to telephone services by a hotel to its guests is a sale under this clause. Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause. The furnishing of water and sewer services for residential use shall not be considered a sale;

(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;

(iv) services provided by detective agencies, security services, burglar, fire alarm, and armored car services not including services performed within the jurisdiction they serve by off-duty licensed peace officers as defined in section 626.84, subdivision 1;

(v) pet grooming services;

(vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting and maintenance; arborist services; tree, bush, and shrub 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 partnership or association for another partnership or association are not taxable under this paragraph if one of the entities owns or controls more than 80 percent of the voting power of the equity interest in the other entity. Services performed between

members of an affiliated group of corporations are not taxable. For purposes of this section, "affiliated group of corporations" includes those entities that would be classified as a member of an affiliated group under United States Code, title 26, section 1504, and who are eligible to file a consolidated tax return for federal income tax purposes; and

(vii) solid waste collection and disposal services as described in section 297A.45;

(k) A "sale" and a "purchase" includes the transfer of computer software, meaning information and directions that dictate the function performed by data processing equipment. A "sale" and a "purchase" does not include the design, development, writing, translation, fabrication, lease, or transfer for a consideration of title or possession of a custom computer program; and

(l) The granting of membership in a club, association, or other organization if:

(1) the club, association, or other organization makes available for the use of its members sports and athletic facilities (without regard to whether a separate charge is assessed for use of the facilities); and

(2) use of the sports and athletic facilities is not made available to the general public on the same basis as it is made available to members.

Granting of membership includes both one-time initiation fees and periodic membership dues. Sports and athletic facilities include golf courses, tennis, racquetball, handball and squash courts, basketball and volleyball facilities, running tracks, exercise equipment, swimming pools, and other similar athletic or sports facilities. The provisions of this paragraph do not apply to camps or other recreation facilities owned and operated by an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, for educational and social activities for young people primarily age 18 and under.

Sec. 2. Minnesota Statutes 1988, section 297A.01, subdivision 15, is amended to read:

Subd. 15. "Farm machinery" means new or used machinery, equipment, implements, accessories, and contrivances used directly and principally in the production for sale, but not including the processing, of livestock, dairy animals, dairy products, poultry and poultry products, fruits, vegetables, forage, grains and bees and apiary products. "Farm machinery" includes

(1) machinery for the preparation, seeding or cultivation of soil for

growing agricultural crops and sod, harvesting and threshing of agricultural products, harvesting or mowing of sod, and certain machinery for dairy, livestock and poultry farms;

(2) barn cleaners, milking systems, grain dryers, automatic feeding systems and similar installations, whether or not the equipment is installed by the seller and becomes part of the real property;

(3) irrigation equipment sold for exclusively agricultural use, including pumps, pipe fittings, valves, sprinklers and other equipment necessary to the operation of an irrigation system when sold as part of an irrigation system, except irrigation equipment which is situated below ground and considered to be a part of the real property; and

(4) logging equipment, including chain saws used for commercial logging only if the engine displacement equals or exceeds five cubic inches; and

(5) primary and backup generator units used to generate electricity for the purpose of operating farm machinery, as defined in this subdivision, or providing light or space heating necessary for the production of livestock, dairy animals, dairy products, or poultry and poultry products.

Repair or replacement parts for farm machinery shall not be included in the definition of farm machinery.

Tools, shop equipment, grain bins, feed bunks, fencing material, communication equipment and other farm supplies shall not be considered to be farm machinery. "Farm machinery" does not include motor vehicles taxed under chapter 297B, snowmobiles, snow blowers, lawn mowers except those used in the production of sod for sale, garden-type tractors or garden tillers and the repair and replacement parts for those vehicles and machines.

Sec. 3. Minnesota Statutes 1988, section 297A.25, is amended by adding a subdivision to read:

Subd. 44. [SHIPS USED IN INTERSTATE COMMERCE.] The gross receipts from sales of repair, replacement, and rebuilding parts and materials, and lubricants, for ships or vessels used or to be used principally in interstate or foreign commerce are exempt.

Sec. 4. Minnesota Statutes Second 1989 Supplement, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in paragraphs (b), (c), and (d), all revenues, including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44 shall

be deposited by the commissioner in the state treasury and credited to the general fund.

(b) All excise and use taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the date on which a conditional commitment for a loan guaranty for the project is made pursuant to section 41A.04, subdivision 3, shall be deposited in the Minnesota agricultural and economic account in the special revenue fund. The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account shall be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

(c) All revenues, including interest and penalties, derived from the excise and use taxes imposed on sales and purchases included in section 297A.01, subdivision 3, paragraphs (d) and (l), clauses (1) and (2), must be deposited by the commissioner in the state treasury, and credited as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance must be credited to the general fund.

(d) The revenues, including interest and penalties, derived from the taxes imposed on solid waste collection services as described in section 297A.45 shall be deposited by the commissioner in the state treasury and credited to the general fund to be used for funding solid waste reduction and recycling programs. The commissioner of revenue shall require a separate accounting on the sales and use tax return of the revenue from and taxes imposed on services described in section 297A.45, including interest and penalties. The revenue must be separately reported by the commissioner of revenue to the commissioner of finance. The amounts may be adjusted by the commissioner of revenue to reflect audits, amended filings, refunds, or other corrections.

Sec. 5. Minnesota Statutes 1989 Supplement, section 469.190, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] Notwithstanding section 477A.016 or any other law, a statutory or home rule charter city may by ordinance, and a town may by the affirmative vote of the electors at the annual town meeting, or at a special town meeting, impose a tax of up to ~~six~~ three percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming

house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more. A statutory or home rule charter city may by ordinance impose the tax authorized under this subdivision on the camping site receipts of a municipal campground.

Sec. 6. Minnesota Statutes 1989 Supplement, section 469.190, subdivision 2, is amended to read:

Subd. 2. [EXISTING TAXES.] No statutory or home rule charter city or town may impose a tax under this section upon transient lodging that, when combined with any tax authorized by special law or enacted prior to 1972, exceeds a rate of ~~six~~ three percent.

Sec. 7. Minnesota Statutes Second 1989 Supplement, section 469.190, subdivision 3, is amended to read:

Subd. 3. [DISPOSITION OF PROCEEDS.] Ninety-five percent of the gross proceeds from ~~the first three percent of~~ any tax imposed under subdivision 1 shall be used by the statutory or home rule charter city or town to fund a local convention or tourism bureau for the purpose of marketing and promoting the city or town as a tourist or convention center. This subdivision shall not apply to any statutory or home rule charter city or town that has a lodging tax authorized by special law or enacted prior to 1972 at the time of enactment of this section.

Sec. 8. [LOCAL OPTION TAX; REPEALER.]

If a city or town imposed a tax under Laws 1989, First Special Session chapter 1, article 8, the tax so imposed is repealed on January 1, 1993, or the date the tax is repealed by the city or town, whichever is earlier.

Sec. 9. [BLOOMINGTON-LODGING TAX.]

Notwithstanding Minnesota Statutes, section 469.190, 477A.016, or other law, in addition to the tax authorized in Laws 1986, chapter 391, section 4, the governing body of the city of Bloomington may impose a tax of up to one percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more, located in the city. The city may agree with the commissioner of revenue that a tax imposed under this section shall be collected by the commissioner together with the tax imposed by Minnesota Statutes, chapter 297A, and subject to the same interest, penalties, and other rules and that its proceeds, less the cost of collection, shall be remitted to the city. The proceeds of the tax must be used to promote tourism within the city. This section is repealed effective for sales made after January 1, 1993.

Sec. 10. [ROSEVILLE LODGING TAX.]

Notwithstanding Minnesota Statutes, section 477A.016, or other law, in addition to a tax authorized in Minnesota Statutes, section 469.190, the governing body of the city of Roseville may impose a tax of up to two percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more, located in the city. The city may agree with the commissioner of revenue that a tax imposed under this section shall be collected by the commissioner together with the tax imposed by Minnesota Statutes, chapter 297A, and subject to the same interest, penalties, and other rules and that its proceeds, less the cost of collection, shall be remitted to the city. The proceeds of the tax shall be dedicated to and used to pay the costs of the construction, debt service, operation, and maintenance of a public multiuse speed skating/bandy facility within the city to the extent the costs exceed any revenues derived from the lease, rental, or operation of the facility. This section is repealed effective for sales made after January 1, 1993.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 and 2 are effective for sales after June 30, 1990.

Section 3 is effective for sales after December 31, 1983. The provisions of Minnesota Statutes, section 297A.35, apply to refunds claimed under section 3.

Section 4 is effective for returns filed after December 31, 1990.

Sections 5 to 8 are effective the day following final enactment.

Section 9 is effective the day after the filing of a certificate of local approval by the governing body of the city of Bloomington in compliance with Minnesota Statutes, section 645.021, subdivision 3.

Section 10 is effective the day after the filing of a certificate of local approval by the governing body of the city of Roseville in compliance with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 6

TAX INCREMENT FINANCING

Section 1. [273.1399] [REDUCTION IN STATE TAX INCREMENT FINANCING AID PAYMENTS.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "Qualifying captured tax capacity" means the captured tax capacity of a tax increment financing district for which certification was requested after April 30, 1990.

(b) The terms defined in section 469.174 have the meanings given in that section.

Subd. 2. [REPORTING.] The county auditor shall calculate the qualifying captured tax capacity amount for each municipal part of each school district in the county and report the amounts to the commissioner of revenue at the time and in the manner prescribed by the commissioner.

Subd. 3. [CALCULATION OF EDUCATION AIDS.] For each school district containing qualifying captured tax capacity, the commissioner of education shall compute a hypothetical state aid amount that would be paid to the school district if the qualifying captured tax capacity were divided by the sales ratio and included in the school district's adjusted tax capacity for purposes of calculating state aids. The commissioner of education shall notify the commissioner of revenue of the difference between the actual aid paid and the hypothetical aid amounts calculated for each school district, broken down by the municipality that approved the tax increment financing district containing the qualifying captured tax capacity. The resulting amount is the reduction in state tax increment financing aid.

Subd. 4. [LOCAL GOVERNMENT AIDS; HOMESTEAD AND AGRICULTURAL AID CALCULATIONS.] (a) The reduction in state tax increment financing aid for a municipality must be deducted first from the local government aids to be paid to the municipality. If the deduction exceeds the amount of the local government aid, the remainder must be deducted from the homestead and agricultural credit aid to be paid to the municipality.

(b) The amount of qualifying captured tax capacity must be included in adjusted tax capacity for purposes of computing the local government aid of the municipality that approved the tax increment financing district.

Sec. 2. Minnesota Statutes 1988, section 469.129, subdivision 2, is amended to read:

Subd. 2. [REVENUE BONDS.] A city may authorize, issue, and sell revenue bonds under section 469.178, subdivision 4, to refund the principal of and interest on general obligation bonds originally issued to finance a development district, or one or more series of bonds one of which series was originally issued to finance a development district, for the purpose of relieving the city of restrictions on the application of tax increments or for other purposes authorized by law. The refunding bonds shall not be subject to the conditions set

out in section 475.67, subdivisions 11 and 12. Tax increments received by the city with respect to the district may be used to pay the principal of and interest on the refunding bonds and to pay premiums for insurance or other security guaranteeing the payment of their principal and interest when due. Tax increments may be applied in any manner permitted by section 469.176, subdivisions 2 and 4. Bonds may not be issued under this subdivision after May 1, 1990.

Sec. 3. Minnesota Statutes Second 1989 Supplement, section 469.174, subdivision 7, is amended to read:

Subd. 7. [ORIGINAL NET TAX CAPACITY.] (a) Except as provided in paragraph (b), "original net tax capacity" means the tax capacity 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 net tax capacity the net tax capacity 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 net tax capacity of the property shall be the net tax capacity as most recently determined by the commissioner of revenue.

(b) The original net tax capacity of any designated hazardous substance site or hazardous substance subdistrict shall be determined as of the date the authority certifies to the county auditor that the ~~agency or municipality~~ authority has entered a redevelopment or other agreement for the removal actions or remedial actions specified in a development response action plan, or otherwise provided funds to finance the development response action plan. The original net tax capacity equals (i) the net tax capacity of the parcel or parcels in the site or subdistrict, as most recently determined by the commissioner of revenue, less (ii) the estimated costs of the removal actions and remedial actions as specified in a development response action plan to be undertaken with respect to the parcel or parcels, (iii) but not less than zero.

(c) The original net tax capacity of a hazardous substance site or subdistrict shall be increased by the amount by which it was reduced pursuant to paragraph (b), clause (ii), upon certification by the municipality that the cost of the removal and remedial actions specified in the development response action plan, except for long-term monitoring and similar activities, 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.

Sec. 4. Minnesota Statutes Second 1989 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) parcels consisting of 70 percent of the area of 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) parcels consisting of 70 percent of the area of 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) the property consists of vacant, unused, underused, inappropriately used, or infrequently used railyards, rail storage facilities, or excessive or vacated railroad rights-of-way.

(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.

A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence. If the evidence supports a reasonable conclusion that the

building is not disqualified as structurally substandard, the municipality may make such a determination without an interior inspection or an independent, expert appraisal of the cost of repair and rehabilitation of the building.

(c) For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, or other improvements unless 15 percent of the area of the parcel contains improvements.

(d) For districts consisting of two or more noncontiguous areas, each area must qualify as a redevelopment district under paragraph (a), clauses (1) to (3), to be included in the district, and the entire area of the district must satisfy paragraph (a).

Sec. 5. Minnesota Statutes 1988, section 469.174, is amended by adding a subdivision to read:

Subd. 10a. [RENEWAL AND RENOVATION DISTRICT.] "Renewal and renovation 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:

(1)(i) parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or other improvements; (ii) 20 percent of the buildings are structurally substandard; (iii) 30 percent of the other buildings require substantial renovation or clearance to remove existing conditions such 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; and

(2) the conditions described in clause (1) are reasonably distributed throughout the geographic area of the district.

Sec. 6. Minnesota Statutes 1988, section 469.174, subdivision 12, is amended to read:

Subd. 12. [ECONOMIC DEVELOPMENT DISTRICT.] "Economic development district" means a type of tax increment financing district which consists of any project, or portions of a project, not meeting the requirements found in the definition of redevelopment district, renewal and renovation district, soils condition district, mined underground space development district, or housing district, but which the authority finds to be in the public interest because:

(1) it will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality; or

(2) it will result in increased employment in the municipality state; or

(3) it will result in preservation and enhancement of the tax base of the municipality state.

Sec. 7. Minnesota Statutes 1988, section 469.174, is amended by adding a subdivision to read:

Subd. 21. [CREDIT ENHANCED BONDS.] "Credit enhanced bonds" means special obligation bonds that are:

(1) payable primarily from tax increments (i) derived from a tax increment financing district within which the activity financed by the bonds is located and (ii) estimated on the date of issuance to be sufficient to pay when due the debt service on the bonds, and

(2) further secured by tax increments (i) derived from one or more tax increment financing districts and (ii) determined by the issuer to be necessary in order to make the marketing of the bonds feasible.

Sec. 8. Minnesota Statutes 1988, section 469.175, subdivision 1a, is amended 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 use of county roads requiring construction of road improvements or other road costs; and

~~(2) the proposed tax increment financing district is a soils condition district; and~~

~~(3) 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 improve-

ments 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. 9. Minnesota Statutes 1988, section 469.175, is amended by adding a subdivision to read:

Subd. 1b. [REDEVELOPMENT PROJECT AREAS.] (a) Each redevelopment district must be included in a redevelopment project area. The geographic area of the redevelopment project area must be set forth in the tax increment financing plan for the district and may not be increased in size more than five years after adoption of the tax increment financing plan.

(b) A redevelopment project area must meet, at least, the following minimum requirements.

(1) The geographic area of the project area is contiguous and compact.

(2) Parcels consisting of 50 percent or more of the area (excluding public parks, streets, and other public rights-of-way) of the project area were occupied by buildings, structures or other improvements, as defined in section 469.174, subdivision 10, paragraph (c), during the previous five-year period.

(c) The municipality must find and demonstrate that the project area meets at least two of the following requirements:

(1) the fair market value of properties contained in the area, as determined for purposes of property taxation, has declined by five percent or more over the preceding five-year period;

(2) the area is characterized by one or more of the following: excessive vacant land on which buildings or structures had been located, vacant buildings, substandard buildings and structures, or delinquencies in the payment of property taxes; or

(3) a substantial proportion of the buildings in the area contain residential units and five percent or more of the housing units in the area are contained in buildings meeting the definition of a substandard building under section 273.1316, regardless of whether the building has been cited for violating the provisions of section 273.1316.

Sec. 10. Minnesota Statutes Second 1989 Supplement, section 469.175, subdivision 3, is amended to read:

Subd. 3. [MUNICIPALITY APPROVAL.] A county auditor shall not certify the original net tax capacity of a tax increment financing district until the tax increment financing plan proposed for that district has been approved by the municipality in which the district is located. If an authority that proposes to establish a tax increment financing district and the municipality are not the same, the authority shall apply to the municipality in which the district is proposed to be located and shall obtain the approval of its tax increment financing plan by the municipality before the authority may use tax increment financing. The municipality shall approve the tax increment financing plan only after a public hearing thereon after published notice in a newspaper of general circulation in the municipality at least once not less than ten days nor more than 30 days prior to the date of the hearing. The published notice must include a map of the area of the district from which increments may be collected and, if the project area includes additional area, a map of the project area in which the increments may be expended. The hearing may be held before or after the approval or creation of the project or it may be held in conjunction with a hearing to approve the project. Before or at the time of approval of the tax increment financing plan, the municipality shall make the following findings, and shall set forth in writing the reasons and supporting facts for each determination:

(1) that the proposed tax increment financing district is a redevelopment district, a renewal or renovation district, a mined underground space development district, a housing district, a soils condition district, or an economic development district; if the proposed district is a redevelopment district or a renewal or renovation district, the reasons and supporting facts for the determination that the district meets the criteria of section 469.174, subdivision 10, paragraph (a), clauses (1) ~~to (5)~~ and (2), or subdivision 10a, must be retained and made available to the public by the authority until the district has been terminated.

(2) that the proposed development or redevelopment, in the opinion of the municipality, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and therefore the use of tax increment financing is deemed necessary.

(3) that the tax increment financing plan conforms to the general plan for the development or redevelopment of the municipality as a whole.

(4) that the tax increment financing plan will afford maximum opportunity, consistent with the sound needs of the municipality as

a whole, for the development or redevelopment of the project by private enterprise.

(5) that the municipality elects the method of tax increment computation set forth in section 469.177, subdivision 3, clause (b), if applicable.

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. 11. Minnesota Statutes 1989 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 net tax capacity 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 net tax capacity of the district by the county auditor. If a redevelopment district or a renewal and renovation 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, paragraph (a), clauses (1) to (5) and (2), or subdivision 10a, must 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 net tax capacity of the parcels eliminated from the district equals or exceeds the net tax capacity of those parcels in the district's original net tax capacity or (B) the authority agrees that, notwithstanding section 469.177, subdivision 1, the original net tax capacity will be reduced by no more than the current net tax

capacity 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 net tax capacity by the county auditor or after August 1, 1984, for tax increment financing districts authorized prior to August 1, 1979.

Sec. 12. Minnesota Statutes 1988, section 469.175, is amended by adding a subdivision to read:

Subd. 4a. [REVERSE REFERENDUM.] (a) The municipality's approval of the tax increment financing plan under subdivision 3 or an amendment of the plan that is required by subdivision 4 to be adopted using the procedures for the adoption of an original plan is not effective for a 60-day period following the date of approval by the municipality.

(b) Upon receipt of a petition signed by a qualifying number of qualified voters in the municipality, the adoption of the tax increment financing plan or the amendments to the plan is suspended until a referendum of all qualified voters in the municipality is held. For purposes of this subdivision, a qualifying number of voters means the number equal to the greater of (1) five percent of the voters who voted in the last general election or (2) the lesser of (A) 200 voters or (B) 50 percent of the registered voters in the municipality.

(c) The governing body of the municipality must hold a special election not less than 30 nor more than 90 days after receipt of the petition. If a general or municipal election or another special election is scheduled to occur in the municipality within this time period, the governing body must hold the referendum at the same time. The action of the municipality in approving the plan or amendments to the plan is effective only upon approval of a majority of the voters voting on the question. If creation of a district or expansion of the area of a district is rejected by the voters, the city may not include all or part of the area in another tax increment financing district for a period of two years.

(d) The provisions of this paragraph do not apply to approval of a tax increment financing plan for certification of a new district or amendment of a plan for an existing district, if the municipality submits the proposed plan or amendments to a citizen review board, neighborhood council, committee, or other similar body of residents that are representative of the individuals living in the municipality and in the area affected by the development. The board, council, committee, or other body must have the authority to review,

comment on, and recommend modifications to the plan or amendment.

The provisions of this subdivision do not apply to the approval of a housing district or to the amendment of a plan for an existing housing district, if the initial request for certification of the district was filed after May 1, 1990.

Sec. 13. Minnesota Statutes Second 1989 Supplement, section 469.175, subdivision 7, is amended to read:

Subd. 7. [CREATION OF HAZARDOUS SUBSTANCE SUBDISTRICT; RESPONSE ACTIONS.] (a) An 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 or modification to the original plan. The geographic area of the subdistrict is 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 to the hazardous substance sites, including parcels that are contiguous to the site except for the interposition of a right-of-way. Before or at the time of approval of the tax increment financing plan or plan modification providing for the creation of the hazardous substance subdistrict, the authority must make the findings under paragraphs (b) to (d), and set forth in writing the reasons and supporting facts for each.

(b) Development or redevelopment of the site, in the opinion of the authority, 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 authority to provide for the additional costs due to the designated hazardous substance site.

(e) Upon request by an authority that has incurred expenses for removal or remedial actions to implement a development response action plan, the attorney general may:

(1) bring a civil action on behalf of the authority to recover the expenses, including administrative costs and litigation expenses, under section 115B.04 or other law; or

(2) assist the authority in bringing an action as described in clause (1), by providing legal and technical advice, intervening in the action, or other appropriate assistance.

The decision to participate in any action to recover expenses is at the discretion of the attorney general.

(f) If the attorney general brings an action as provided in paragraph (e), clause (1), the authority shall certify its reasonable and necessary expenses incurred to implement the development response action plan and shall cooperate with the attorney general as required to effectively pursue the action. The certification by the authority is prima facie evidence that the expenses are reasonable and necessary. The attorney general may deduct litigation expenses incurred by the attorney general from any amounts recovered in an action brought under paragraph (e), clause (1). The authority shall reimburse the attorney general for litigation expenses not recovered in an action under paragraph (e), clause (1), but only from the additional tax increment required to be used as described in section 469.176, subdivision 4e. The authority must reimburse the attorney general for litigation expenses incurred to assist in bringing an action under paragraph (e), clause (2), but only from amounts recovered by the authority in an action or, if the amounts are insufficient, from the additional tax increment required to be used as described in section 469.176, subdivision 4e. All money recovered or paid to the attorney general for litigation expenses under this paragraph shall be paid to the general fund of the state for deposit to the account of the attorney general. For the purposes of this section, "litigation expenses" means attorney fees and costs of discovery and other preparation for litigation.

(g) The authority shall reimburse the pollution control agency for its administrative expenses incurred to review and approve a development action response plan. The authority must reimburse the pollution control agency for expenses incurred for any services rendered to the attorney general to support the attorney general in actions brought or assistance provided under paragraph (e), but only from amounts recovered by the municipality or authority in an action brought under paragraph (e) or from the additional tax increment required to be used as described in section 469.176, subdivision 4e. All money paid to the pollution control agency under this paragraph shall be deposited in the environmental response, compensation and compliance fund.

(h) Actions taken by an authority consistent with a development response action plan are deemed to be authorized response actions for the purpose of section 115B.17, subdivision 12. An authority that takes actions consistent with a development response action plan qualifies for the defenses available under sections 115B.04, subdivision 11, and 115B.05, subdivision 9.

(i) All money recovered by an authority in an action brought under paragraph (e) in excess of the amounts paid to the attorney general and the pollution control agency must be treated as excess increments and be distributed as provided in section 469.176, subdivision 2, clause (4), to the extent the removal and remedial actions were initially financed with increment revenues.

Sec. 14. Minnesota Statutes 1988, section 469.175, is amended by adding a subdivision to read:

Subd. 8. [PAYMENT OF DEBT SERVICE ON CREDIT ENHANCED BONDS.] A tax increment financing plan may provide for the use of the tax increment to pay, or secure payment of, debt service on credit enhanced bonds issued to finance any project located within the boundaries of the municipality, whether or not the tax increment financing district from which the increment is derived is located within the boundaries of the project.

Sec. 15. Minnesota Statutes Second 1989 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 (g), any tax increment financing district as to which bonds are outstanding, payment for which the tax increment and other revenues have been pledged, shall remain in existence at least as long as the bonds continue to be outstanding. The municipality may, at the time of approval of the initial tax increment financing plan, provide for a shorter maximum duration limit than specified in paragraphs (b) to (g). The specified limit applies in place of the otherwise applicable limit.

(b) The tax increment pledged to the payment of the bonds and interest thereon may be discharged and the tax increment financing district may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or date of redemption and interest thereon to the maturity or redemption date.

(c) For bonds issued pursuant to section 469.178, subdivisions 2 and 3, the full faith and credit and any taxing powers of the municipality or authority shall continue to be pledged to the payment of the bonds until the principal of and interest on the bonds has been paid in full.

(d) No tax increment shall be paid to an authority for a tax increment financing district after three years from the date of certification of the original net tax capacity of the taxable real property in the district by the county auditor 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 (1) 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, (2) after 20 years after receipt of the first increment for a redevelopment or housing district, (3) after 15 years after receipt of the first increment for a renewal and renovation district, (4) after 12 years from approval of the tax increment financing plan for a soils condition district, and (5) 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 April 1, 2001, or the term of a nondefeased bond or obligation outstanding on April 1, 1990, secured by increments from the district or project area, whichever time is greater, provided that in no case will a tax increment be paid to an authority after August 1, 2009, from such a district. If a district's termination date is extended beyond April 1, 2001, because bonds were outstanding on April 1, 1990, with maturities extending beyond April 1, 2001, the following restrictions apply. No increment collected from the district may be expended after April 1, 2001, except to pay or defease (i) bonds issued before April 1, 1990, or (ii) bonds issued to refund the principal of the outstanding bonds and pay associated issuance costs, provided the average maturity of the refunding bonds does not exceed the bonds refunded.

(f) Modification of a tax increment financing plan pursuant to section 469.175, subdivision 4, shall not extend the durational limitations of this subdivision.

(g) If a parcel of a district is part of a designated hazardous substance site or a hazardous substance subdistrict, tax increment may be paid to the authority from the parcel for longer than the period otherwise provided by this subdivision. The extended period for collection of tax increment begins on the date of receipt of the first tax increment from the parcel that is more than any tax increment received from the parcel before the date of the certification under section 469.175, subdivision 7, paragraph (b), and received after the date of certification to the county auditor described in section 469.175, subdivision 7, paragraph (b). The extended

period for collection of tax increment is the lesser of: (1) 25 years from the date of commencement of the extended period; or (2) the period necessary to recover the costs of removal actions or remedial actions specified in a development response action plan.

Sec. 16. Minnesota Statutes 1988, section 469.176, subdivision 2, is amended to read:

Subd. 2. [EXCESS TAX INCREMENTS.] (a) In any year in which the tax increment exceeds the amount necessary to pay the costs authorized by the tax increment financing plan, including the amount necessary to cancel any tax levy as provided in section 475.61, subdivision 3, the authority shall use the excess amount to do any of the following: (1) prepay any outstanding bonds, (2) discharge the pledge of tax increment therefor, (3) pay into an escrow account dedicated to the payment of such bond, or (4) return the excess amount to the county auditor who shall distribute the excess amount to the municipality, county, and school district in which the tax increment financing district is located in direct proportion to their respective tax capacity rates. The county auditor must report to the commissioner of education the amount of any excess tax increment distributed to a school district within 30 days of the distribution.

(b) The amounts distributed to a city or county must be deducted from the levy limits of the governmental unit for the following year. In calculating the levy limit base for later years, the amount deducted must be treated as a local government aid payment.

Sec. 17. Minnesota Statutes 1988, section 469.176, subdivision 3, is amended to read:

Subd. 3. [LIMITATION ON ADMINISTRATIVE EXPENSES.] (a) For districts for which certification was requested before August 1, 1979, or after June 30, 1982, no tax increment shall be used to pay any administrative expenses for a project which exceed ten percent of the total tax increment expenditures authorized by the tax increment financing plan or the total tax increment expenditures for the project, whichever is less.

(b) For districts for which certification was requested after July 31, 1979, and before July 1, 1982, no tax increment shall be used to pay administrative expenses for a project which exceeds five percent of the total tax increment expenditures authorized by the tax increment financing plan or the total tax increment expenditures for the project, whichever is less.

(c) For districts for which certification was requested after April 30, 1990, the total amount of revenue derived from tax increments that may be expended for administrative expenses is limited to ten percent of the increments collected in (1) the three years following

the date the first increment was received in the case of an economic development or soils condition district or (2) the six years following the date the first increment was received in case of any other district. If administrative expenses are paid out of the proceeds of tax increment bonds and if the increments collected during the period permitted under this paragraph are insufficient to repay the amounts, the authority or municipality must pay the difference into the bond fund out of other unrestricted moneys. The provisions of this paragraph do not apply to county administrative expenses under subdivision 4h.

Sec. 18. Minnesota Statutes 1989 Supplement, section 469.176, subdivision 4c, is amended to read:

Subd. 4c. [ECONOMIC DEVELOPMENT DISTRICTS.] (a) Revenue derived from tax increment from an economic development district may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if at least 25 percent of the buildings and facilities (determined on the basis of square footage) are used for the purposes listed in section 144(a)(8) of the Internal Revenue Code of 1986 (determined without regard to the 25 percent restriction in subparagraph (A)). The restrictions under this paragraph apply only to districts located in a purpose other than the manufacturing or production of tangible personal property (including processing resulting in the change in condition of the property) or warehousing, storage, and distribution of property (but excluding retail sales) or tourism facilities, if the tourism facility is not located in a development regions region, as defined in section 462.384, with populations a population in excess of 1,000,000. The percentage of buildings and facilities that may be used for nonqualifying purposes is increased to 25 percent (determined on the basis of square footage), if at least 15 percent of the nonqualifying square footage is directly related to and ancillary to the manufacturing or warehousing facility.

(b) Population must be determined under the provisions of section 477A.011. Tourism facilities are limited to hotel and motel properties (including ancillary restaurants), convention and meeting facilities, amusement parks, recreation facilities, cultural facilities, marinas, and parks. The city must find that the tourism facilities are intended primarily to serve individuals outside of the development region.

(c) If the authority financed the construction of improvements with increment revenues for a site on which the authority expected qualifying manufacturing, warehousing, or tourism property to be constructed and nonqualified property was constructed on the site in excess of the amount permitted under paragraph (a) within five years after the district was created, the developer of the nonqualified property must pay to the authority an amount equal to 90

percent of the benefit resulting from the improvements. The amount required to be paid may not exceed the proportionate cost of the improvements, including capitalized interest, that was financed with increment revenues. The payment is a developer payment under section 469.1765 and must be distributed as provided for excess increments under section 469.176, subdivision 2, paragraph (a), clause (4). "Benefit" has the meaning given in chapter 429.

Sec. 19. Minnesota Statutes Second 1989 Supplement, section 469.176, subdivision 4j, is amended to read:

Subd. 4j. [REDEVELOPMENT DISTRICTS.] (a) At least 90 percent of the revenues derived from tax increments from a redevelopment district or renewal and renovation district must be used to finance the cost of correcting conditions that allow designation of redevelopment and renewal and renovation districts under section 469.174, subdivision 10. These costs include are limited to acquiring properties containing structurally substandard buildings or improvements, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition of structures, clearing of the land or other site preparation, and installation of utilities, roads, sidewalks, and parking facilities for the site. The allocated administrative expenses of the authority may be included in the qualifying costs.

(b) Qualifying costs for a redevelopment district must be expended for activities within the redevelopment project area.

Sec. 20. [469.1763] [VOLUME LIMITATIONS.]

Subdivision 1. [IMPOSITION.] A tax increment financing plan, including an amendment to a plan expanding the area from which tax increments may be collected, may not be approved by a municipality under section 469.175, subdivision 3, unless (1) the total captured tax capacity in the municipality is less than the municipality's final limit under subdivision 2, or (2) the boards of the school district and county in which the proposed district is located each approve the plan.

Subd. 2. [CALCULATION OF LIMITS.] (a) The commissioner of revenue shall calculate the limit of each municipality with captured tax capacity on or before March 15 of each year, based upon the tax capacity for taxes payable during the calendar year. The limit so calculated applies for districts certified during the 12-month period beginning on March 15.

(b) The limit for a municipality must be calculated as follows:

(1) the total tax capacity, including captured tax capacity, of all

cities must be divided by the total population of all cities. The resulting amount is the state per capita tax capacity;

(2) the state per capita tax capacity must be multiplied by the greater of the population of the city or 1,500 and the product multiplied by 12.5 percent. The resulting amount is the initial limit;

(3) the total tax capacity, including captured tax capacity, of the municipality must be divided by the population of the municipality. The resulting amount is the municipality's per capita tax capacity;

(4) the municipality's per capita tax capacity must be divided by the state per capita tax capacity and the resulting amount rounded to the nearest one-tenth;

(5) if the amount determined under clause (4) equals one, the initial limit is the final limit for the municipality;

(6) if the amount determined under clause (4) is less than one, the amount must be subtracted from one and the remainder multiplied by ten. The lesser of the resulting amount or five is the adjustment factor for the municipality. The final limit for the municipality equals the amount calculated under clause (2) except the sum of 12.5 and the adjustment factor must be substituted for 12.5 in the calculation;

(7) if the amount determined under clause (5) is greater than one, the excess of the amount over one must be rounded to the nearest one-tenth and multiplied by five. The lesser of the resulting amount or five is the adjustment factor for the municipality. The final limit for the municipality equals the amount calculated under clause (2), except that 12.5 minus the adjustment factor must be substituted for 12.5 in the calculation.

(c) If more than 25 percent of the housing units in the municipality were constructed before 1940, as reported by the most recent United States census, and if the municipality has a population of 20,000 or more, the limit is 17.5 percent of the state per capita tax capacity multiplied by the population of the municipality.

Subd. 3. [DEFINITION.] For purposes of this section, "population" means population as defined in section 477A.011, subdivision 3.

Sec. 21. [469.1764] [RESTRICTIONS ON POOLING; FIVE-YEAR LIMIT.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given.

(b) "Activities" mean acquisition of property, clearing of land, site

preparation, soils correction, removal of hazardous waste or pollution, installation of utilities, construction of public or private improvements, and other similar activities, but only to the extent that tax increment revenues may be spent for such purposes under other law. Activities do not include allocated administrative expenses, but do include engineering, architectural, and similar costs of the improvements in the district.

(c) "Third party" means an entity other than (1) the person receiving the benefit of assistance financed with tax increments, or (2) the municipality or the development authority or other person substantially under the control of the municipality.

Subd. 2. [EXPENDITURES OUTSIDE DISTRICT.] (a) For each tax increment financing district, an amount equal to at least 85 percent of the revenue derived from tax increments paid by properties in the district must be expended on activities in the district or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities in the district. Not more than 15 percent of the revenue derived from tax increments paid by properties in the district may be expended, through a development fund or otherwise, on activities outside of the district but within the defined geographic area of the project except to pay, or secure payment of, debt service on credit enhanced bonds. The revenue derived from tax increments for the district that are expended on costs under section 469.176, subdivision 4h, paragraph (b), may be deducted first before calculating the percentages that must be expended within and without the district.

(b) Notwithstanding section 469.179, the provisions of this subdivision and subdivision 1 apply to districts and project areas for which certification for the collection of increment was requested before July 1, 1982, including those before August 1, 1979, and districts for which certification was requested after April 30, 1990.

(c) The provisions of this subdivision do not limit expenditure of increments to pay binding obligations entered into before May 1, 1990, or to pay bonds issued before May 1, 1990, or bonds issued pursuant to a binding obligation entered into before May 1, 1990, or subsequent refunding bonds, if the refunding bonds are payable solely from the same tax increment revenues or other nonincrement revenues as the prior bonds.

Subd. 3. [FIVE-YEAR RULE.] (a) Revenues derived from tax increments are considered to have been expended on an activity within the district under subdivision 2 only if one of the following occurs:

(1) before or within five years after certification of the district, the revenues are actually paid to a third party with respect to the activity;

(2) bonds, the proceeds of which must be used to finance the activity, are issued and sold to a third party before or within five years after certification and the revenues are expended to repay the bonds;

(3) binding contracts with a third party are entered into for performance of the activity before or within five years after certification of the district and the revenues are expended under the contractual obligation; or

(4) costs with respect to the activity are paid before or within five years after certification of the district and the revenues are spent to reimburse a party for payment of the costs.

(b) For purposes of this subdivision, bonds include subsequent refunding bonds if one of two tests is met: (1) the proceeds of the refunded bonds were expended on activities within five years after the district was certified or (2) the refunded bonds are issued within five years after the district was certified and the proceeds are expended on activities within a reasonable temporary period within the meaning of the use of that term under section 148(c)(1) of the Internal Revenue Code.

Subd. 4. [USE OF REVENUES FOR DECERTIFICATION.] Beginning with the sixth year following certification of the district, 85 percent of the revenues derived from tax increments paid by properties in the district that remain after the expenditures permitted under subdivision 3 must be used only to pay outstanding bonds, as defined in subdivision 3, clause (2), or contracts, as defined in subdivision 3, clauses (3) and (4). When the outstanding bonds have been defeased and when sufficient money has been set aside to pay contractual obligations as defined in subdivision 3, clause (3), the district must be decertified and the pledge of tax increment discharged.

Subd. 5. [APPLICATION.] Subdivisions 3 and 4 apply to districts for which certification is requested after April 30, 1990.

Sec. 22. [469.1765] [DEVELOPER PAYMENTS.]

(a) If the development agreement or other agreement or arrangement provides for the developer to repay all or a portion of the assistance provided that was financed with revenues derived from tax increments, the developer payments up to the amount of the subsidy must be treated as revenues derived from tax increments for the district and must be expended on qualifying project costs or distributed as excess increments as provided under section 469.176, subdivision 2, paragraph (a), clause (4). A developer includes a beneficiary of assistance financed with revenues derived from tax increments. Assistance includes sales of property at less than the cost of acquisition or fair market value, grants, ground, or other true

leases at less than fair market rent, interest rate subsidies, utility service or connections, roads, or other similar subsidies.

(b) Notwithstanding section 469.179, this subdivision applies to all districts, including districts and housing and redevelopment authority project areas, for which certification was requested before August 1, 1979.

Sec. 23. [469.1766] [LAND SALES.]

Properties acquired with revenues derived from tax increments may not be sold or transferred to a nongovernmental entity for a price less than fair market value. Fair market value must be determined at the time of the sale or transfer.

Sec. 24. Minnesota Statutes 1988, section 469.177, subdivision 8, is amended to read:

Subd. 8. [ASSESSMENT AGREEMENTS.] An authority may, upon entering into a development or redevelopment agreement pursuant to section 469.176, subdivision 5, enter into a written assessment agreement in recordable form with the a developer or redeveloper of property within the tax increment financing district which establishes a minimum market value of the land and completed improvements to be constructed thereon until a specified termination date, which date shall be not later than the date upon which tax increment will no longer be remitted to the authority pursuant to section 469.176, subdivision 1. The assessment agreement shall be presented to the county assessor, or city assessor having the powers of the county assessor, of the jurisdiction in which the tax increment financing district is located. The assessor shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appears, in the judgment of the assessor, to be a reasonable estimate, shall execute the following certification upon the agreement:

The undersigned assessor, being legally responsible for the assessment of the above described property upon completion of the improvements to be constructed thereon, hereby certifies that the market value assigned to the land and improvements upon completion shall not be less than \$

Upon transfer of title of the land to be developed or redeveloped from the authority to the developer or redeveloper, the assessment agreement, together with a copy of this subdivision, shall be filed for record and recorded in the office of the county recorder or filed in the office of the registrar of titles of the county where the real estate or any part thereof is situated. Upon completion of the improvements by the developer or redeveloper, the assessor shall value the property

pursuant to section 273.11, except that the market value assigned thereto shall not be less than the minimum market value contained in the assessment agreement. Nothing herein shall limit the discretion of the assessor to assign a market value to the property in excess of the minimum market value contained in the assessment agreement nor prohibit the developer or redeveloper from seeking, through the exercise of administrative and legal remedies, a reduction in market value for property tax purposes; provided, however, that the developer or redeveloper shall not seek, nor shall the city assessor, the county assessor, the county auditor, any board of review, any board of equalization, the commissioner of revenue, or any court of this state grant a reduction of the market value below the minimum market value contained in the assessment agreement during the term of the agreement filed of record regardless of actual market values which may result from incomplete construction of improvements, destruction, or diminution by any cause, insured or uninsured, except in the case of acquisition or reacquisition of the property by a public entity. Recording or filing of an assessment agreement complying with the terms of this subdivision shall constitute notice of the agreement to any subsequent purchaser or encumbrancer of the land or any part thereof, whether voluntary or involuntary, and shall be binding upon them.

Sec. 25. Minnesota Statutes 1989 Supplement, section 469.177, subdivision 9, is amended to read:

Subd. 9. [DISTRIBUTIONS OF EXCESS TAXES ON CAPTURED NET TAX CAPACITY.] (a) If the amount of tax paid on captured net tax capacity 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 tax capacity rate of the governmental unit less the governmental unit's tax capacity rate for the year the original tax capacity 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 tax capacity 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 tax capacity rates.

The school district's tax rate must be divided into the portion of the tax rate attributable (1) to state equalized levies, and (2)

unequalized levies. Equalized levies mean the levies identified in section 273.1398, subdivision 2a and unequalized levies mean the remainder of the school district's levies. The calculations under clause (2) must determine the amount of excess taxes attributable to each portion of the school district's tax rate. If one of the portions of the change in the school district tax rate is less than zero and the combined change is greater than zero, the combined rate must be used and all the school district's share of excess taxes allocated to that portion of the tax rate.

(b) The amounts distributed shall be deducted in computing the levy limits of the taxing district for the succeeding taxable year. In the case of a school district only the proportion of the excess taxes attributable to unequalized levies that are subject to a fixed dollar amount levy limit shall be deducted from the levy limit.

(c) In the case of distributions to a school district that are attributable to state equalized levies, 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 be deducted from the school district's state aid payments.

Sec. 26. Minnesota Statutes Second 1989 Supplement, section 469.177, subdivision 10, is amended to read:

Subd. 10. [PAYMENT TO SCHOOL FOR REFERENDUM LEVY.]

(a) The provisions of this subdivision apply to tax increment financing districts and projects for which certification was requested before May 1, 1988, that are located in a school district in which the voters have approved new tax capacity rates or an increase in tax capacity rates after the tax increment financing district was certified.

(b) (1) if there are no outstanding bonds on May 1, 1988, to which increment from the district is pledged, or (2) if the referendum is approved after May 1, 1988, and there are no bonds outstanding at the time the referendum is approved, that were issued before May 1, 1988, or (3) if the referendum increasing the tax capacity 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 tax capacity rate under the referendum.

(2) If clause (3) applies (1) does not apply, 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 tax capacity rate under the referendum.

(c) 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. The provisions of this subdivision apply to projects for which certification was requested before, on, and after August 1, 1979.

Sec. 27. [469.1771] [VIOLATIONS.]

Subdivision 1. [ENFORCEMENT.] (a) The commissioner of revenue and the county auditor shall enforce the provisions of sections 469.174 to 469.179. In addition, the owner of taxable property located in the city, town, school district, or county in which the tax increment financing district is located may bring suit for equitable relief or for damages, as provided in subdivisions 3 and 4, arising out of a failure of a municipality or authority to comply with the provisions of sections 469.174 to 469.179, or related provisions of chapter 469. The prevailing party in a suit filed under the preceding sentence is entitled to costs, including reasonable attorney fees.

(b) Notwithstanding paragraph (a), the responsibility for financial and compliance auditing of political subdivisions' use of tax increment financing remains with the state auditor. The commissioner of revenue may audit an authority's use of tax increment financing. If the state auditor finds evidence that an authority or municipality has violated a provision of the law for which a remedy is provided under this section, the state auditor shall forward the relevant information to the commissioner of revenue.

Subd. 2. [COLLECTION OF INCREMENT.] If an authority includes or retains a parcel of property in a tax increment financing district that does not qualify for inclusion or retention within the district, the authority must pay to the county auditor an amount of money equal to 110 percent of the increment collected from the property for the year or years. The property must be eliminated from the original and captured tax capacity of the district effective for the current property tax assessment year.

Subd. 3. [EXPENDITURE OF INCREMENT.] If an authority expends revenues derived from tax increments, including the proceeds of tax increment bonds, (1) for a purpose that is not a permitted project under section 469.176, (2) for a purpose that is not permitted under section 469.176 for the district from which the increment was received, or (3) on activities outside of the geographic area in which the revenues may be expended under this chapter, the authority must pay to the county auditor an amount equal to 110 percent of the expenditures made in violation of the law.

Subd. 4. [DISPOSITION OF PAYMENTS.] If the authority does not have sufficient increments or other available moneys to make a payment required by this section, the municipality that approved the district must use any available moneys to make the payment

including the levying of property taxes. Moneys received by the county auditor under this section must be distributed as excess increments under section 469.176, subdivision 2, paragraph (a), clause (4). No distributions may be made to the municipality that approved the tax increment financing district.

Subd. 5. [APPLICATION.] This section applies to increments collected from tax increment financing districts and projects for which certification was requested before, on, and after August 1, 1979.

Sec. 28. [469.1781] [REQUIRED EXPENDITURES FOR NEIGHBORHOOD REVITALIZATION.]

(a) The provisions of this section apply to a city of the first class if the following conditions are met:

(1) the city refunded bonds and revenues, derived from increment from a district for which certification was requested before August 1, 1979, were pledged to pay the bonds;

(2) the refunding bonds were issued after April 1, 1988, and before April 1, 1990;

(3) the refunded bonds' obligations were due and payable in full by the calendar year 2002 and the refunding bonds' obligations are payable, in whole or part, during the calendar years 2001 through 2009; and

(4) the city had in place during 1989 an ordinance providing for excess increments to be distributed under section 469.176, subdivision 2, paragraph (a), clause (4) and the city modified the ordinance to eliminate all or part of the distributions of excess increments.

(b) For calendar years 1990 through 2001 inclusive, in each year the city must expend for a neighborhood revitalization program, as established under section 29, an amount of revenues derived from tax increments equal to at least:

(1) the amount of the additional principal and interest payments that would have been due for the year on the refunded bonds, if the bonds had not been refunded; and

(2) the amount of moneys which would have been distributed as excess increments under the city ordinance had it not been modified.

Sec. 29. [469.1831] [NEIGHBORHOOD REVITALIZATION PROGRAMS; FIRST CLASS CITIES.]

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Neighborhood action plan" means the plan developed with the participation of neighborhood residents under subdivision 6.

(c) "Neighborhood revitalization program" or "program" means the program developed under subdivision 5.

(d) "Neighborhood revitalization program money" or "program money" means the money derived from tax increments required to be expended on the program under section 28, paragraph (b).

Subd. 2. [ESTABLISHMENT.] A city of the first class may establish a neighborhood revitalization program authorizing the expenditure of neighborhood revitalization program money. The activities of a program must preserve and enhance within the neighborhood private and public physical infrastructure, public health and safety, economic vitality, the sense of community, and social benefits.

Subd. 3. [PURPOSES; QUALIFYING COSTS.] (a) A neighborhood revitalization program may provide for expenditure of program money for the following purposes:

(1) to eliminate blighting influences by acquiring and clearing or rehabilitating properties that, the city finds, have caused or will cause a decline in the value of properties in the area or will increase the probability that properties in the area will be allowed to physically deteriorate;

(2) assist in the development of industrial properties that provide employment opportunities paying a livable income to the residents of the neighborhood and that will not adversely affect the overall character of the neighborhood;

(3) rehabilitate, renovate or replace neighborhood commercial and retail facilities necessary to maintain neighborhood vitality;

(4) eliminate health hazards through the removal of hazardous waste and pollution and return of land to productive use, if the responsible party is unavailable or unable to pay for the cost;

(5) rehabilitate existing housing and encourage homeownership;

(6) construct new housing, where appropriate;

(7) rehabilitate and construct new low income, affordable rental housing;

(8) remove vacant and boarded up houses; and

(9) rehabilitate or construct public facilities necessary to carry out the purpose of the program.

Subd. 4. [PROGRAM MONEY; DISTRIBUTION AND RESTRICTIONS.] (a) Neighborhood revitalization program money may only be expended in accordance with the program for a purpose listed in subdivision 3 or this subdivision. Program money may not be used in those project areas of the city where private investment is occurring without public sector assistance except in cases where program money is being used to remove or rehabilitate structurally substandard or obsolete buildings. Revenues derived from tax increments may only be expended for the purposes otherwise permitted by law, except that notwithstanding any law to the contrary, the city must pay, at least, 25 percent of the program money, including revenues derived from tax increments, each to (1) the county and (2) the school district. The payment must be made to the county and school district within 15 days after the city receives the distribution of increment revenues, provided that the payment for calendar year 1990 may be made at any time during the year.

(b) One-half of the money distributed to the county in a calendar year must be deducted from the county's levy limit for the following calendar year. In calculating the county's levy limit base for later years, the amount deducted must be treated as a local government aid payment.

The city must notify the commissioner of education of the amount of the payment made to the school district for the year. The commissioner shall deduct from the school district's state education aid payments one-half of the amount received by the school district.

The program money paid to the school district must be expended for additional education programs and services in accordance with the program, and the program money paid to the county must be expended for social services in accordance with the program. The amounts expended by the school district may not replace existing services.

(c) The city must expend on housing programs and related purposes as provided by the program, at least, 75 percent of the program money, after deducting the payments to the school district and county.

(d) Notwithstanding any other provisions of law to the contrary, for a city of the first class qualifying under section 469.1781, paragraph (a), program money may be expended anywhere within the city by the authority for a purpose permitted by this section for any political subdivision.

Subd. 5. [NEIGHBORHOOD REVITALIZATION PROGRAM; CONTENTS.] (a) The neighborhood revitalization program must be developed based on the following general principles:

(1) The social needs of neighborhood residents, particularly lower income residents, must be addressed to provide a safe and healthy environment for neighborhood residents, provide for the self sufficiency of families, and increase the economic and social stability of neighborhoods;

(2) The children residing in the neighborhoods must be given the opportunity for a quality education and the needs of each neighborhood must be addressed individually wherever possible; and

(3) The physical structure of the neighborhoods must be enhanced by providing safe and suitable housing and infrastructure to increase the desirability of neighborhoods as places to live.

(b) The neighborhood revitalization program must include the following:

(1) the identification of the neighborhoods that require assistance through the program;

(2) a strategy of the citizen participation required under subdivision 6;

(3) the neighborhood action plans required under subdivision 6;

(4) the activities of participating organizations undertaken to address the general principles; and

(5) an evaluation of the success of the neighborhood action plans.

Subd. 6. [CITIZEN PARTICIPATION REQUIRED.] (a) The neighborhood revitalization program must be developed with the process outlined in this subdivision.

(b) The development of the program must include the preparation of neighborhood action plans. The city must organize neighborhood planning workshops to prepare the neighborhood action plans. The neighborhood workshops must include the participation of, whenever possible, all populations and interests in each neighborhood including renters, homeowners, people of color, business owners, representatives of neighborhood institutions, youth, and the elderly. The neighborhood action plan must be submitted to the policy board established under (c). The city must provide available resources, information and technical assistance to prepare the neighborhood action plans.

(c) Each city that develops a program must establish a policy board whose membership includes members of the city council, county board, school board, and citywide library and park board where they exist appointed by the respective governing bodies; the mayor or designee of the mayor; and a representative from the city's house of representatives delegation and a representative from the city's state senate delegation appointed by the respective delegation. The policy board may also include representatives of citywide community organizations, neighborhood organizations, business owners, labor and neighborhood residents. The elected officials who are members of the policy board may appoint the other members of the board.

(d) The policy board shall review, modify where appropriate, and approve, in whole or in part, the neighborhood action plans and forward its recommendations for final action to the governing bodies represented on the policy board. The governing bodies shall review, modify where appropriate, and give final approval, in whole or in part, to those actions over which they have programmatic jurisdiction.

Subd. 7. [REVIEW OF PROGRAM COMPLIANCE.] The policy board must periodically review the activities funded with program money to determine if the expenditure of the program money is in compliance with the neighborhood revitalization program.

Sec. 30. Laws 1988, chapter 719, article 12, section 30, as amended by Laws 1989, chapter 1, section 11, is amended to read:

Sec. 30. [EFFECTIVE DATES.]

Sections 2, 5, 6, 7, 14, 16, subdivision 4e, 17, and the provisions of section 15 relating to the duration of hazardous substance sites and subdistricts are effective for hazardous substance sites and subdistricts designated and created after the day following final enactment. Except as otherwise specifically provided, sections 1, 3, 4, 8 to 12, 16, and 20 to 23, and the provisions of section 15 applying to soils condition districts are effective for districts and amendments adding geographic area to an existing district for which the request for certification was filed with the county auditor after May 1, 1988. Sections 13, 15, 16, subdivision 4g, 18, 24, and 25, and the provisions of section 21 allowing a change in the fiscal disparities election are effective May 1, 1988, except as otherwise specifically provided. Section 16, subdivision 4h, is effective beginning with administrative costs incurred on January 1, 1990, and notwithstanding Minnesota Statutes, section 469.179, applies to districts and project areas for which certification was requested before August 1, 1979. Section 16, subdivision 4i, is effective for districts for which the request for certification is filed with the county after May 1, 1988, and to all increment collected after January 1, 1990. Sections 26 to 28 are effective upon approval by the city council of the city of

Virginia and compliance with Minnesota Statutes, section 645.021. Section 29 is effective the day following final enactment.

Sec. 31. [REPORT TO THE LEGISLATURE.]

Any city which has approved a neighborhood revitalization program under section 29 must submit to the legislature by February 15, 1992, a report which describes the program, the use of neighborhood revitalization program money, the activities that were funded by program money and the results of the program for the previous two year period.

Sec. 32. [MOORHEAD TAX INCREMENT FINANCING.]

Section 21 does not apply to a tax increment financing district in the city of Moorhead created prior to August 1, 1979, and used to finance a hotel, parking facility, and conference center project.

Sec. 33. [CITY OF MINNEAPOLIS; INDUSTRY SQUARE TAX INCREMENT FINANCE DISTRICT.]

Except as provided in this section, tax increments derived by the city of Minneapolis in 1990 and later years from blighted railroad property located in its industry square redevelopment project must be accumulated and used to assist the development of the blighted railroad property. Blighted railroad property means property classified as railroad property for state tax purposes prior to 1980 that was reclassified and became subject to real estate taxes on or after January 1, 1980.

If the tax increments have been pledged, together with tax increments to be derived from other property, to the payment of bonds now outstanding, the tax increments derived from the other property must be used first to pay the bonds, and the tax increments from the blighted railroad property may be used only if and to the extent the other tax increments are insufficient for this purpose.

Sec. 34. [EFFECTIVE DATE.]

Section 1 is effective for school year 1991-1992 and for homestead and agricultural credit aid and local government aids for taxes payable in 1991. Sections 2, 3, 7, 13, 14, 17, 21, 22, 24, 26, and 28 to 30 are effective May 1, 1990. Sections 4 to 6, 8 to 12, 15, 18, 19, and 23 are effective for districts for which certification is requested after April 30, 1990. Sections 16 and 25 are effective for distributions of excess taxes or tax increments received after December 31, 1990. Section 20 is effective for districts certified after August 1, 1990, and the commissioner of revenue shall calculate the volume limits applicable through March 15, 1991, under section 20, no later than June 15, 1990. Section 27 is effective for violations occurring after

December 31, 1990. Section 32 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Moorhead. Section 33 is effective the day following final enactment without the approval of the city of Minneapolis.

ARTICLE 7

TAXPAYERS' BILL OF RIGHTS

Section 1. [270.0602] [BASIS FOR EVALUATION OF DEPARTMENT OF REVENUE EMPLOYEES.]

The department of revenue must not use tax enforcement results to impose individual revenue quotas with respect to employees or their immediate supervisors who are directly involved in assessment or collection activities. The department may, however, use individual performance with regard to number of cases completed and, in the case of collections employees, dollars collected, as factors in evaluating an employee and not be considered as failing to comply with this section.

Sec. 2. [270.0603] [DISCLOSURE OF RIGHTS OF TAXPAYERS.]

Subdivision 1. [IN GENERAL.] The commissioner of revenue shall, as soon as practicable, but not later than 180 days after the date of enactment of this act, prepare a statement that sets forth in simple and nontechnical terms:

(1) the rights and obligations of the department of revenue and the taxpayer during an audit;

(2) the procedures by which a taxpayer may appeal an adverse decision of the department, including administrative and judicial appeals;

(3) the procedures for filing refund claims and filing of taxpayer complaints; and

(4) the procedures that the department may use in enforcing the tax laws, including assessment, jeopardy assessment, levy and distraint, and the filing of liens.

Subd. 2. [TRANSMISSION TO LEGISLATURE.] The commissioner shall provide drafts of the statement required under subdivision 1 to the chairs of the house and senate tax committees for proposed revisions of the statement.

Subd. 3. [DISTRIBUTION.] The statement prepared in accordance with subdivisions 1 and 2 must be distributed by the commis-

sioner to all taxpayers contacted with respect to the determination or collection of a tax, other than the providing of tax forms. Failure to receive the statement does not invalidate the determination or collection action.

Sec. 3. Minnesota Statutes 1988, section 270.07, is amended by adding a subdivision to read:

Subd. 6. [ABATEMENT OF PENALTY.] (a) A request for abatement of penalty under subdivision 1, under section 289A.14, subdivision 4, or under paragraph (c), must be filed with the commissioner within 60 days of the date the notice was mailed to the taxpayer's last known address, stating that a penalty has been imposed.

(b) If the commissioner issues an order denying a request for abatement of penalty, the taxpayer may, except as limited under subdivision 1, file an administrative appeal as provided in section 289A.16 or appeal to tax court as provided in section 271.06.

If the commissioner does not issue an order on the abatement request within 60 days from the date the request is received, the taxpayer may appeal to tax court as provided in section 271.06.

(c) The commissioner shall abate any part of a penalty or additional tax charge under section 289A.026, subdivision 2, or 289A.027, subdivision 4, attributable to erroneous advice given to the taxpayer in writing by an employee of the department acting in an official capacity, if the advice:

(1) was reasonably relied on and was in response to a specific written request of the taxpayer; and

(2) was not the result of failure by the taxpayer to provide adequate or accurate information.

Sec. 4. Minnesota Statutes 1989 Supplement, section 270.10, subdivision 1a, is amended to read:

Subd. 1a. [NOTIFICATION TO TAXPAYER.] At the same time that notice of the assessment, determination, or order of the commissioner is given to a taxpayer, the taxpayer must be notified in writing of the right to appeal to the tax court, and if applicable, to the small claims division. Except in the case of mathematical or clerical errors, the notice must contain a description of the basis for, including applicable law and other factors considered in the determination, and a listing of the amounts of tax due, interest, additions to tax, and penalties. Failure to provide all the required information does not invalidate the notice for purposes of satisfying statutory notice requirements if the notice contains sufficient information to

advise the taxpayer that an assessment, order, or other determination has been made. The taxpayer may request further clarification within the time provided for appealing the determination. In any notice of assessment, determination, or order dealing with property valuation or assessment for property tax purposes by the commissioner of revenue or a local unit of government, the taxpayer must be notified in writing that a taxpayer must appeal to the town or city board of equalization and to the county board of equalization before appealing to the small claims division of the tax court, except for those taxpayers whose original assessments are determined by the commissioner of revenue.

Sec. 5. [270.272] [PROCEDURES INVOLVING IN-PERSON TAXPAYER INTERVIEWS.]

Subdivision 1. [RECORDING OF INTERVIEWS.] (a) In connection with an interview with a taxpayer relating to the audit or collection of a tax, and on advance request of the taxpayer, an employee of the department of revenue shall allow the taxpayer to make an audio recording of the interview at the taxpayer's expense and with the taxpayer's equipment.

(b) An employee of the department may record an interview described in paragraph (a) if the taxpayer is informed of the recording before the interview and a transcript or copy of the recording is made available to the taxpayer on the taxpayer's request, provided the department is reimbursed by the taxpayer for the cost of transcribing or copying the recording.

Subd. 2. [SAFEGUARDS.] (a) Before or at the start of an initial interview, an employee of the department shall provide to the taxpayer in the case of an audit interview an explanation of the audit process and the taxpayer's rights under that process and, in the case of a collection interview, an explanation of the collection process and the taxpayer's rights under that process.

(b) If a taxpayer requests to consult with an attorney, accountant, agent, preparer, or any other person permitted to represent the taxpayer before the department at any time during an interview, except an interview initiated by an administrative subpoena, the interview must be suspended for no more than 30 days.

Subd. 3. [REPRESENTATIVES HOLDING POWER OF ATTORNEY.] An attorney, accountant, agent, preparer, or any other person permitted to represent the taxpayer before the department who has a written power of attorney executed by the taxpayer may represent the taxpayer in an interview described in subdivision 1. The taxpayer may be required to accompany the representative only if an administrative subpoena is issued. In this instance, with the consent of an immediate supervisor and after ten days' notice to the representative, the department employee may notify the taxpayer

directly that the employee believes the representative is unreasonably delaying the examination or investigation process.

Subd. 4. [NOT TO APPLY TO CERTAIN INVESTIGATIONS.] This section does not apply to criminal investigations or investigations relating to the conduct of an employee of the department.

Sec. 6. [270.273] [TAXPAYER ASSISTANCE ORDERS; TAXPAYER'S RIGHTS ADVOCATE.]

Subdivision 1. [AUTHORITY TO ISSUE.] On application filed by a taxpayer with the department of revenue taxpayer's rights advocate, in the form, manner, and in the time prescribed by the commissioner, and after thorough investigation, the taxpayer's rights advocate may issue a taxpayer assistance order if, in the determination of the taxpayer's rights advocate, the manner in which the state tax laws are being administered is creating or will create an unjust and inequitable result for the taxpayer.

Subd. 2. [TERMS OF A TAXPAYER ASSISTANCE ORDER.] A taxpayer assistance order may require the department to release property of the taxpayer levied on, cease any action, or refrain from taking any action to enforce the state tax laws against the taxpayer, until the issue or issues giving rise to the order have been resolved.

Subd. 3. [AUTHORITY TO MODIFY OR RESCIND.] A taxpayer assistance order issued by the taxpayer's rights advocate under this section may be modified or rescinded by the commissioner.

Subd. 4. [SUSPENSION OF RUNNING OF PERIOD OF LIMITATION.] The running of the period of limitation with respect to an action described in subdivision 2 is suspended from the date of the taxpayer assistance order until the expiration date of the order or, if modified, the expiration date of the modified order or, if rescinded, the date of the rescission.

Subd. 5. [INDEPENDENT ACTION OF TAXPAYER'S RIGHTS ADVOCATE.] This section does not prevent the taxpayer's rights advocate from taking action in the absence of an application under subdivision 1.

Subd. 6. [TAXPAYER'S RIGHTS ADVOCATE.] For purposes of this section, the term "taxpayer's rights advocate" includes a designee of the taxpayer's rights advocate. The taxpayer's rights advocate shall represent the interests of taxpayers who have grievances against the department in connection with an audit or collection activity, and shall report directly to the commissioner. A determination of the taxpayer's rights advocate under this section to issue or to not issue a taxpayer assistance order is final, and cannot be appealed to the tax court or any other court.

Sec. 7. [270.274] [REVIEW OF JEOPARDY ASSESSMENT AND LEVY PROCEDURES.]

Subdivision 1. [ADMINISTRATIVE REVIEW.] Within five days after a jeopardy assessment or collection is made to assess or collect a tax administered by the commissioner of revenue, the commissioner shall provide the taxpayer with a written statement of the information relied on in making the assessment or levy. Within 30 days after the written statement is provided or, if not provided, within 35 days after the assessment or levy, the taxpayer may request the commissioner to review the action taken. After a request for review, the commissioner shall determine whether the assessment or levy is reasonable and whether the amount assessed or demanded as a result of the action is appropriate under the circumstances.

Subd. 2. [JUDICIAL REVIEW.] A determination by the commissioner under subdivision 1 is appealable to the tax court in the manner provided by law, and the appeal must be expeditiously heard by the court. If the court determines that the making of the assessment or levy is unreasonable, or that the amount assessed or demanded is inappropriate, the court may order the commissioner to release the levy, abate the assessment, redetermine in whole or in part the amount assessed or demanded, or take other action. A determination by the court under this subdivision is final and may not be appealed by either party.

Subd. 3. [BURDEN OF PROOF.] In a proceeding under subdivision 2, the burden of proving that the assessment or collection of the tax was jeopardized by delay is on the commissioner. Regarding the issue of whether the amount assessed or demanded as a result of the action is appropriate, the commissioner shall provide a written statement explaining the basis for determining the amount, and the burden is on the taxpayer to show that the statement is incorrect or invalid.

Sec. 8. [270.275] [CIVIL DAMAGES FOR FAILURE TO RELEASE LIEN.]

Subdivision 1. [IN GENERAL.] (a) A taxpayer may bring a civil action for damages against the commissioner in district court when an employee or the department has knowingly or negligently:

(1) failed to release a lien as required by section 270.69, subdivision 11; or

(2) failed to release a lien within 30 days after satisfaction of the liability on which the lien is based.

(b) An action under paragraph (a), clause (2), must be preceded by

30 days written notice by the taxpayer to the commissioner and the taxpayer's rights advocate that the lien has not been released. An action under paragraph (a) must be commenced within two years after the date the right of action accrued.

Subd. 2. [DAMAGES.] On a finding of liability on the part of the defendant in an action brought under subdivision 1, the defendant is liable to the plaintiff in an amount equal to the sum of actual, direct economic damages sustained by the plaintiff due to the actions of the defendant, plus the costs of the action. Damages must be paid in accordance with section 3.736, subdivision 7.

Subd. 3. [MITIGATION OF DAMAGES.] Damages awarded must be reduced by the amount of the damages that could reasonably have been mitigated by the plaintiff.

Sec. 9. [270.276] [CIVIL DAMAGES FOR CERTAIN UNAUTHORIZED COLLECTION ACTIONS.]

Subdivision 1. [IN GENERAL.] If in connection with the collection of previously determined delinquent taxes from a taxpayer of a state tax administered by the commissioner of revenue, an employee of the department recklessly or intentionally disregards a state tax law or rule, the taxpayer may bring a civil action for damages against the commissioner in district court within two years after the date the right of action accrues.

Subd. 2. [DAMAGES.] On a finding of liability on the part of the defendant in an action brought under subdivision 1, the defendant is liable to the plaintiff in an amount equal to the lesser of \$100,000, or the sum of (1) actual, direct economic damages sustained by the plaintiff as a proximate result of the reckless or intentional actions of the employee and (2) the costs of the action. Damages must be paid in accordance with section 3.736, subdivision 7.

Subd. 3. [LIMITATIONS.] A judgment for damages must not be awarded under subdivision 2 unless the court determines that the plaintiff has exhausted the administrative remedies available to the plaintiff within the department. Damages awarded must be reduced by the amount of the damages that could reasonably have been mitigated by the plaintiff.

Subd. 4. [PENALTIES FOR PROCEDURES INSTITUTED PRIMARILY FOR DELAY.] When it appears to the district court that:

(1) proceedings before it under this section have been instituted or maintained by the taxpayer primarily for delay;

(2) the taxpayer's position in such proceeding is frivolous or groundless; or

(3) the taxpayer unreasonably failed to pursue available administrative remedies,

the district court, in its decision, may require the taxpayer to pay to the department of revenue a penalty not in excess of \$25,000. The penalty may be assessed and, upon notice and demand, may be collected in the same manner as a tax.

Sec. 10. Minnesota Statutes 1989 Supplement, section 270.69, subdivision 11, is amended to read:

Subd. 11. [ERRONEOUS LIENS.] After the filing of a notice of lien under this section on the property or rights to property of a person, the person may appeal to the commissioner, in the form and at the time prescribed by the commissioner, alleging an error in the filing of the lien and requesting its release. If the commissioner of revenue determines that the filing of the notice of any lien was erroneous, within 14 days after the determination, the commissioner must issue a certificate of release of the lien. The certificate must include a statement that the filing of the lien was erroneous. In the event that the ~~claim~~ lien is erroneous and is not released within the 14-day period, reasonable attorney fees shall be paid. Damages must be paid in accordance with section 3.736, subdivision 7.

Sec. 11. Minnesota Statutes 1988, 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 and amounts received under United States Code, title 29, chapter 19, as amended through December 31, 1989) or property on which there is a lien provided in section 270.69. For this purpose, the term "tax" shall include any penalty, interest and costs properly payable. The term "levy" includes the power of distraint and seizure by any means.

Sec. 12. Minnesota Statutes 1988, section 270.70, subdivision 2, is amended to read:

Subd. 2. [NOTICE AND DEMAND; COLLECTION BY LEVY; JEOPARDY COLLECTION.] Before a levy is made, notice and demand for payment of the amount due shall ~~must~~ be given to the person liable for the payment or collection of the tax at least ~~ten~~ 30 days prior to the levy. If the commissioner has reason to believe that

collection of the tax is in jeopardy, notice and demand for immediate payment of the tax may be made by the commissioner. If the tax is not paid, the commissioner may proceed to collect by levy without regard to the ten day period provided herein. The notice required under this subdivision must be sent to the taxpayer's last known address and must include a brief statement that sets forth in simple and nontechnical terms:

(1) the administrative appeals available to the taxpayer with respect to the levy and sale; and

(2) the alternatives available to the taxpayer that can prevent a levy, including installment payment agreements under section 270.67, subdivision 2.

Sec. 13. Minnesota Statutes 1988, section 270.70, subdivision 4, is amended to read:

Subd. 4. [STAY OF SALE.] (a) Where a jeopardy assessment or any other assessment has been made by the commissioner, the property seized for collection of the tax shall not be sold until the time has expired for filing an appeal of the assessment with the tax court pursuant to chapter 271. If an appeal has been filed, no sale shall be made unless the taxes remain unpaid for a period of more than 30 days after final determination of the appeal by the tax court or by the appropriate judicial forum.

(b) Notwithstanding clause (a), seized property may be sold if

(i) the taxpayer consents in writing to the sale, or

(ii) the commissioner determines that the property is perishable or may become greatly reduced in price or value by keeping, or that such property cannot be kept without great expense.

The tax court has jurisdiction to review a determination made under clause (b)(ii). Review is commenced by motion of the commissioner or the taxpayer. The order of the court in response to the motion is reviewable in the same manner as any other decision of the tax court.

Sec. 14. Minnesota Statutes 1988, section 270.70, subdivision 8, is amended to read:

Subd. 8. [SURRENDER OF PROPERTY SUBJECT TO LEVY.] Any person who fails or refuses to surrender without reasonable cause any property or rights to property subject to levy, upon demand by the commissioner, shall be liable personally to the state of Minnesota in an amount equal to the value of the property or rights not so surrendered, but not exceeding the amount of taxes for

the collection of which such levy has been made. Any amount recovered under this subdivision shall be credited against the tax liability for the collection of which such levy was made. A financial institution need not surrender funds on deposit until ten days after service of the levy.

Sec. 15. Minnesota Statutes 1988, section 270.70, is amended by adding a subdivision to read:

Subd. 17. [UNECONOMICAL LEVY.] No levy may be made on property if the amount of the expenses that the commissioner estimates would be incurred by the department with respect to the levy and sale of the property exceeds the fair market value of the property at the anticipated time of levy.

Sec. 16. Minnesota Statutes 1988, section 270.70, is amended by adding a subdivision to read:

Subd. 18. [LEVY ON APPEARANCE DATE OF SUBPOENA.] No levy may be made on the property of a person on the day on which the person, or an officer or employee of the person, is required to appear in response to a subpoena issued by the commissioner to collect unpaid taxes, unless the commissioner determines that the collection of the tax is in jeopardy.

Sec. 17. Minnesota Statutes 1988, section 270.701, is amended by adding a subdivision to read:

Subd. 6. [RIGHT TO REQUEST SALE OF SEIZED PROPERTY WITHIN 60 DAYS.] The owner of property seized by levy may request that the commissioner offer to sell the property within 60 days after the request, or within a longer period requested by the owner. The request must be complied with unless the commissioner determines and notifies the owner within that period that compliance is not in the best interests of the state of Minnesota. A determination by the commissioner not to comply with the request is appealable to the tax court in the manner provided by law.

Sec. 18. Minnesota Statutes 1988, section 270.709, subdivision 1, is amended to read:

Subdivision 1. [RELEASE OF LEVY.] It shall be lawful for the commissioner to release the levy upon all or part of the property or rights to property levied upon if the commissioner determines that the release will facilitate the collection of the liability, but the release shall not operate to prevent any subsequent levy. The commissioner shall release a levy on all or part of the property or rights to property levied on and shall promptly notify the person on whom the levy was made that the levy has been released if: (1) the liability for which the levy was made is satisfied or has become

unenforceable by lapse of time; (2) release of the levy will facilitate collection of the liability; (3) the taxpayer has entered into an installment payment agreement under section 270.67, subdivision 2, unless the agreement provides otherwise, or unless release of the levy will jeopardize the status of the department as a secured creditor; or (4) the fair market value of the property exceeds the liability, and release of the levy on a part of the property can be made without hindering collection. In the case of tangible personal property essential in carrying on the trade or business of the taxpayer, the commissioner shall provide for an expedited determination under this subdivision. A release of levy under this subdivision does not prevent a subsequent levy on the property released.

Sec. 19. Minnesota Statutes 1988, section 271.12, is amended to read:

271.12 [WHEN ORDER EFFECTIVE.]

No order for refundment by the commissioner of revenue, the appropriate unit of government, or the tax court shall take effect until the time for appeal therefrom or review thereof by all parties entitled thereto has expired. Otherwise every order of the commissioner, the appropriate unit of government, or the tax court shall take effect immediately upon the filing thereof, and no appeal therefrom or review thereof shall stay the execution thereof or extend the time for payment of any tax or other obligation unless otherwise expressly provided by law; provided, that in case an order which has been acted upon, in whole or in part, shall thereafter be set aside or modified upon appeal, the determination upon appeal or review shall supersede the order appealed from and be binding upon all parties affected thereby, and such adjustments as may be necessary to give effect thereto shall be made accordingly; and provided further, the tax court may enjoin enforcement of the order of the commissioner being appealed. If it be finally determined upon such appeal or review that any person is entitled to refundment of any amount which has been paid for a tax or other obligation, such amount, unless otherwise provided by law, shall be paid to the person by the state treasurer, or other proper officer, out of funds derived from taxes of the same kind, if available for the purpose, or out of other available funds, if any, with interest at the rate specified in section 270.76 from the date of payment of the tax, unless a different rate of interest is otherwise provided by law, in which case such other rate shall apply, upon certification by the commissioner of revenue, the appropriate unit of government, the tax court or the supreme court.

If, within 120 days after a decision of the tax court becomes final, the commissioner does not refund the overpayment determined by the court, together with interest, on motion by the taxpayer, the tax court shall have jurisdiction to order the refund of the overpayment and interest, and to award reasonable litigation costs for bringing

the motion. If any tax, assessment, or other obligation be increased upon such appeal or review, the increase shall be added to the original amount, and may be enforced and collected therewith.

Sec. 20. Minnesota Statutes 1988, section 271.19, is amended to read:

271.19 [COSTS AND DISBURSEMENTS.]

Upon the determination of any appeal under this chapter before the tax court, or of any review hereunder by the supreme court, the costs and disbursements may be taxed and allowed in favor of the prevailing party and against the losing party as in civil actions. In any case where a person liable for a tax or other obligation has lost an appeal or review instituted by the person, and the tax court or court shall determine that the person instituted the same merely for the purposes of delay, or that the taxpayer's position in the proceedings is frivolous, additional costs, commensurate with the expense incurred and services performed by the agencies of the state in connection with the appeal, but not exceeding \$5,000 in any case, may be allowed against the taxpayer, in the discretion of the tax court or court. Costs and disbursements allowed against any such person shall be added to the tax or other obligation determined to be due, and shall be payable therewith. To the extent described in section 3.761, where an award of costs and attorney fees is authorized under section 3.762, the costs and fees shall be allowed against the state, including expenses incurred by the taxpayer to administratively protest or appeal to the department of revenue the order, decision, or report of the commissioner that is the subject of the tax court proceedings. Costs and disbursements allowed against the state or other public agencies shall be paid out of funds received from taxes or other obligations of the kind involved in the proceeding, or other funds of the agency concerned appropriated and available therefor. Witnesses in proceedings under this chapter shall receive like fees as in the district court, to be paid in the first instance by the parties by whom the witnesses were called, and to be taxed and allowed as herein provided.

Sec. 21. Minnesota Statutes, section 289A.11, as added in 1990 Legislative Session, H. F. No. 2480, article 7, section 23, is amended by adding a subdivision to read:

Subd. 9. [PETITION IN TAX COURT; REFUND OF INTEREST.] Notwithstanding any other law, within one year after a decision of the tax court upholding an assessment of the commissioner of revenue becomes final, if the taxpayer has paid the assessment in full, plus interest calculated by the commissioner, the taxpayer may petition the tax court to reopen the case solely for a determination that the interest paid exceeds the interest legally due, and if so, the amount of the overpayment. A determination of overpayment of interest under this subdivision is a determination of overpayment of

tax under section 271.12, and is reviewable in the same manner as any other decision of the tax court.

Sec. 22. [ALTERNATIVE DISPUTE RESOLUTION; LETTER RULINGS; STUDY.]

The commissioner of revenue shall study the cost, feasibility, and means of implementation of (1) an arbitration procedure for resolving disputes between taxpayers and the department of revenue without court litigation, and (2) publication and dissemination of administrative determinations, decisions, and rulings of the department of revenue, through the use of private letter rulings or otherwise. In preparing the study, the commissioner shall consult with the bar association and society of certified public accountants. The commissioner shall report the results of the study to the legislature by January 7, 1991.

Sec. 23. [EFFECTIVE DATES.]

Section 1 is effective for evaluations occurring on or after August 1, 1990.

Sections 2 and 22 are effective the day following final enactment.

Section 3 is effective for advice given on or after August 1, 1990.

Section 4 is effective for notices of assessment issued on or after August 1, 1990.

Section 5 is effective for interviews occurring on or after August 1, 1990.

Section 6 is effective for taxpayer assistance applications filed on or after August 1, 1990.

Section 7 is effective for jeopardy assessments and levies made on or after August 1, 1990.

Sections 8 and 9 are effective for causes of action arising on or after August 1, 1990.

Section 10 is effective for liens filed on or after August 1, 1990.

Sections 11, 15, and 16 are effective August 1, 1990.

Sections 12, 14, and 18 are effective for levies issued on or after August 1, 1990.

Sections 13 and 17 are effective for property seized on or after August 1, 1990.

Sections 19 and 20 are effective for tax court appeals filed on or after August 1, 1990.

Section 21 is effective for interest payments made on or after August 1, 1990.

ARTICLE 8

MISCELLANEOUS

Section 1. Minnesota Statutes Second 1989 Supplement, section 3.885, subdivision 8, is amended to read:

Subd. 8. [POLITICAL SUBDIVISION REPORTING.] No later than November 15, 1990, the ~~commission~~ commissioner of revenue shall make recommendations to appropriate standing committees of the legislature on any changes in uniform accounting and financial reporting methods necessary to assure public and legislative oversight of expenditures by cities, counties, towns, and special service districts. The recommendations shall consider opportunities for on-line access by appropriate state officers to political subdivision accounts. In preparing these recommendations, the ~~commission~~ commissioner shall consult with the commission, the state auditor, the legislative auditor, and the ~~commissioners~~ commissioner of finance and revenue.

Sec. 2. [116J.871] [FINANCIAL ASSISTANCE LIMITATIONS; PREVAILING WAGE.]

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Financial assistance" means (i) a grant of \$100,000 or more awarded by state agency; (ii) a loan or the guaranty or purchase of a loan of \$500,000 or more made by a state agency; or (iii) a reduction, credit or abatement of a tax assessed under chapter 297A where the tax reduction, credit or abatement applies to a geographic area smaller than the entire state.

(c) "Project site" means the location where improvements are made that are financed in whole or in part by the financial assistance; or the location of employees that receive financial assistance in the form of employment and training services as defined in section 268.0111, subdivision 4 or customized training from a technical college.

(d) "State agency means any agency defined under section 16B.01,

subdivision 2, the Greater Minnesota Corporation and the iron range resources and rehabilitation board.

Subd. 2. [PREVAILING WAGE REQUIRED.] A state agency may provide financial assistance to a person only if the person receiving or benefiting from the financial assistance certifies to the commissioner of labor and industry that laborers and mechanics at the project site during construction, installation, remodeling, and repairs for which the financial assistance was provided will be paid the prevailing wage rate as defined in section 177.42, subdivision 6.

Subd. 3. [PREVAILING WAGE; PENALTY.] It is a misdemeanor for a person who has certified that prevailing wages will be paid to laborers and mechanics under subdivision 2 to subsequently fail to pay the prevailing wage. This misdemeanor is punishable by a fine of not more than \$700, or imprisonment for not more than 90 days, or both. Each day a violation of this subdivision continues is a separate offense.

Subd. 4. [NOTIFICATION.] A state agency shall notify any person applying for financial assistance from the state agency of the requirements under subdivision 2 and of the penalties under subdivision 3.

Sec. 3. [116J.872] [FINANCIAL ASSISTANCE; CONSIDERATION OF PAYMENT OF PREVAILING WAGE.]

When considering whether a person will be awarded financial assistance, a state agency, the Greater Minnesota Corporation, a political subdivision of the state or a development agency organized or operating under chapter 469 must consider whether the person will pay the prevailing wage to the laborers and mechanics at the project site during the construction, installation, remodeling or repairs for which the financial assistance will be provided.

For the purposes of this section, "Financial assistance" means grants, loans, loan guarantees, interest subsidies, tax credits, property tax deferrals or reductions, property acquisition writedowns, subsidized utility connections, and tax abatements provided by government; interest cost savings from tax-exempt bonds and other securities issued by a government agency on behalf of a person; or wage subsidies and other employment and training services as defined under section 268.0111, subdivision 4, provided to or on behalf of a person by a government agency.

Sec. 4. [270.0682] [TAX INCIDENCE REPORTS.]

Subdivision 1. [BIENNIAL REPORT.] The commissioner of revenue shall report to the legislature by March 1 of each odd-numbered year on the overall incidence of the income tax, sales and excise

taxes, and property tax. The report shall present information on the distribution of the tax burden (1) for the entire income distribution, using a system-wide incidence measure such as the Suits index or other appropriate measures of equality and inequality, (2) by income classes, including at a minimum deciles of the income distribution, and (3) by household or family characteristics such as filing status, number of dependents, or other appropriate characteristics.

Subd. 2. [BILL ANALYSES.] At the request of the chair of the house tax committee or the senate committee on taxes, the commissioner of revenue shall prepare an incidence impact analysis of a bill or a proposal to change the tax system. To the extent data is available on the changes in the distribution of the tax burden that are affected by the bill or proposal, the analysis shall report on the incidence effects that would result if the bill were enacted. The report may present information using system-wide measures, such as Suits or other similar indexes, by income classes, taxpayer characteristics, or other relevant categories. The report may include analyses of the effect of the bill or proposal on representative taxpayers. The analysis must include a statement of the incidence assumptions that were used in computing the burdens.

Subd. 3. [INCOME MEASURE.] The incidence analyses shall use the broadest measure of economic income for which reliable data is available. The analyses may be based on permanent or annual incomes, as the commissioner determines appropriate and for which reliable data is available.

Sec. 5. Minnesota Statutes 1988, section 270A.03, subdivision 2, is amended to read:

Subd. 2. "Claimant agency" means any state agency, as defined by section 14.02, subdivision 2, the regents of the University of Minnesota, any district court of the state, any county, any statutory or home rule charter city presenting a claim for a municipal or hospital district, any public agency responsible for child support enforcement, and any public agency responsible for the collection of court-ordered restitution.

Sec. 6. Minnesota Statutes 1988, section 270A.03, subdivision 5, is amended to read:

Subd. 5. "Debt" means a legal obligation of a natural person to pay a fixed and certain amount of money, which equals or exceeds \$25 and which is due and payable to a claimant agency. The term includes criminal fines imposed under section 609.10 and restitution. A debt may arise under a contractual or statutory obligation, a court order, or other legal obligation, but need not have been reduced to judgment.

A debt does not include (1) any legal obligation of a current recipient of assistance which is based on overpayment of an assistance grant; or (2).

A debt does not include any legal obligation to pay a claimant agency for medical care, including hospitalization if the income of the debtor would have qualified for a low income credit equal to tax liability pursuant to Minnesota Statutes 1984, section 290.06, subdivision 3d, clause (1), at the time when the medical care was rendered, provided that, for purposes of this subdivision, does not exceed the following amount:

- (1) for an unmarried debtor, an income of \$6,400 or less;
- (2) for a debtor with one dependent, an income of \$8,200 or less;
- (3) for a debtor with two dependents, an income of \$9,700 or less;
- (4) for a debtor with three dependents, an income of \$11,000 or less;
- (5) for a debtor with four dependents, an income of \$11,600 or less;
and
- (6) for a debtor with five or more dependents, an income of \$12,100 or less.

The income amounts in ~~that section~~ this subdivision shall be adjusted for inflation for debts incurred in calendar years ~~1987~~ 1991 and thereafter. The dollar amount of each income level that applied to debts incurred in the prior year shall be increased in the same manner as provided in section 290.06, subdivision 2d, for the expansion of the tax rate brackets.

Sec. 7. Minnesota Statutes 1988, section 282.014, is amended to read:

282.014 [COMPLETION OF SALE AND CONVEYANCE.]

Upon compliance by the purchaser with the provisions of ~~sections 282.011 to 282.015~~ this chapter and with the terms and conditions of the sale, and upon full payment for the land, plus a ~~\$20~~ \$25 fee in addition to the sale price, the sale shall be complete and a conveyance of the land shall be issued to the purchaser as provided by the appropriate statutes according to the status of the land upon forfeiture.

The conveyance must be forwarded to the county recorder who shall record the conveyance before the auditor issues it to the purchaser.

Sec. 8. Minnesota Statutes 1988, section 296.02, subdivision 1a, is amended to read:

Subd. 1a. [EXCEPTIONS.] The provisions of subdivision 1 do not apply to (1) gasoline purchased by a transit system ~~owned by one or more statutory or home rule charter cities or towns receiving financial assistance under section 174.24 or 473.384,~~ or (2) to sales of compressed natural gas or propane for use in vehicles displaying a valid annual alternate fuel permit.

Sec. 9. Minnesota Statutes 1988, section 296.025, subdivision 1a, is amended to read:

Subd. 1a. [EXCEPTIONS.] The provisions of subdivision 1 do not apply to (1) special fuel purchased by a transit system ~~owned by one or more statutory or home rule charter cities or towns receiving financial assistance under section 174.24 or 473.384,~~ or (2) to sales of compressed natural gas or propane for use in vehicles displaying a valid annual alternate fuel permit.

Sec. 10. Minnesota Statutes 1988, section 296.06, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS FOR ISSUANCE.] A distributor's license shall be issued to any responsible person qualifying as a distributor who makes application therefor, and who shall pay to the commissioner at the time thereof and annually thereafter a license fee of \$10 \$25, and who shall further comply with the following conditions:

(1) A written application shall be made in a manner approved by the commissioner, who shall require the applicant or licensee to deposit with the state treasurer securities of the United States government or the state of Minnesota or to execute and file a bond, with a corporate surety approved by the commissioner, to the state of Minnesota in an amount to be determined by the commissioner and in a form to be fixed by the commissioner and approved by the attorney general, and which shall be conditioned for the payment when due of all excise taxes, inspection fees, penalties, and accrued interest arising in the ordinary course of business or by reason of any delinquent money which may be due the state of Minnesota; the bond shall cover all places of business within the state where petroleum products are received by the licensee; and the applicant or licensee shall designate and maintain an agent in this state upon whom service may be had for all purposes of this section.

(2) An initial applicant for a distributor's license shall furnish a bond in a minimum sum of \$3,000 for the first year;

(3) The commissioner, on reaching the opinion that the bond given

by a licensee is inadequate in amount to fully protect the state, shall require an additional bond in such amount as the commissioner deems sufficient;

(4) A licensee who desires to be exempt from depositing securities or furnishing such bond, as hereinbefore provided shall furnish an itemized financial statement showing the assets and the liabilities of the applicant and if it shall appear to the commissioner, from the financial statement or otherwise, that the applicant is financially responsible, then the commissioner may exempt such applicant from depositing such securities or furnishing such bond until the commissioner otherwise orders.

(5) The premium on any bond required under clauses (1) and (2), and on any additional bond required under clause (3), shall be paid by the commissioner out of a bond premium fund required to be set up from an appropriation by the legislature from whatever funds are available. All of said bonds required during each license period shall be purchased by the commissioner of administration from the lowest responsible bidder after advertising for competitive bids in the manner prescribed by Laws 1939, chapter 431, article II, as amended. The commissioner of administration shall call for bids within a reasonable period prior to the commencement of license period.

(6) Each license period shall be for one year ending each June 30.

(7) Upon application to the commissioner and compliance by the applicant with the provisions of this subdivision, the commissioner also shall issue a distributor's license to (a) any person engaged in this state in the bulk storage of petroleum products and the distribution thereof by tank car or tank truck or both, and (b) any person holding an unrevoked license as a distributor since January 1, 1947, and (c) any person holding a license and performing a function under the motor fuel tax law of an adjoining state equivalent to that of a distributor under this act, who desires to ship or deliver petroleum products from that state to persons in this state not licensed as distributors in this state and who agrees to assume with respect to all petroleum products so shipped or delivered the liabilities of a distributor receiving petroleum products in this state, provided, however, that any such license shall be issued only for the purpose of permitting such person to receive in this state the petroleum products so shipped or delivered. Except as herein provided, all persons licensed as distributors under this clause shall have the same rights and privileges and be subject to the same duties, requirements and penalties as other licensed distributors.

Sec. 11. Minnesota Statutes 1988, section 296.12, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL FUEL DEALERS' LICENSE RE-

QUIREMENTS.] No person except a licensed distributor shall engage in the business of selling or delivering special fuel as a special fuel dealer without having applied for and secured from the commissioner a special fuel dealer's license. The application shall be made in a manner approved by the commissioner and shall be accompanied by the payment of ~~\$10~~ \$25, which shall be the license fee. A special fuel dealer's license shall be issued to any responsible person qualifying as a special fuel dealer who makes proper application therefor. The license shall be displayed in a conspicuous manner in the place of business and shall expire annually on November 30.

A special fuel dealer who discontinues, sells or disposes of the business in any manner, at any time, shall surrender the dealer's special fuel dealer's license at the commissioner's office in St. Paul, Minnesota.

Sec. 12. Minnesota Statutes 1988, section 296.12, subdivision 2, is amended to read:

Subd. 2. [BULK PURCHASERS' LICENSE REQUIREMENTS.] No person shall receive special fuel as a bulk purchaser without having applied for and secured from the commissioner a bulk purchaser's license. The application shall be made in a manner approved by the commissioner and shall be accompanied by the payment of ~~\$10~~ \$25, which shall be the license fee. A bulk purchaser's license shall be issued to any responsible person qualifying as a bulk purchaser who makes proper application therefor. The license shall be displayed in a conspicuous manner in the place of business and shall expire annually on November 30.

A bulk purchaser who discontinues, sells or disposes of the business in any manner, at any time, shall surrender the bulk purchaser's license at the commissioner's office in St. Paul, Minnesota.

Sec. 13. Minnesota Statutes 1988, section 296.17, subdivision 10, is amended to read:

Subd. 10. [LICENSE.] (a) No motor carrier may operate a commercial motor vehicle upon the highways of this state unless and until issued a license pursuant to this section or has obtained a trip permit or temporary authorization as provided in this section.

(b) A license shall be issued to any responsible person qualifying as a motor carrier who makes application therefor and who pays to the commissioner, at the time thereof, a license fee of ~~\$20~~ \$30. The license is valid for a period of up to two years or until revoked by the commissioner or until surrendered by the motor carrier. All outstanding licenses will expire on March 31 of each even-numbered year beginning with 1984 and may be renewed upon application to

the commissioner and payment of the ~~\$20~~ \$30 fee. The license, photocopy, or electrostatic copy of it, shall be carried in the cab of every commercial motor vehicle while it is being operated in Minnesota by a licensed motor carrier.

Sec. 14. Minnesota Statutes 1988, section 296.17, subdivision 17, is amended to read:

Subd. 17. [TRIP PERMITS AND TEMPORARY AUTHORIZATIONS.] (a) A motor carrier may obtain a trip permit which shall authorize an unlicensed motor carrier to operate a commercial motor vehicle in Minnesota for a period of five consecutive days beginning and ending on the dates specified on the face of the permit. The fee for the permit shall be ~~\$15~~ \$25. Fees for trip permits shall be in lieu of the road tax otherwise assessable against the motor carrier on account of the commercial motor vehicle operating therewith, and no reports of mileage shall be required with respect to the vehicle.

The above permit shall be issued in lieu of license if in the course of operations a motor carrier operates on Minnesota highways no more than three times in any one calendar year.

(b) Whenever the commissioner is satisfied that unforeseen or uncertain circumstances have arisen which requires a motor carrier to operate in this state a commercial motor vehicle for which neither a trip permit pursuant to clause (a) of this subdivision nor a license pursuant to subdivisions 7 to 22 has yet been obtained, and if the commissioner is satisfied that prohibition of that operation would cause undue hardship, the commissioner may provide the motor carrier with temporary authorization for the operation of the vehicle. A motor carrier receiving temporary authorization pursuant to this subdivision shall perfect the same either by obtaining a trip permit or a license, as the case may be, for the vehicle at the earliest practicable time.

Sec. 15. Minnesota Statutes 1988, section 297.07, subdivision 5, is amended to read:

Subd. 5. [OFFSET.] Upon audit, if a distributor's return reflects an overpayment, the overpayment may only be offset against an additional tax liability for the month immediately preceding or immediately after the month of overpayment. the commissioner shall offset overpayments and underpayments for the audit period selected by the commissioner. Interest shall be assessed only on an additional net tax liability after the offsets. Any net overpayments shall carry forward to the next audit period. No refunds of tax shall be made except as otherwise provided by law.

Sec. 16. Minnesota Statutes 1988, section 298.015, subdivision 1, is amended to read:

Subdivision 1. [TAX IMPOSED.] A person engaged in the business of mining shall pay to the state of Minnesota for distribution as provided in section 298.018 a net proceeds tax equal to two percent of the net proceeds from mining in Minnesota. The tax applies to all mineral and energy resources mined or extracted within the state of Minnesota except for sand, silica sand, gravel, building stone, crushed rock, limestone, granite, dimension granite, dimension stone, horticultural peat, all clays including kaolin, soil, iron ore, and taconite concentrates. The tax is in addition to all other taxes provided for by law. The tax is due by June 15 of the year succeeding the calendar year covered by the report required by section 298.05.

Sec. 17. Minnesota Statutes 1988, section 298.017, is amended to read:

298.017 [DEDUCTIONS.]

Subdivision 1. [DEDUCTIONS NOT ALLOWED.] For purposes of calculating the net proceeds under section 298.015, the following expenses are not deductible: (1) all sales, marketing, and interest expenses; (2) all insurance expense and taxes, except as specifically provided in this section; (3) all administrative expenses outside of Minnesota; (4) any research expense prior to production; (5) all funds set aside during production years to pay for reclamation expenses after production ends; (6) royalty expenses, depletion allowances, and cost of mining land.

Subd. 2. [DEDUCTIONS ALLOWED.] (a) In calculating the net proceeds for the purpose of determining the tax provided in section 298.015, only those expenses specifically allowed in this subdivision may be deducted from gross proceeds. The carryback or carryforward of deductions shall not be allowed.

(b) Ordinary and necessary expenses actually paid for the mining, production, processing, beneficiation, smelting, or refining of metal or mineral products for:

(1) labor, including wages, salaries, fringe benefits, unemployment and workers' compensation insurance;

(2) machinery, equipment, and supplies, including any sales and use tax paid on it, except that machinery and equipment subject to depreciation shall only be deductible under clause (b)(3);

(3) depreciation as defined and allowed by section 167 of the Internal Revenue Code of 1986, as amended through December 31, 1986; and

(4) administrative expenses inside Minnesota; and

(5) reclamation costs actually incurred in Minnesota and paid in a year of production, including the payment of bonds required by the provisions of an environmental permit issued by the state of Minnesota

are deductible.

(c) Ordinary and necessary expenses of transporting metal or mineral products are allowed as a deduction if the costs are included in the sale price of the products.

(d) Expenses of exploration, research, or development in this state for the mining and processing of minerals within Minnesota paid in a production year are deductible in the production year.

(e) Expenses of exploration and development in Minnesota incurred prior to production must be amortized and deducted on a straight-line basis over the first five years of production.

Sec. 18. Minnesota Statutes 1988, section 298.05, is amended to read:

298.05 [MINING COMPANIES TO REPORT ANNUALLY.]

Every person engaged in such mining or production of ores shall, annually, on or before the first day of March 15, file with the commissioner of revenue, under oath, a correct report, in such form and containing such information as the commissioner may require, covering the preceding calendar year.

Sec. 19. Minnesota Statutes 1988, section 298.24, subdivision 1, is amended to read:

Subdivision 1. (a) For concentrate produced in ~~1986 and 1987~~ 1990 there is hereby imposed upon taconite and iron sulphides, and upon the mining and quarrying thereof, and upon the production of iron ore concentrate therefrom, and upon the concentrate so produced, a tax of ~~\$1.90~~ \$1.975 per gross ton of merchantable iron ore concentrate produced therefrom.

(b) ~~Except as provided in paragraph (e),~~ For concentrates produced in ~~1988~~ 1991 and subsequent years, the tax rate shall be equal to the preceding year's tax rate plus an amount equal to the preceding year's tax rate multiplied by the percentage increase in the implicit price deflator from the fourth quarter of the second preceding year to the fourth quarter of the preceding year. "Implicit price deflator" for the gross national product means the implicit price deflator prepared by the bureau of economic analysis of the United States Department of Commerce.

(c) The provisions of paragraph (b) will not be in effect for concentrates produced in 1988 if the 1988 production is not less than 34,000,000 tons. If the provisions of paragraph (b) are not in effect for concentrates produced in a year, the rate of the tax for that year's production will be the rate of the tax imposed on the previous year's production. The tax shall be imposed on the average of the production for the current year and the previous two years. The rate of the tax imposed will be the current year's tax rate. This clause shall not apply in the case of the closing of a taconite facility if the property taxes on the facility would be higher if this clause and section 298.25 were not applicable.

(d) If the tax or any part of the tax imposed by this subdivision is held to be unconstitutional, a tax of ~~\$1.90~~ \$1.975 per gross ton of merchantable iron ore concentrate produced shall be imposed.

(e) Consistent with the intent of this subdivision to impose a tax based upon the weight of merchantable iron ore concentrate, the commissioner of revenue may indirectly determine the weight of merchantable iron ore concentrate included in fluxed pellets by subtracting the weight of the limestone, dolomite, or olivine derivatives or other basic flux additives included in the pellets from the weight of the pellets. For purposes of this paragraph, "fluxed pellets" are pellets produced in a process in which limestone, dolomite, olivine, or other basic flux additives are combined with merchantable iron ore concentrate. No subtraction from the weight of the pellets shall be allowed for binders, mineral and chemical additives other than basic flux additives, or moisture.

Sec. 20. Minnesota Statutes 1989 Supplement, section 383.06, is amended to read:

383.06 [PAYMENT OF WARRANTS; ACCOUNTS; HOW KEPT; CERTIFICATES OF INDEBTEDNESS TO RETIRE OUTSTANDING WARRANTS.]

The county treasurer shall pay warrants only from the fund from which they are legally payable. Payments under any special contract shall be kept separate under the name of such contract, and under the general title of the fund from which such payment may be legally made. The treasurer need not keep a specific appropriations account separately, but shall keep a general appropriations account.

In any county having a net tax capacity of not less than \$150,000,000, exclusive of money and credits, The county board may, by resolution, issue and sell as many certificates of indebtedness as may be needed in anticipation of the collection of taxes levied for any fund named in the tax levy for the purpose of raising money for such fund, but the certificates outstanding for any such separate funds shall not at any time exceed 50 percent of the amount of taxes previously levied for such fund remaining uncollected, and no

certificate shall be issued to become due and payable later than December 31 of the year succeeding the year in which the tax levy was made, and the certificates shall not be sold for less than par and accrued interest and shall not bear a greater rate of interest than six percent per annum. No such certificates shall be issued prior to the beginning of the fiscal year for which the taxes so anticipated were intended, except that when taxes shall have been levied for the purpose of paying a deficit in any such fund carried over from any previous year or years certificates of indebtedness in anticipation of collection of the taxes levied for such deficit may be issued at any time after such levy shall have been finally made and certified to the county auditor. Each certificate shall state upon its face for which fund the proceeds thereof shall be used, the total amount of certificates so issued, and the whole amount embraced in the levy for that particular purpose. They shall be numbered consecutively, be in denominations of \$100 or a multiple thereof, may have interest coupons attached, shall be otherwise of such form and terms, and may be made payable at such place, as will best aid in their negotiation, and the proceeds of the tax assessed and collected on account of the fund and the full faith and credit of the county shall be irrevocably pledged for the redemption and payment of the certificates so issued. Such certificates shall be payable primarily from the moneys derived from the levy for the years against which such certificates were issued, but shall constitute unlimited general obligations of the county. Moneys derived from the sale of such certificates shall be credited to the fund or funds the taxes for which are so anticipated.

Sec. 21. Minnesota Statutes 1988, section 469.171, is amended by adding a subdivision to read:

Subd. 11. [LIMITATIONS; LAST EIGHT MONTHS OF DURATION.] This subdivision applies only to state tax reductions first authorized by the municipality to be provided to a business within eight months of the expiration of the enterprise zone's designation.

Before agreeing with a business to provide tax reductions, the municipality must submit the proposed tax reductions to the commissioner for approval. The commissioner shall review and analyze the proposal in light of, at least, (1) the proposed investment that the business will make in the zone, (2) the number and quality of new jobs that will be created in the zone, (3) the overall positive impact on economic activity in the zone, and (4) the extent to which the impacts in clauses (1) to (3) are dependent upon providing the state tax reductions to the business. The commissioner shall disapprove the proposal if the commissioner determines the public benefits of increased investment and employment resulting from the tax reductions is disproportionately small relative to the cost of the state tax reductions. If the commissioner disapproves of the proposal, the tax reductions are not allowed to the business.

If the municipality submits the proposal to the commissioner before expiration of the zone designation, the authority to grant the tax reductions continues until the commissioner acts on the proposal.

Sec. 22. Minnesota Statutes 1988, section 500.24, subdivision 4, is amended to read:

Subd. 4. [REPORTS.] (a) The chief executive officer of every pension or investment fund, corporation, or limited partnership, except a family farm corporation or a family farm limited partnership, that holds any interest in agricultural land or land used for the breeding, feeding, pasturing, growing, or raising of livestock, dairy or poultry, or products thereof, or land used for the production of agricultural crops or fruit or other horticultural products, other than a bona fide encumbrance taken for purposes of security, or which is engaged in farming or proposing to commence farming in this state after May 20, 1973, shall file with the commissioner of agriculture a report containing the following information and documents:

(1) The name of the pension or investment fund, corporation, or limited partnership and its place of incorporation, certification, or registration;

(2) The address of the pension or investment plan headquarters or of the registered office of the corporation in this state, the name and address of its registered agent in this state and, in the case of a foreign corporation or limited partnership, the address of its principal office in its place of incorporation, certification, or registration;

(3) The acreage and location listed by quarter-quarter section, township and county of each lot or parcel of land in this state owned or leased by the pension or investment fund, limited partnership, or corporation and used for the growing of crops or the keeping or feeding of poultry or livestock;

(4) The names and addresses of the officers, administrators, directors or trustees of the pension or investment fund, or of the officers, shareholders owning more than ten percent of the stock, including the percent of stock owned by each such shareholder, and the members of the board of directors of the corporation, and the general and limited partners and the percentage of interest in the partnership by each partner;

(5) The farm products which the pension or investment fund, limited partnership, or corporation produces or intends to produce on its agricultural land;

(6) With the first report, a copy of the title to the property where

the farming operations are or will occur indicating the particular exception claimed under subdivision 3, clauses (a) to (r); and

(7) With the first or second report, a copy of the conservation plan proposed by the soil and water conservation district, and with subsequent reports a statement of whether the conservation plan was implemented.

The report of a corporation seeking to qualify hereunder as a family farm corporation, an authorized farm corporation, a family farm partnership, or authorized farm partnership shall contain the following additional information: The number of shares or the partnership interests owned by persons residing on the farm or actively engaged in farming, or their relatives within the third degree of kindred according to the rules of the civil law or their spouses; the name, address and number of shares owned by each shareholder or partnership interests owned by each partner; and a statement as to percentage of gross receipts of the corporation derived from rent, royalties, dividends, interest and annuities. No pension or investment fund, limited partnership, or corporation shall commence farming in this state until the commissioner of agriculture has inspected the report and certified that its proposed operations comply with the provisions of this section.

(b) Every pension or investment fund, limited partnership, or corporation as described in clause (a) shall, prior to April 15 of each year, file with the commissioner of agriculture a report containing the information required in clause (a), based on its operations in the preceding calendar year and its status at the end of the year. A pension or investment fund, limited partnership, or corporation that does not file the report by April 15 must pay a \$500 civil penalty. The penalty is a lien on the land being farmed under subdivision 3 until the penalty is paid.

(c) The commissioner or the commissioner's authorized representative may enter into a written agreement with a person required to file a report under this subdivision who, for good cause shown, has failed to make a timely filing. An agreement must be construed as a "no contest" pleading and may encompass a reduction or waiver of the civil penalty for late filing. The agreement is final and conclusive with respect to the civil penalty, except upon a showing of fraud or malfeasance or misrepresentation of a material fact. The matter agreed upon in the agreement may not be reopened or modified by an officer, employee, or agent of the state. The commissioner may enter into an agreement under this paragraph only once for each corporation or partnership.

(d) Failure to file a required report, or the willful filing of false information, shall constitute a gross misdemeanor.

Sec. 23. [SALE OF TAX-FORFEITED LAND; OTTER TAIL COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 282.018, Otter Tail county may sell the tax-forfeited lands bordering public water and described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The lands that may be conveyed are located in Otter Tail county and are described as:

(1) Lot 13, Sylvanus Crest, Clitherall Township;

(2) Lot 14, Sylvanus Crest, Clitherall Township;

(3) Government Lot 8, Section 32, Township 133, Range 43;

(4) A .36 acre tract of land in Government Ten (10) of Section Four (4), Township One Hundred Thirty-four (134) North, Range Thirty-nine (39) West of the 5th P.M., described as follows: Beginning at a point (iron stake) located as follows: Commencing at the northwest corner (iron) of Lot Seventy-one (71) of "Pleasure Park Beach" subdivision, plat of which is on file and of record in the office of Register of Deeds of Otter Tail County, Minn.; thence proceeding South sixty-six degrees ten minutes West (S 66 degrees 10'W) one hundred thirty-two and five tenths (132.5) feet and South sixty-six degrees forty-one minutes West (S 66 degrees 41'W) one hundred fifty (150.0) feet to the point of beginning; thence running by the following four courses and distances, viz: South twenty-four degrees fourteen minutes East (S 24 degrees 14'E) one hundred ninety-nine and six tenths (199.6) feet to an iron stake on the shoreline of Otter Tail Lake; South fifty-five degrees nineteen minutes West (S 55 degrees 19'W) seventy-five (75.0) feet along the shoreline of said lake, to an iron stake; North twenty-four degrees thirty-four minutes West (N 24 degrees 34'W) two hundred fourteen and four tenths (214.4) feet to an iron stake; and North sixty-six degrees forty-one minutes East (N 66 degrees 41'E) seventy-five (75.0) feet to the point of beginning;

(5) All of Lot 1, Except North 10 feet, Quiram's Beach, Star Lake Township;

(6) Lot 1, Silent Acres, Dora Township.

(d) The county has determined that these lands have little or no potential use as a public access or for other types of public ownership and will realize a higher and better use under private ownership.

Sec. 24. [HEAT APPLIED CIGARETTE TAX STAMP REVOLVING ACCOUNT TRANSFER.]

On July 1, 1990, the commissioner of finance shall transfer \$60,000 from the heat applied cigarette tax stamp revolving account to the general fund.

Sec. 25. [PRODUCTION TAX REVENUE TRANSFER.]

The amount subtracted under Laws 1989, chapter 335, article 1, section 19, subdivision 4, from the taconite production tax revenues and deposited in the general fund for the costs and expenses incurred by the department of revenue in collecting and distributing taconite production tax revenues for fiscal year 1991 is increased from \$55,000 to \$75,000.

Sec. 26. [SUPERBOWL COSTS; SPORTS FACILITIES COMMISSION.]

The metropolitan sports facilities commission shall appropriate and use \$1,500,000 to pay for the state and commission share of the cost of providing services and facilities required by an agreement or other arrangement with the national football league in connection with hosting the 1992 league championship game.

The commission shall appropriate the funds for this purpose from either its operating or operating reserve account during its 1991 budget year. The metropolitan council and the commission may not require the imposition of a tax or an increase in the rate of a tax imposed under section 473.592 for this purpose.

Sec. 27. [CANCELLATION OF HAYLIFT PROGRAM DEBTS.]

Any remaining balance on a department of agriculture account receivable resulting from operation of the 1989 drought emergency farm haylift program which the department is required to collect is canceled on the effective date of this section.

Sec. 28. [EFFECTIVE DATE.]

Sections 5 and 6 are effective for debts incurred after June 30, 1990. Sections 7, 10 to 14, 24, and 25 are effective July 1, 1990. Sections 20, 23, and 27 are effective the day following final enactment. Section 22 is effective the day following final enactment, but the provision allowing for an agreement concerning reduction or waiver of a civil penalty for late filing applies to a filing due April 15, 1989, or thereafter. Sections 16 and 17 are effective for taxable years beginning after June 30, 1990. Section 18 is effective for taxable years beginning after December 31, 1990. Section 15 is

effective for returns filed after June 30, 1988. Section 21 is effective April 1, 1990."

Delete the title and insert:

"A bill for an act relating to the financing and operation of government in Minnesota; updating references to the Internal Revenue Code; changing the computation of aid to local units of governments; modifying the computation and administration of taxes and property tax refunds; providing tax deductions and exemptions; changing the tax rates; authorizing certain local governments to borrow money; providing a food shelf checkoff; changing definition of debt for the revenue recapture act; providing certain rights and remedies to taxpayers; modifying the requirements for the collection and expenditure of tax increments; repealing the increase in the maximum lodging tax; allowing the sale of certain tax forfeited land in Otter Tail county; allowing the cities of Bayport, Windom, and Jackson and the counties of Goodhue and Koochiching to levy taxes for certain purposes; requiring certain uses of tax increments by the city of Minneapolis; exempting the city of Moorhead from certain requirements; permitting the cities of Bloomington and Roseville to impose lodging taxes; changing truth-in-taxation requirements; requiring payment of the prevailing wage for financial assistance; requiring reports and studies; imposing and transferring powers and duties; changing certain effective dates; increasing certain fees; imposing a minimum fee on corporations; providing for withholding of certain refunds; requiring an appropriation by the metropolitan sports facilities commission; reducing and transferring appropriations; canceling certain debts; appropriating money; amending Minnesota Statutes 1988, sections 270.07, by adding a subdivision; 270.70, subdivisions 1, 2, 4, 8, and by adding subdivisions; 270.701, by adding a subdivision; 270.709, subdivision 1; 270A.03, subdivisions 2 and 5; 271.12; 271.19; 273.11, by adding a subdivision; 273.124, by adding a subdivision; 273.1398, by adding a subdivision; 273.42, subdivision 1; 275.065, by adding a subdivision; 276.111; 277.15; 279.03, subdivision 2, and by adding a subdivision; 281.17; 282.01, subdivision 4; 282.014; 282.261, subdivision 2; 289A.11, as added, by adding a subdivision; 290.431; 290.50, by adding a subdivision; 290A.10; 290A.19; 296.02, subdivision 1a; 296.025, subdivision 1a; 296.06, subdivision 2; 296.12, subdivisions 1 and 2; 296.17, subdivisions 10 and 17; 297.07, subdivision 5; 297A.01, subdivision 15; 297A.25, by adding a subdivision; 298.015, subdivision 1; 298.017; 298.05; 298.24, subdivision 1; 469.059, subdivision 11; 469.129, subdivision 2; 469.171, by adding a subdivision; 469.174, subdivision 12, and by adding subdivisions; 469.175, subdivision 1a, and by adding subdivisions; 469.176, subdivisions 2 and 3; 469.177, subdivision 8; 477A.011, subdivision 17, and by adding a subdivision; 477A.012, subdivision 1, and by adding a subdivision; 477A.013, by adding a subdivision; 477A.03, subdivision 1; 477A.11, subdivision 4; 477A.13; and 500.24, subdivision 4; Minnesota Statutes 1989 Supplement, sec-

tions 270.10, subdivision 1a; 270.69, subdivision 11; 273.11, subdivision 1; 273.112, subdivision 3; 273.124, subdivisions 8 and 9; 275.08, subdivision 1d; 278.05, subdivision 4; 279.01, subdivision 1; 282.01, subdivision 1; 290.01, subdivision 19; 290A.04, subdivision 5; 290A.045, subdivision 7; 375.192, subdivision 2; 383.06; 410.32; 462.396, subdivision 2; 469.175, subdivision 4; 469.176, subdivision 4c; 469.177, subdivision 9; and 469.190, subdivisions 1 and 2; Minnesota Statutes Second 1989 Supplement, sections 3.885, subdivision 8; 60A.15, subdivision 1; 103B.3369, subdivisions 5 and 7; 272.02, subdivision 4; 273.13, subdivisions 22, 23, and 25; 273.1398, subdivisions 1 and 2; 273.371, subdivision 1; 275.065, subdivisions 1 and 6; 275.07, subdivision 1; 275.50, subdivision 5; 275.51, subdivision 3f; 276.09; 276.10; 276.11, subdivision 1; 277.01, subdivision 1; 277.02; 277.05; 277.06; 290.05, subdivision 1; 290.06, subdivision 1; 290.091, subdivision 2; 290.0921, subdivisions 1, 3, and by adding a subdivision; 290A.04, subdivision 2a; 290A.045, subdivision 6; 297A.01, subdivision 3; 297A.44, subdivision 1; 469.174, subdivisions 7 and 10; 469.175, subdivisions 3 and 7; 469.176, subdivisions 1 and 4j; 469.177, subdivision 10; 469.190, subdivision 3; 477A.011, subdivisions 1a and 25; and 477A.013, subdivisions 3 and 5; Laws 1988, chapter 719, article 12, section 30, as amended; Laws 1989, chapters 326, article 3, section 49; and 353, section 13; and Laws 1989, First Special Session chapter 1, articles 3, section 32, subdivisions 1 and 2; 5, section 52; and 10, section 45; proposing coding for new law in Minnesota Statutes, chapters 134; 116J; 268; 270; 273; 290; and 469; repealing Minnesota Statutes 1989 Supplement, sections 290.06, subdivision 1a; and 375.192, subdivision 1; Minnesota Statutes Second 1989 Supplement, 273.1398, subdivision 2b."

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. 2673, A bill for an act relating to agriculture; establishing a food advisory committee; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 28A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [28A.20] [FOOD ADVISORY COMMITTEE.]

Subdivision 1. [ESTABLISHMENT.] A food advisory committee is established to advise the commissioner and the legislature on food issues and food safety.

Subd. 2. [MEMBERSHIP.] (a) The food advisory committee consists of:

- (1) the commissioner of agriculture;
 - (2) the commissioner of health;
 - (3) a representative of the United States Food and Drug Administration;
 - (4) a representative of the United States Department of Agriculture;
 - (5) one person from the University of Minnesota knowledgeable in food and food safety issues;
 - (6) the chairs of the senate and house of representatives committees on agriculture or a designee of each chair;
 - (7) four members appointed by the governor who are interested in food and food safety of which:
 - (i) one person is a health or food professional;
 - (ii) one person represents a statewide general farm organization;
 - (iii) one person represents a local food inspection agency; and
 - (iv) one person represents a food-oriented consumer group; and
 - (8) four members appointed by the governor who represent the food production, food retailing, or restaurant industry.
- (b) Members shall serve without compensation. Members appointed by the governor shall serve four-year terms.

Subd. 3. [ORGANIZATION.] (a) The committee shall meet monthly or as determined by the chair.

(b) The members of the committee shall annually elect a chair and other officers as they determine necessary.

Subd. 4. [STAFF.] The commissioner of state planning shall provide support staff, office space, and administrative services for the committee.

Subd. 5. [DUTIES.] The committee shall:

(1) coordinate educational efforts about various aspects of food safety;

(2) provide advice and coordination to state agencies as requested by the agencies;

(3) serve as a source of information and referral for the public, news media, and others concerned with food safety; and

(4) make recommendations to congress, the legislature, and others about appropriate action to improve food safety in the state.

Sec. 2. Minnesota Statutes 1989 Supplement, section 32.103, is amended to read:

32.103 [INSPECTION OF DAIRIES.]

At such time as the commissioner may deem proper, the commissioner shall cause to be inspected all places where dairy products are made, stored, or served as food for pay, and all places where cows are kept by persons engaged in the sale of milk ~~or cream~~, and shall require the correction of all insanitary conditions and practices found therein.

A refusal or physical threat, refusal, that prevents the completion of an inspection or neglect to obey any a lawful direction of the commissioner, or the commissioner's agent, given in while carrying out the provisions of this section, shall be deemed a misdemeanor, may result in the suspension of the offender's permit or certification. The offender is required to meet with a representative of the offender's plant or marketing organization and a representative of the department of agriculture within 48 hours exclusive of week-ends or holidays or the suspension will take effect. A producer may request a hearing before the commissioner or the commissioner's agent if a serious concern exists relative to the retention of the producer's permit or certification to sell milk.

Sec. 3. Minnesota Statutes 1988, section 32.21, subdivision 3, is amended to read:

Subd. 3. [ADULTERATED MILK OR CREAM.] For purposes of this section and section 32.22, milk or cream is adulterated if:

(1) milk is drawn in a filthy or unsanitary place;

(2) milk is drawn from unhealthy or diseased cows;

(3) milk is drawn from cows that are fed garbage or an unwholesome animal or vegetable substance;

(4) milk is drawn from cows within 15 days before calving, or five days after calving;

(5) milk or cream contains a substance that is not a normal constituent of the milk or cream, as determined by laboratory procedures established by rule or except as allowed in this chapter;

(6) milk contains water in excess of that normally present in milk;
or

(7) milk or cream contains antibiotics or other bacterial inhibitory substances in amounts above the actionable levels established by rule or under section 32.415.

Sec. 4. Minnesota Statutes 1988, section 32.391, is amended to read:

32.391 [DEFINITIONS; PASTEURIZATION; COOLING AFTER PASTEURIZATION.]

Subdivision 1. [MILK; SKIM MILK; LOWFAT MILK; FLUID MILK PRODUCTS; GOAT MILK; SHEEP MILK.] Milk is defined as the whole, fresh, clean lacteal secretion, practically free from colostrum, obtained by the complete milking of one or more healthy cows. When prepared for market in final package form for beverage use, milk shall contain not less than 8.7 percent milk solids-not-fat and not less than 3.25 percent of milk fat. The name "milk," unqualified, means cow's milk.

Skim milk is milk from which milk fat has been removed so that its milk fat content is less than .25 percent. Skim milk in final package form for beverage use must contain at least nine percent milk solids-not-fat, for a total of at least 9.25 percent milk solids. Skim milk may be homogenized.

Lowfat milk is milk from which milk fat has been removed so that its milk fat content is ~~either one or~~ from one-half to two percent, within limits of good manufacturing practices. Lowfat milk in final package form for beverage use must contain at least ten percent milk solids-not-fat. Lowfat milk may be homogenized.

Milk solids-not-fat may be added to fluid milk products to meet the above standards from the following sources: partially-skimmed milk, skim milk, concentrated partially-skimmed milk, concentrated skim milk, and nonfat dry milk, used alone or in any combination.

"Milk solids-not-fat" is the portion of a milk product that is not water and is not fat as determined by procedures outlined in

Standard Methods For The Examination Of Dairy Products (fifteenth current edition).

Fluid milk products shall be taken to mean and include cream, sour cream, half and half, reconstituted half and half, concentrated milk, concentrated milk products, skim milk, nonfat milk, chocolate flavored milk, chocolate flavored drink, chocolate flavored reconstituted milk, chocolate flavored reconstituted drink, buttermilk, cultured buttermilk, cultured milk, vitamin D milk, reconstituted or recombined milk, reconstituted cream, reconstituted skim milk, homogenized milk, and any other fluid milk product made by the addition of any substance to milk or to any of the above enumerated fluid milk products, when the same is declared to be a fluid milk product by rule promulgated by the commissioner.

Goat milk is a whole, fresh, clean lacteal secretion free from colostrum, obtained by the complete milking of one or more healthy goats.

Sheep milk is a whole, fresh, clean lacteal secretion, free from colostrum, obtained by the complete milking of one or more healthy sheep.

Subd. 2. [PASTEURIZATION.] The terms "pasteurization," "pasteurized," and similar terms shall be taken to refer (a) to the process of heating every particle of milk, fluid milk products, ~~or~~ goat milk, or sheep milk, in properly operated equipment approved by the commissioner, to a temperature of at least ~~143~~ 145 degrees Fahrenheit and holding such temperature for at least ~~30~~ minutes, or (b) to the process of heating every particle of milk, fluid milk products, ~~or~~ goat milk, or sheep milk, in properly operated equipment approved by the commissioner, to a temperature of at least 161 degrees Fahrenheit and holding such temperature for at least 15 seconds, or (c) to the process of heating every particle of milk, fluid milk products, ~~or~~ goat milk, or sheep milk, in properly operated equipment approved by the commissioner, to such temperatures and holding for such times as the commissioner may prescribe by rule adopted in accordance with law containing standards more stringent than those imposed by this subdivision. Nothing contained in this definition shall be construed as excluding any other process which has been demonstrated to be equally efficient and is approved by the commissioner.

Subd. 3. [COOLING AFTER PASTEURIZATION.] Immediately following pasteurization, all milk, fluid milk products ~~and~~, goat milk, and sheep milk shall be cooled, in properly operated equipment approved by the commissioner, to a temperature of ~~50~~ 45 degrees Fahrenheit or lower, and maintained at ~~50~~ 45 degrees Fahrenheit or lower until delivered; provided, however, that if the milk, fluid milk products, ~~or~~ goat milk, or sheep milk is to be cultured immediately after pasteurization, then such cooling may be

delayed until after the culturing process is completed; provided further that the commissioner may prescribe by rule adopted in accordance with law standards more stringent than those imposed by this subdivision.

Sec. 5. Minnesota Statutes 1988, section 32.393, is amended to read:

32.393 [LIMITATION ON SALE.]

Subdivision 1. [PASTEURIZATION.] No milk, fluid milk products, or goat milk, or sheep milk shall be sold, advertised, offered or exposed for sale or held in possession for sale for the purpose of human consumption in fluid form in this state unless the same has been pasteurized and cooled, as defined in section 32.391; provided, that this section shall not apply to milk, cream, skim milk, or goat milk, or sheep milk occasionally secured or purchased for personal use by any consumer at the place or farm where the milk is produced.

Subd. 2. [LABELS.] All pasteurized milk, fluid milk products, or goat milk, or sheep milk sold, offered or exposed for sale or held in possession for sale shall be labeled or otherwise designated as pasteurized milk, pasteurized fluid milk products, or pasteurized goat milk, or pasteurized sheep milk, and in case of pasteurized fluid milk products the label shall also state the name of the specific product.

Sec. 6. Minnesota Statutes 1988, section 32.394, subdivision 1, is amended to read:

Subdivision 1. Grade A pasteurized milk, fluid milk products and goat milk are Grade A raw milk, fluid milk products and goat milk for pasteurization which have been pasteurized, cooled and prepared for distribution in a dairy plant approved by the commissioner, the bacterial count of which at no time after pasteurization and until delivery exceeds ~~30,000~~ 20,000 bacteria per milliliter, ~~standard plate count, as determined by averaging the logarithms of the results of the last four consecutive tests of samples taken on separate days, except that such average may be over 30,000 bacteria per milliliter if the last individual result is 30,000 bacteria per milliliter or lower, and not more than one of the last four coliform counts of which shall exceed 10 per milliliter unless the last individual result is 10 per milliliter or lower; provided, that. The coliform count must not exceed ten per milliliter except that bulk tank transport shipments must not exceed 100 per milliliter. The standard plate count standard shall be omitted in the case of sour cream, cultured buttermilk, other cultured fluid milk products and cultured goat milk; provided further that the commissioner may prescribe standards and rules adopted in accordance with law more stringent than those imposed by this subdivision.~~

Sec. 7. Minnesota Statutes 1988, section 32.394, subdivision 2, is amended to read:

Subd. 2. Grade A raw milk or goat milk for pasteurization purposes is raw milk or goat milk which complies with all the requirements for its production, the bacterial count of which does not exceed ~~200,000~~ 100,000 bacteria per milliliter, ~~standard plate count or direct microscopic clump count, as determined by averaging the logarithms of the results of the last four consecutive tests of samples taken on separate days, except that such average may be over 200,000 bacteria per milliliter if the last individual result is 200,000 bacteria per milliliter or lower; provided that prior to commingling with other producer milk at which time the bacteria count must not exceed 300,000 per milliliter prior to pasteurization.~~ The commissioner may prescribe standards and rules adopted in accordance with law more stringent than those imposed by this subdivision.

Sec. 8. Minnesota Statutes 1988, section 32.394, subdivision 4, is amended to read:

Subd. 4. The commissioner shall by rule promulgate identity, production and processing standards for milk, milk products and goat milk which are intended to bear the Grade A label.

In the exercise of the authority to establish requirements for Grade A milk, milk products and goat milk, the commissioner may adopt definitions, standards of identity, and requirements for production and processing ~~recommended by~~ contained in the "Grade A Pasteurized Milk Ordinance" of the United States public department of health service and human services, in a manner provided for and not in conflict with law.

Sec. 9. Minnesota Statutes 1988, section 32.394, is amended by adding a subdivision to read:

Subd. 8c. [GRADE A OR MANUFACTURING GRADE RAW MILK.] Grade A or manufacturing grade raw milk must not have been stored longer than 76 hours when it is picked up at the farm by the receiving plant. The commissioner or an agent of the commissioner may waive the 76-hour time limit in a case of hardship, emergency, or natural disaster. On farms permitted or certified for bulk tank storage, the milk may only be picked up from approved bulk milk tanks in proper working order.

Sec. 10. Minnesota Statutes 1988, section 32.415, is amended to read:

32.415 [MILK FOR MANUFACTURING; QUALITY STANDARDS.]

In order to provide uniform quality standards, producers of milk used for manufacturing purposes shall conform to the standards contained in Subparts D, E, and F of the United States Department of Agriculture Consumer and Marketing Service Recommended Requirements for Milk for Manufacturing Purposes and its Production and Processing, Vol. 37 Federal Register, No. 68, Part II, April 7, 1972, with the following exceptions:

(a) inspections of producers shall begin not later than January 1, 1984;

(b) producers shall comply with the standards not later than July 1, 1985, except as otherwise allowed under the standards; and

(c) the commissioner shall develop methods by which producers can comply with the standards without violation of religious beliefs. The commissioner may adopt rules, including emergency rules, for the purpose of this clause.

The commissioner of agriculture shall perform or contract for the performance of the inspections necessary to implement this section or shall certify dairy industry personnel to perform the inspections.

The commissioner and other employees of the department shall make every reasonable effort to assist producers in achieving the milk quality standards at minimum cost and to use the experience and expertise of the University of Minnesota and the agricultural extension service to assist producers in achieving the milk quality standards in the most cost-effective manner.

The commissioner of agriculture shall consult with producers, processors, and others involved in the dairy industry in order to prepare for the implementation of this section including development of informational and educational materials, meetings, and other methods of informing producers about the implementation of standards under this section.

Sec. 11. Minnesota Statutes 1988, section 32.481, is amended to read:

32.481 [CHEESE.]

Subdivision 1. [DEFINITION.] The term "Cheese" as used in sections 32.481 to 32.485, ~~shall include~~ includes all varieties of cheese, cheese spreads, cheese foods, cheese compounds, or processed cheese, made or manufactured in whole or in part from cow's, goat's, or sheep's milk.

Subd. 2. [REDUCED-FAT CHEESE; LIGHT CHEESE.] "Reduced-fat cheese" or "light cheese" is a product prepared from milk and

other ingredients by the processing procedures set by rule or by an alternate procedure that produces a finished cheese having the same or substantially the same flavor, body, and texture characteristics as the referenced standardized variety on the labels of the reduced-fat cheese.

Reduced-fat cheese must contain at least one-third less than the minimum milkfat content required of the referenced standardized variety. The moisture content of the reduced-fat cheese must not exceed 125 percent of the maximum allowable moisture of the referenced standardized variety. The principal display panel must bear the name "reduced-fat cheese" or "light cheese," the blank to be filled with the varietal name of the referenced standardized cheese, all in the same size type. The principal display panel must also contain a statement declaring the amount of fat reduction as a percentage or fraction of the referenced standardized variety in a type size not less than one-half that of the name of the reduced-fat cheese. All other label information must be as required by section 32.483 or as required by Code of Federal Regulations, title 21, and as adopted by rule.

Sec. 12. Minnesota Statutes 1988, section 32.529, is amended to read:

32.529 [CITATION; MINNESOTA FILLED ARTIFICIAL DAIRY PRODUCTS ACT.]

Sections 32.53 to 32.534 may be cited as the Minnesota filled artificial dairy products act.

Sec. 13. Minnesota Statutes 1988, section 32.55, is amended by adding a subdivision to read:

Subd. 14. [FROZEN YOGURT; FROZEN LOWFAT YOGURT; FROZEN NONFAT YOGURT.] "Frozen yogurt," "frozen lowfat yogurt," or "frozen nonfat yogurt" means a frozen dairy food made from a mix containing safe and suitable ingredients including, but not limited to, milk products. All or a part of the milk products must be cultured with a characterizing live bacterial culture that contains the lactic acid producing bacteria *Lactobacillus bulgaricus* and *Streptococcus thermophilus* and may contain other lactic acid producing bacteria. "Frozen yogurt," "frozen lowfat yogurt," and "frozen nonfat yogurt" must comply with Code of Federal Regulations, title 21, and sections 32.55 to 32.90.

Sec. 14. Minnesota Statutes 1988, section 32.55, is amended by adding a subdivision to read:

Subd. 15. [REDUCED-FAT ICE CREAM; LOWFAT ICE CREAM; NONFAT ICE CREAM.] "Reduced-fat ice cream" means a frozen

food that is made from the same ingredients and in the same manner as ice cream except that: (1) milkfat content is more than two percent but not more than seven percent; (2) total milk solids content per gallon before the addition of bulky flavors is not less than .46 pounds and not less than 1.3 pounds of food solids per gallon; and (3) the weight per gallon is not less than 4.0 pounds. Reduced-fat ice cream must comply with the other requirements for frozen desserts in Code of Federal Regulations, title 21, part 135.

"Lowfat ice cream" means a frozen food that is made from the same ingredients and in the same manner as ice cream except that: (1) milkfat content is more than 0.5 percent but not more than 2.0 percent; (2) total milk solids content per gallon before the addition of bulky flavors is not less than .49 pounds and not less than 1.3 pounds of total food solids per gallon; and (3) the weight per gallon is not less than 4.0 pounds. Lowfat ice cream must comply with the other requirements for frozen desserts in Code of Federal Regulations, title 21, part 135.

"Nonfat ice cream" means a frozen food that is made from the same ingredients and in the same manner as ice cream except that: (1) milkfat content is less than 0.5 percent; (2) total milk solids content per gallon before the addition of bulky flavors is not less than .45 pounds and not less than 1.3 pounds of total food solids per gallon; and (3) the weight per gallon is not less than 4.0 pounds. Nonfat ice cream must comply with the other requirements for frozen desserts in Code of Federal Regulations, title 21, part 135.

Sec. 15. [32.70] [QUALIFICATION FOR WELL CODE VARIANCE AFTER TEMPORARY SUSPENSION OF MILK PRODUCTION.]

Notwithstanding any rule of the department of health or agriculture to the contrary, upon application for variance a dairy farmer who owns and operates a farm that has been licensed to produce grade A milk must not be denied renewal and reissuance of a grade A license solely because milk production on the farm is suspended for a period exceeding 30 days but less than 90 days and the basis for proposed denial of the grade A license is related to a provision of the well code stipulating a minimum setback of the water well from the dairy barn. Upon enactment of this section, the Minnesota water well construction code, Minnesota Rules, chapter 4725, must be amended to conform to this section.

Sec. 16. [32.71] [QUALIFICATION FOR WELL CODE VARIANCE AFTER ADMINISTRATIVE HEARING.]

(a) Notwithstanding any rule of the department of health or agriculture to the contrary, a dairy farm that has, in the past, been qualified for a department of agriculture permit to its operator to produce grade A milk must not be disqualified after a suspension in

production solely because of the location or construction of a well previously used in grade A production if the farm's owner or operator, upon application for variance, can show by a clear preponderance of the evidence that the well remains bacteriologically and chemically at least equal in its safety test results to those of two or more other wells routinely accepted for grade A production, and consents to biannual inspections of the well by either department.

(b) A party applying for, or opposing, a variance sought under this section is be entitled to an administrative hearing under the administrative procedure act, sections 14.57 to 14.69. Upon enactment of this section, the Minnesota water well construction code, Minnesota Rules, chapter 4725, must be amended to conform to this section.

Sec. 17. [APPROPRIATION.] \$75,000 is appropriated from the general fund to the legislative advisory committee to be available until June 30, 1991, for emergency food safety costs.

Sec. 18. [EFFECTIVE DATE.]

Sections 15 and 16 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; establishing a food advisory committee; making certain changes in the dairy laws; providing for certain variances; changing certain provisions related to water wells; appropriating money; amending Minnesota Statutes 1988, sections 32.21, subdivision 3; 32.391; 32.393; 32.394, subdivisions 1, 2, 4, and by adding a subdivision; 32.415; 32.481; 32.529; 32.55, by adding subdivisions; Minnesota Statutes 1989 Supplement, section 32.103; proposing coding for new law in Minnesota Statutes, chapters 28A and 32."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 2478 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1827, 1848, 1940, 1942, 1999, 2207, 2213, 2299, 2432, 2370, 2051, 2061, 2136, 2156 and 1831 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Seaberg, Heap, Schreiber, Pauly and Valento introduced:

H. F. No. 2800, A bill for an act relating to metropolitan transit; requiring, authorizing, and encouraging assistance to private providers of public transit; amending Minnesota Statutes 1988, section 473.375, subdivision 4; Minnesota Statutes 1989 Supplement, sections 473.375, subdivision 13; and 473.385, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 473.

The bill was read for the first time and referred to the Committee on Transportation.

Hasskamp; Solberg; Battaglia; Carlson, D., and Anderson, R., introduced:

H. F. No. 2801, A bill for an act relating to environment; requiring a bond before challenging a permit or rule of the department of natural resources or the pollution control agency; amending Minnesota Statutes 1988, sections 84.027, by adding a subdivision; and 116.07, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Tunheim introduced:

H. F. No. 2802, A bill for an act relating to education; appropriating money for the Red Lake Tribal Information Center; authorizing the sale of state bonds.

The bill was read for the first time and referred to the Committee on Appropriations.

Runbeck, Pappas, Swenson and Skoglund introduced:

H. F. No. 2803, A bill for an act relating to crime; amending requirements for insurance identification cards; requiring notice to insurers of convictions for driving while intoxicated; amending Minnesota Statutes 1988, section 169.121, by adding a subdivision; Minnesota Statutes 1989 Supplement, section 65B.482, subdivision 1.

The bill was read for the first time and referred to the Committee on Insurance.

HOUSE ADVISORIES

The following House Advisories were introduced:

Osthoff, Scheid, Jennings, Murphy and Solberg introduced:

H. A. No. 41, A proposal to study mail elections for vacancies in office.

The advisory was referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Clark, Murphy and Rodosovich introduced:

H. A. No. 42, A proposal to study the administrative costs of health plans.

The advisory was referred to the Committee on Health and Human Services.

Clark, Skoglund and Welle introduced:

H. A. No. 43, A proposal to study home health care alternatives for chronically ill, technologically dependent persons.

The advisory was referred to the Committee on Insurance.

Scheid and Osthoff introduced:

H. A. No. 44, A proposal to study mail elections.

The advisory was referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Winter, Skoglund; Johnson, R.; Williams and Peterson introduced:

H. A. No. 45, A proposal to study affordable health coverage.

The advisory was referred to the Committee on Insurance.

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. 1859, A bill for an act relating to transportation; exempting volunteer drivers of private passenger vehicles from certain passenger service rules of the commissioner of transportation; amending Minnesota Statutes 1989 Supplement, section 221.031, subdivision 3a.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1987, A bill for an act relating to housing; establishing a procedure for the allocation of low-income housing tax credits; amending Minnesota Statutes 1988, sections 462A.221, by adding subdivisions; 462A.222, subdivisions 2, 3, and by adding subdivisions; and 462A.223, subdivision 2.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2045, A bill for an act relating to human services; clarifying the definition of mentally retarded person in the Minnesota Commitment Act; increasing the time limit for a court of

appeals decision under the commitment act; amending Minnesota Statutes 1988, sections 253B.02, subdivision 14; 253B.12, subdivision 4; and 253B.23, subdivision 7.

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. 2062, A bill for an act relating to public employment; repealing the exclusion of graduate assistants from coverage under the public employment labor relations act; amending Minnesota Statutes 1988, section 179A.03, subdivision 14.

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. 2058, A bill for an act relating to education; changing names of state board and state director of vocational technical education and local directors of technical colleges; amending Minnesota Statutes 1988, section 136C.02, subdivisions 4 and 5.

H. F. No. 2212, A bill for an act relating to education; revising, updating, and making substantive changes in the laws on the county extension service; amending Minnesota Statutes 1988, sections 38.33; 38.34; 38.35; 38.36; 38.37; and 38.38; proposing coding for new law in Minnesota Statutes, chapter 38.

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. 2336, A bill for an act relating to historical interpretive centers; defining the status of Farmamerica in Waseca 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. 2521, A bill for an act relating to health care; increasing the membership of the health care access commission; amending Minnesota Statutes 1989 Supplement, section 62J.02, subdivision 1.

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. 2594, A bill for an act relating to commerce; regulating trade practices; prohibiting contracts from providing an exclusive right to display free newspapers for distribution in any place of public accommodation; proposing coding for new law in Minnesota Statutes, chapter 325E.

PATRICK E. FLAHAVERN, 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. 2650, A bill for an act relating to cemeteries; allowing transfer of certain cemetery property to a religious corporation; amending Minnesota Statutes 1988, section 306.02, by adding a subdivision.

PATRICK E. FLAHAVERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Waltman moved that the House concur in the Senate amendments to H. F. No. 2650 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2650, A bill for an act relating to cemeteries; allowing transfer of certain cemetery property to a religious corporation; amending Minnesota Statutes 1988, section 306.02, 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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Kostohryz	Omann	Seaberg
Anderson, G.	Greenfield	Krueger	Onnen	Segal
Anderson, R.	Gruenes	Lasley	Orenstein	Simoneau
Battaglia	Gutknecht	Lieder	Osthoff	Skoglund
Bauerly	Hartle	Limmer	Ostrom	Solberg
Beard	Hasskamp	Long	Otis	Sparby
Begich	Haukoos	Lynch	Ozment	Stanius
Bennett	Hausman	Macklin	Pappas	Steensma
Bertram	Heap	Marsh	Pauly	Sviggum
Bishop	Henry	McDonald	Pellow	Swenson
Blatz	Himle	McEachern	Pelowski	Tompkins
Boo	Hugoson	McGuire	Peterson	Trimble
Brown	Jacobs	McLaughlin	Poppenhagen	Tunheim
Burger	Janezich	McPherson	Pugh	Uphus
Carlson, D.	Jaros	Milbert	Quinn	Vellenga
Carlson, L.	Jefferson	Morrison	Redalen	Wagenius
Carruthers	Jennings	Munger	Reding	Waltman
Clark	Johnson, A.	Murphy	Rest	Weaver
Cooper	Johnson, R.	Nelson, C.	Richter	Welle
Dauner	Johnson, V.	Nelson, K.	Rodosovich	Wenzel
Dawkins	Kahn	Neuenschwander	Rukavina	Williams
Dempsey	Kalis	O'Connor	Runbeck	Winter
Dorn	Kelly	Ogren	Sarna	Spk. Vanasek
Forsythe	Kelso	Olsen, S.	Schafer	
Frederick	Kinkel	Olson, E.	Scheid	
Frerichs	Knickerbocker	Olson, K.	Schreiber	

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. 2407, A bill for an act relating to health; requiring an asbestos abatement rule change.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Olson, K., moved that the House concur in the Senate amendments to H. F. No. 2407 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2407, A bill for an act relating to health; changing asbestos containment standards; proposing coding for new law in Minnesota Statutes, chapter 326.

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:

Abrams	Greenfield	Lasley	Orenstein	Segal
Anderson, G.	Gruenes	Lieder	Osthoff	Simoneau
Anderson, R.	Gutknecht	Limmer	Ostrom	Skoglund
Battaglia	Hartle	Long	Otis	Solberg
Bauerly	Hasskamp	Lynch	Ozment	Sparby
Beard	Haukoos	Macklin	Pappas	Stanius
Begich	Hausman	Marsh	Pauly	Steensma
Bennett	Heap	McDonald	Pellow	Sviggum
Bertram	Henry	McEachern	Pelowski	Swenson
Bishop	Himle	McGuire	Peterson	Tompkins
Blatz	Hugoson	McLaughlin	Poppenhagen	Trimble
Boo	Jacobs	McPherson	Price	Tunheim
Brown	Janezich	Milbert	Pugh	Uphus
Burger	Jaros	Miller	Quinn	Valento
Carlson, D.	Jefferson	Morrison	Redalen	Vellenga
Carlson, L.	Jennings	Munger	Reding	Wagenius
Carruthers	Johnson, A.	Murphy	Rest	Waltman
Clark	Johnson, R.	Nelson, C.	Rice	Weaver
Cooper	Johnson, V.	Nelson, K.	Richter	Welle
Dauner	Kahn	Neuenschwander	Rodosovich	Wenzel
Dawkins	Kalis	O'Connor	Rukavina	Williams
Dempsey	Kelly	Ogren	Runbeck	Winter
Dorn	Kelso	Olsen, S.	Sarna	Spk. Vanasek
Forsythe	Kinkel	Olson, E.	Schafer	
Frederick	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omann	Schreiber	
Girard	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 Senate Files, herewith transmitted:

S. F. Nos. 2412, 2109, 2026, 2355, 2498, 2068, 2431, 1365, 1971, 394 and 1955.

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. 1866, 2445, 2108, 2181, 409, 1743, 1995, 2064, 2360 and 2421.

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. 2072, 2349, 2147, 2297, 1681, 1499, 2541 and 1937.

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. 1703, 2063, 1976, 1975, 1869, 1675, 1966, 1772, 1946, 2011, 2054 and 1704.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2412, A bill for an act relating to state government; requiring the state board of investment to invest certain assets currently managed by the commerce department; amending Minnesota Statutes 1988, section 79.251, by adding a subdivision.

The bill was read for the first time.

Simoneau moved that S. F. No. 2412 and H. F. No. 2489, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2109, A bill for an act relating to insurance; regulating cancellations, reductions, and nonrenewals of commercial property and liability insurance; amending Minnesota Statutes 1988, section 60A.38, by adding a subdivision.

The bill was read for the first time.

Carruthers moved that S. F. No. 2109 and H. F. No. 2499, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2026, A bill for an act relating to health; authorizing the creation of a technical advisory task force for emergency dispatch services; requiring the submission of a multidisciplinary report on

training needs of emergency dispatchers operating within 911 systems.

The bill was read for the first time.

Bertram moved that S. F. No. 2026 and H. F. No. 1930, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2355, A bill for an act relating to statutes of limitations; establishing a three-year time limit to bring an action for penalty or forfeiture for violation of certain environmental statutes; amending Minnesota Statutes 1989 Supplement, section 541.07; proposing coding for new law in Minnesota Statutes, chapter 575.

The bill was read for the first time.

Wagenius moved that S. F. No. 2355 and H. F. No. 2184, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2498, A bill for an act relating to occupations and professions; increasing minimum insurance coverage required for abstracters; abolishing requirement of seals by impression; providing for inactive license status; repealing an obsolete provision; amending Minnesota Statutes 1988, sections 386.66; 386.67; and 386.69; repealing Minnesota Statutes 1988, section 386.65, subdivision 3.

The bill was read for the first time.

Kelso moved that S. F. No. 2498 and H. F. No. 2252, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2068, A bill for an act relating to insurance; no-fault auto; clarifying eligibility for economic loss benefits; amending Minnesota Statutes 1988, section 65B.64, subdivision 1; and Minnesota Statutes 1989 Supplement, section 65B.64, subdivision 3.

The bill was read for the first time.

Carruthers moved that S. F. No. 2068 and H. F. No. 2249, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2431, A bill for an act relating to buildings; changing the

definition of public building in the state building code; ratifying the interstate compact on industrialized/modular buildings; amending Minnesota Statutes 1989 Supplement, section 16B.60, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 16B.

The bill was read for the first time.

Bertram moved that S. F. No. 2431 and H. F. No. 2105, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1365, A bill for an act relating to crimes; requiring prosecutor training in bias-motivated crimes; proposing coding for new law in Minnesota Statutes, chapter 8.

The bill was read for the first time.

Clark moved that S. F. No. 1365 and H. F. No. 1561, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1971, A bill for an act relating to education; establishing an automobile safety awareness week; proposing coding for new law in Minnesota Statutes, chapter 126.

The bill was read for the first time.

Swenson moved that S. F. No. 1971 and H. F. No. 2016, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 394, A bill for an act relating to education; requiring a report on preparation of post-secondary education administrators and faculty.

The bill was read for the first time.

Jaros moved that S. F. No. 394 and H. F. No. 168, 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 housing; changing the definition of designated home ownership area for the Minnesota rural and urban homesteading program; amending Minnesota Statutes 1989 Supplement, section 462A.057, subdivision 2.

The bill was read for the first time.

Dawkins moved that S. F. No. 1955 and H. F. No. 1924, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1866, A bill for an act relating to Lake Superior; establishing an information and education authority; proposing coding for new law as Minnesota Statutes, chapter 85B.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 2445, A bill for an act relating to state government; establishing positions in the unclassified service; authorizing the commissioner of jobs and training to establish a position in the unclassified service; amending Minnesota Statutes 1988, section 268.0121, subdivision 3; Minnesota Statutes 1989 Supplement, section 43A.08, subdivision 1.

The bill was read for the first time.

Sparby moved that S. F. No. 2445 and H. F. No. 2628, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2108, A bill for an act relating to liquor; regulating the sale of liqueur-filled candy; authorizing municipalities to issue on-sale wine licenses to bed and breakfast facilities; authorizing removal of partially consumed wine bottles from licensed premises; authorizing additional licenses in the cities of Minneapolis, Brooklyn Center, and Duluth; authorizing the issuance of wine and nonintoxicating malt liquor licenses by the city of St. Paul to its parks and recreation division; authorizing the county board of Anoka county to delegate liquor licensing authority to town boards within the county; authorizing the county board of Itasca county to issue an off-sale or combination license within three miles of an incorporated area; providing for the reporting of wine licenses to the commissioner of public safety; eliminating the requirement for a vote on municipal liquor store continuance upon population change; amending Minnesota Statutes 1988, sections 31.121; 340A.101, subdivision 10; 340A.404, subdivisions 3, 5, and by adding a subdivision; 340A.504, subdivision 1; 340A.601, subdivision 2; Minnesota Statutes 1989 Supplement, sections 340A.404, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 340A.

The bill was read for the first time.

Jacobs moved that S. F. No. 2108 and H. F. No. 2076, now on

General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2181, A bill for an act relating to labor; regulating joint labor-management committees; regulating public employee elections; providing for the selection of arbitrators by mutual agreement; amending Minnesota Statutes 1988, sections 179.02, by adding a subdivision; 179.84, subdivision 1; 179.85; 179A.04, subdivision 3; 179A.12, subdivisions 7 and 11; and Minnesota Statutes 1989 Supplement, section 179A.16, subdivision 4.

The bill was read for the first time.

Dawkins moved that S. F. No. 2181 and H. F. No. 2248, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 409, A bill for an act relating to employment; providing for certain employee leaves of absences; amending Minnesota Statutes 1988, sections 181.940; 181.941; 181.942; 181.943; and 181.944; proposing coding for new law in Minnesota Statutes, chapter 181.

The bill was read for the first time.

McLaughlin moved that S. F. No. 409 and H. F. No. 367, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1743, A bill for an act relating to telephone service; regulating the installation of extended area service in exchanges; requiring the expansion of the metropolitan extended area telephone service, under some circumstances; proposing coding for new law in Minnesota Statutes, chapter 237.

The bill was read for the first time.

Jacobs moved that S. F. No. 1743 and H. F. No. 2327, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1995, A bill for an act relating to insurance; property and casualty; regulating terminations of agents; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 60A.

The bill was read for the first time.

Peterson moved that S. F. No. 1995 and H. F. No. 1902, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2064, A bill for an act relating to commercial transactions; adopting an article of the uniform commercial code that governs funds transfers; amending Minnesota Statutes 1989 Supplement, section 336.1-105; proposing coding for new law in Minnesota Statutes, chapter 336.

The bill was read for the first time.

Scheid moved that S. F. No. 2064 and H. F. No. 2243, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2360, A bill for an act relating to economic development; clarifying the appointing authority for the board of the Minnesota Project Outreach Corporation; requiring duties of the Minnesota Project Outreach Corporation; requiring notification under the capital access program; removing the requirement that employees of the Greater Minnesota Corporation file statements of economic interest; changing the procedure for adopting a neighborhood revitalization program; amending Minnesota Statutes 1989 Supplement, sections 116J.691, subdivisions 1, 2, and 4; 116J.8766, by adding a subdivision; 116O.03, subdivision 11; and 469.203, subdivision 4; repealing Minnesota Statutes 1989 Supplement, section 469.203, subdivision 5.

The bill was read for the first time.

Otis moved that S. F. No. 2360 and H. F. No. 2534, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2421, A bill for an act relating to elections; presidential primary; changing the primary date; providing procedures for conducting the primary; changing the requirements for being a candidate at the primary; allowing voters to prefer uncommitted delegates; allowing write-in votes; providing for voter receipt of ballots; eliminating the provision that the primary winner is the party's endorsed candidate; changing the apportionment of party delegates; requiring provision of certain information to interested persons; amending Minnesota Statutes 1988, sections 204B.06, by adding a subdivision; 204B.11, subdivision 2; Minnesota Statutes 1989 Supplement, sections 207A.01; 207A.02; 207A.03; 207A.04; and 207A.06, subdivisions 1 and 2; proposing coding for new law in

Minnesota Statutes, chapter 207A; repealing Minnesota Statutes 1989 Supplement, section 207A.05.

The bill was read for the first time.

Scheid moved that S. F. No. 2421 and H. F. No. 2325, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2072, A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1988, sections 11A.14, subdivision 5; 15.0597, subdivision 1; 15.50, subdivision 5; 16B.53, subdivision 3; 62C.141; 79A.14; 115.49, subdivision 4; 197.55; 232.21, subdivision 7; 256B.69, subdivision 6; 257.41; 273.1315; 333.135; 336.9-105; 353A.02, subdivision 14; 354.05, subdivision 23; 354.66, subdivision 7; 412.701; 412.711; 459.07; 469.155, subdivision 12; 481.12; 626.556, subdivision 10c; Minnesota Statutes 1989 Supplement, sections 15.50, subdivision 2; 18.022, subdivision 2; 62A.045; 105.41, subdivision 1a; 115C.03, subdivision 9; 124.86, subdivision 2; 127.455; 144.6501, subdivision 10; 163.06, subdivision 6; 168.013, subdivision 1a; 168.33, subdivision 2; 176.421, subdivision 7; 204C.361; 236.02, subdivision 7; 245.462, subdivision 4; 256E.08, subdivision 5; 256H.08; 256H.22, subdivisions 2 and 3; 260.185, subdivision 1; 270B.12, subdivision 7; 273.119, subdivision 1; 273.124, subdivision 13; 319A.20; 336.2A-104; 352.01, subdivision 2b; 352.72, subdivision 1; 352B.30, subdivision 1; 383D.41, subdivisions 1 and 2; 422A.05, subdivision 2a; 469.129, subdivision 1; 501B.61, subdivision 1; 563.01, subdivision 3; 609.605, subdivision 3; Minnesota Statutes Second 1989 Supplement, sections 121.904, subdivision 4a; 245A.14, subdivision 6; and 275.50, subdivision 5; and Laws 1989, chapters 329, article 8, section 15, subdivision 2; 332, section 3, subdivision 3; repealing Minnesota Statutes 1988, sections 11A.19, subdivisions 1 to 8; 43A.192; Minnesota Statutes 1989 Supplement, sections 11A.19, subdivision 9; and 226.01 to 226.06.

The bill was read for the first time.

Milbert moved that S. F. No. 2072 and H. F. No. 2220, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2349, A bill for an act relating to insurance; no-fault automobile; regulating uninsured and underinsured motorist coverages for motorcycles; amending Minnesota Statutes 1989 Supplement, section 65B.49, subdivision 3a.

The bill was read for the first time.

Simoneau moved that S. F. No. 2349 and H. F. No. 2735, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2147, A bill for an act relating to transportation; exempting fertilizer and agricultural chemical retailers from certain regulations on transporting hazardous materials; making certain private carriers subject to driver qualification rules; amending Minnesota Statutes 1988, section 221.033, subdivision 2; Minnesota Statutes 1989 Supplement, section 221.031, subdivision 2a.

The bill was read for the first time.

Cooper moved that S. F. No. 2147 and H. F. No. 2211, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2297, A bill for an act relating to taxation; property; requiring equal access to food or beverage services or facilities for golf clubs under open space property tax treatment; amending Minnesota Statutes 1989 Supplement, section 273.112, subdivision 3.

The bill was read for the first time and referred to the Committee on Taxes.

S. F. No. 1681, A bill for an act relating to occupations and professions; allowing a graduate social work license to be issued without examination to an applicant who was unable to apply before the transition period ended; amending Minnesota Statutes 1988, section 148B.23, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services.

S. F. No. 1499, A bill for an act relating to consumer protection; regulating certain rental-purchase agreements; prescribing the rights and duties of all parties; requiring disclosures; regulating advertising; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

The bill was read for the first time.

Osthoff moved that S. F. No. 1499 and H. F. No. 1234, now on

General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2541, A bill for an act relating to real property; providing for filing and recording of maps or plats for proposed rights-of-way by local governing bodies; proposing coding for new law in Minnesota Statutes, chapter 505.

The bill was read for the first time.

Dempsey moved that S. F. No. 2541 and H. F. No. 1784, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1937, A bill for an act relating to health; establishing standards for safe levels of lead; requiring education about lead exposure; requiring lead assessments of certain residences; establishing standards for lead abatement; requiring rules; amending Minnesota Statutes 1988, section 116.52, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1989 Supplement, sections 144.851 to 144.862.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

S. F. No. 1703, A bill for an act relating to natural resources; authorizing the enforcement of certain natural resource laws by conservation officers; amending Minnesota Statutes 1988, section 97A.205.

The bill was read for the first time.

Trimble moved that S. F. No. 1703 and H. F. No. 2709, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2063, A bill for an act relating to health; requiring an environmental impact statement for burning of PCBs; authorizing counties to be compensated for human health risks; requiring permits and local approval before burning PCBs; amending Minnesota Statutes 1988, section 116.36, subdivision 1; 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.

S. F. No. 1976, A bill for an act relating to education; providing for certain notice and board membership requirements under certain joint powers arrangements; amending Minnesota Statutes 1988, section 124.494, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

S. F. No. 1975, A bill for an act relating to education; providing for the notice of and place for meeting of certain joint powers organizations; 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.

S. F. No. 1869, A bill for an act relating to labor; requiring employers to prepare and implement a written program that describes how they will reduce the extent and severity of work-related injuries and illnesses; providing for safety awards by the commissioner of labor and industry; amending Minnesota Statutes 1988, section 182.653, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 182.

The bill was read for the first time.

Beard moved that S. F. No. 1869 and H. F. No. 2398, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1675, A bill for an act relating to game and fish; authorizing the Leech Lake Band of Chippewa Indians to conduct certain types of aquaculture; directing promotion of and commercial licenses to take rough fish from Lake of the Woods; removing certain aquaculture restrictions in private waters if public waters or groundwater is not degraded or public health is not affected; authorizing transportation of minnows by common carrier; providing restrictions for taking crayfish; amending Minnesota Statutes 1988, sections 97A.155, by adding a subdivision; 97A.401, by adding a subdivision; 97C.501, subdivision 1; and 97C.525, by adding a subdivision; Minnesota Statutes 1989 Supplement, section 17.49, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 17 and 97C.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 1966, A bill for an act relating to education; expanding open enrollment to bordering states; amending Minnesota Statutes 1988, section 120.062, by adding a subdivision; and Minnesota Statutes 1989 Supplement, section 120.062, subdivision 12.

The bill was read for the first time.

Girard moved that S. F. No. 1966 and H. F. No. 2144, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1772, A bill for an act relating to natural resources; changing the provisions relating to the delineation of wetland or marginal land; exempting land classification agreement lands from certain requirements; establishing Lake of the Woods state forest; amending Minnesota Statutes 1988, section 89.021, subdivision 1, and by adding a subdivision; Minnesota Statutes 1989 Supplement, section 40.46, subdivisions 1 and 2.

The bill was read for the first time.

Tunheim moved that S. F. No. 1772 and H. F. No. 1879, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1946, A bill for an act relating to agriculture; providing for deficiency judgments relating to foreclosure and sale of mortgages on property used in agricultural production; requiring fair market value to be determined by the court; extending period for execution on judgment; amending Minnesota Statutes 1988, sections 500.24, subdivision 4; 582.30, subdivisions 3, 4, 5, and 6.

The bill was read for the first time.

Bertram moved that S. F. No. 1946 and H. F. No. 2658, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2011, A bill for an act relating to health; clarifying variance authority regarding training standards for ambulance attendants; establishing a state emergency medical services advisory council; amending Minnesota Statutes 1989 Supplement, section 144.804, subdivision 1; and 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.

S. F. No. 2054, A bill for an act relating to courts; staggering the elections of chief judges and assistant chief judges; providing for the adoption of rules by the supreme court governing jury administration; imposing penalties; amending Minnesota Statutes 1988, sections 484.69, subdivision 1, and by adding a subdivision; 593.19; 593.21; 593.31; 593.37, subdivision 2a; 593.40, subdivisions 4, 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 593; repealing Minnesota Statutes 1988, sections 484.69, subdivision 2; 593.01; 593.08; 593.131; 593.135; 593.16; 593.33; 593.34; 593.35; 593.36; 593.37, subdivisions 1, 2, and 3; 593.38; 593.39; 593.40, subdivisions 1, 2, and 3; 593.41; 593.42, subdivisions 1, 2, 3, and 5; 593.43; 593.44; 593.45; 593.46; 593.47; and 593.49.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1704, A bill for an act relating to natural resources; regulating aquiculture activities and programs; providing for the transportation of minnows by common carrier; regulating the commercial fishing of rough fish on the Lake of the Woods; authorizing conservation officers to seek issuance of and to serve search warrants; amending Minnesota Statutes 1988, sections 97A.155, by adding a subdivision; 97C.501, subdivision 1; and 97C.525, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 17.49, subdivision 2, and by adding a subdivision; 626.05, subdivision 2; and 626.13; proposing coding for new law in Minnesota Statutes, chapters 17 and 97C.

The bill was read for the first time.

McGuire moved that S. F. No. 1704 and H. F. No. 2351, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

S. F. No. 2048, A bill for an act relating to education; clarifying legislative intent concerning corporal punishment; amending Minnesota Statutes 1989 Supplement, section 127.45.

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:

Abrams	Greenfield	Lasley	Orenstein	Simoneau
Anderson, G.	Gruenes	Lieder	Osthoff	Skoglund
Anderson, R.	Gutknecht	Limmer	Ostrom	Solberg
Battaglia	Hartle	Long	Otis	Sparby
Bauerly	Hasskamp	Lynch	Ozment	Stanius
Beard	Haukoos	Macklin	Pappas	Steensma
Begich	Hausman	Marsh	Pauly	Sviggum
Bennett	Heap	McDonald	Pellow	Swenson
Bertram	Henry	McEachern	Pelowski	Tjornhom
Bishop	Himle	McGuire	Peterson	Tompkins
Blatz	Hugoson	McLaughlin	Poppenhagen	Trimble
Boo	Jacobs	McPherson	Price	Tunheim
Brown	Janezich	Milbert	Pugh	Uphus
Burger	Jaros	Miller	Quinn	Valento
Carlson, D.	Jefferson	Morrison	Redalen	Vellenga
Carlson, L.	Jennings	Munger	Reding	Wagenius
Carruthers	Johnson, A.	Murphy	Rest	Waltman
Clark	Johnson, R.	Nelson, C.	Richter	Weaver
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	Neuenschwander	Rukavina	Wenzel
Dawkins	Kalis	O'Connor	Rumbeck	Williams
Dempsey	Kelly	Ogren	Sarna	Winter
Dorn	Kelso	Olsen, S.	Schafer	Spk. Vanasek
Forsythe	Kinkel	Olsen, E.	Scheid	
Frederick	Knickerbocker	Olson, K.	Schreiber	
Frerichs	Kostohryz	Omann	Seaberg	
Girard	Krueger	Onnen	Segal	

The bill was passed and its title agreed to.

S. F. No. 2159, A bill for an act relating to education; delaying the date by which the regent candidate advisory council must submit recommendations to the legislature; amending Minnesota Statutes 1988, section 137.0245, 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:

Abrams	Carlson, L.	Hartle	Johnson, V.	McDonald
Anderson, G.	Carruthers	Hasskamp	Kahn	McEachern
Anderson, R.	Clark	Haukoos	Kalis	McGuire
Battaglia	Cooper	Hausman	Kelly	McLaughlin
Bauerly	Dauner	Heap	Kelso	McPherson
Beard	Dawkins	Henry	Kinkel	Milbert
Begich	Dempsey	Himle	Knickerbocker	Miller
Bennett	Dorn	Hugoson	Kostohryz	Morrison
Bertram	Forsythe	Jacobs	Krueger	Murphy
Bishop	Frederick	Janezich	Lasley	Nelson, C.
Blatz	Frerichs	Jaros	Lieder	Nelson, K.
Boo	Girard	Jefferson	Limmer	Neuenschwander
Brown	Greenfield	Jennings	Long	O'Connor
Burger	Gruenes	Johnson, A.	Macklin	Ogren
Carlson, D.	Gutknecht	Johnson, R.	Marsh	Olsen, S.

Olson, E.	Pellow	Richter	Skoglund	Uphus
Olson, K.	Pelowski	Rodosovich	Solberg	Valento
Omann	Peterson	Rukavina	Sparby	Vellenga
Onnen	Poppenhagen	Runbeck	Stanius	Wagenius
Orenstein	Price	Sarna	Steensma	Waltman
Osthoff	Pugh	Schafer	Sviggum	Weaver
Ostrom	Quinn	Scheid	Swenson	Welle
Otis	Redalen	Schreiber	Tjornhom	Wenzel
Ozment	Reding	Seaberg	Tompkins	Williams
Pappas	Rest	Segal	Trimble	Winter
Pauly	Rice	Simoneau	Tunheim	Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 2381, A bill for an act relating to highways; substituting new Legislative Route No. 298 in the trunk highway system.

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:

Abrams	Greenfield	Krueger	Onnen	Schreiber
Anderson, G.	Gruenes	Lasley	Orenstein	Seaberg
Anderson, R.	Gutknecht	Lieder	Osthoff	Segal
Battaglia	Hartle	Limmer	Ostrom	Simoneau
Bauerly	Hasskamp	Lynch	Otis	Skoglund
Beard	Haukoos	Macklin	Ozment	Solberg
Begich	Hausman	Marsh	Pappas	Sparby
Bennett	Heap	McDonald	Pauly	Stanius
Bertram	Henry	McEachern	Pellow	Steensma
Bishop	Himle	McGuire	Pelowski	Sviggum
Blatz	Hugoson	McLaughlin	Peterson	Swenson
Boo	Jacobs	McPherson	Poppenhagen	Tjornhom
Brown	Janezich	Milbert	Price	Tompkins
Burger	Jaros	Miller	Pugh	Trimble
Carlson, D.	Jefferson	Morrison	Quinn	Tunheim
Carruthers	Jennings	Munger	Redalen	Uphus
Clark	Johnson, A.	Murphy	Reding	Valento
Cooper	Johnson, R.	Nelson, C.	Rest	Vellenga
Dauner	Johnson, V.	Nelson, K.	Rice	Wagenius
Dawkins	Kahn	Neuenschwander	Richter	Waltman
Dempsey	Kalis	O'Connor	Rodosovich	Weaver
Dorn	Kelly	Ogren	Rukavina	Welle
Forsythe	Kelso	Olsen, S.	Rumbeck	Wenzel
Frederick	Kinkel	Olson, E.	Sarna	Williams
Frerichs	Knickerbocker	Olson, K.	Schafer	Winter
Girard	Kostohryz	Omann	Scheid	Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 2039, A bill for an act relating to motor vehicles; exempting certain water well drilling equipment and vehicles from registration and taxation requirements; amending Minnesota Stat-

utes 1988, section 168.012, subdivision 5; Minnesota Statutes 1989 Supplement, section 168.011, subdivision 22.

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:

Abrams	Greenfield	Lasley	Orenstein	Segal
Anderson, G.	Gruenes	Lieder	Osthoff	Simoneau
Anderson, R.	Gutknecht	Limmer	Ostrom	Skoglund
Battaglia	Hartle	Long	Otis	Solberg
Bauerly	Haskamp	Lynch	Ozment	Sparby
Beard	Haukoos	Macklin	Pappas	Stanius
Begich	Hausman	Marsh	Pauly	Steensma
Bennett	Heap	McDonald	Pellow	Sviggum
Bertram	Henry	McEachern	Pelowski	Swenson
Bishop	Himle	McGuire	Peterson	Tjornhom
Blatz	Hugoson	McLaughlin	Poppenhagen	Tompkins
Boo	Jacobs	McPherson	Price	Trimble
Brown	Janezich	Milbert	Pugh	Tunheim
Burger	Jaros	Miller	Quinn	Uphus
Carlson, D.	Jefferson	Morrison	Redalen	Valento
Carlson, L.	Jemmings	Munger	Reding	Vellenga
Carruthers	Johnson, A.	Murphy	Rest	Wagenius
Clark	Johnson, R.	Nelson, C.	Rice	Waltman
Cooper	Johnson, V.	Nelson, K.	Richter	Weaver
Dauner	Kahn	Neuenschwander	Rodosovich	Welle
Dawkins	Kalis	O'Connor	Rukavina	Wenzel
Dempsey	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Frederick	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omman	Schreiber	
Girard	Krueger	Onnen	Seaberg	

The bill was passed and its title agreed to.

S. F. No. 2383, A bill for an act relating to cities; permitting the establishment of boundary commissions; proposing coding for new law in Minnesota Statutes, chapter 465.

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:

Abrams	Bauerly	Bertram	Brown	Carruthers
Anderson, G.	Beard	Bishop	Burger	Clark
Anderson, R.	Begich	Blatz	Carlson, D.	Cooper
Battaglia	Bennett	Boo	Carlson, L.	Dauner

Dawkins	Johnson, A.	Milbert	Pelowski	Sparby
Dempsey	Johnson, R.	Miller	Peterson	Stanius
Dorn	Johnson, V.	Morrison	Poppenhagen	Steensma
Forsythe	Kahn	Munger	Price	Swiggum
Frederick	Kalis	Murphy	Pugh	Swenson
Frerichs	Kelly	Nelson, C.	Quinn	Tjornhom
Girard	Kelso	Nelson, K.	Redalen	Tompkins
Greenfield	Kinkel	Neuenschwander	Reding	Trimble
Gruenes	Knickerbocker	O'Connor	Rest	Tunheim
Gutknecht	Kostohryz	Ogren	Rice	Uphus
Hartle	Krueger	Olsen, S.	Richter	Valento
Hasskamp	Lasley	Olson, E.	Rodosovich	Vellenga
Haukoos	Lieder	Olson, K.	Rukavina	Wagenius
Hausman	Limmer	Omann	Runbeck	Waltman
Heap	Long	Onnen	Sarna	Weaver
Henry	Lynch	Orenstein	Schafer	Welle
Himle	Macklin	Osthoff	Scheid	Wenzel
Hugoson	Marsh	Ostrom	Schreiber	Williams
Jacobs	McDonald	Otis	Seaberg	Winter
Janezich	McEachern	Ozment	Segal	Spk. Vanasek
Jaros	McGuire	Pappas	Simoneau	
Jefferson	McLaughlin	Pauly	Skoglund	
Jennings	McPherson	Pellow	Solberg	

The bill was passed and its title agreed to.

S. F. No. 1968, A bill for an act relating to pet or companion animals; permitting restrictions to be imposed on persons convicted of mistreating animals; amending Minnesota Statutes 1988, section 343.21, 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:

Abrams	Forsythe	Johnson, V.	Miller	Pelowski
Anderson, G.	Frederick	Kahn	Morrison	Peterson
Anderson, R.	Frerichs	Kalis	Munger	Poppenhagen
Battaglia	Girard	Kelly	Murphy	Price
Bauerly	Greenfield	Kelso	Nelson, C.	Pugh
Beard	Gruenes	Kinkel	Nelson, K.	Quinn
Bennett	Gutknecht	Knickerbocker	Neuenschwander	Redalen
Bertram	Hartle	Kostohryz	O'Connor	Reding
Bishop	Hasskamp	Krueger	Ogren	Rest
Blatz	Haukoos	Lasley	Olsen, S.	Rice
Boo	Hausman	Lieder	Olson, E.	Richter
Brown	Heap	Limmer	Olson, K.	Rodosovich
Burger	Henry	Long	Omann	Rukavina
Carlson, D.	Himle	Lynch	Onnen	Runbeck
Carlson, L.	Hugoson	Macklin	Orenstein	Sarna
Carruthers	Jacobs	Marsh	Osthoff	Schafer
Clark	Janezich	McDonald	Ostrom	Scheid
Cooper	Jaros	McEachern	Otis	Schreiber
Dauner	Jefferson	McGuire	Ozment	Seaberg
Dawkins	Jennings	McLaughlin	Pappas	Segal
Dempsey	Johnson, A.	McPherson	Pauly	Simoneau
Dorn	Johnson, R.	Milbert	Pellow	Skoglund

Solberg
Sparby
Stanius
Steensma

Sviggun
Swenson
Tjornhom
Tompkins

Trimble
Tunheim
Uphus
Valento

Vellenga
Wagenius
Waltman
Weaver

Welle
Wenzel
Williams
Winter

The bill was passed and its title agreed to.

S. F. No. 1692, A bill for an act relating to public safety; conforming definition of "family or group family day care home" for purposes of fire code enforcement; abolishing nominal reimbursements for local fire chiefs; abolishing certain regulation of fire extinguishers now regulated under state fire code; abolishing regulation regarding "no smoking" signs which are regulated by state fire code; abolishing regulations relating to fire alarm deactivation requests and notices; abolishing state licensing of, and certain regulation regarding, dry cleaning and dyeing establishments, which are also regulated by state fire code; abolishing certain state licensing and inspection regulations for theaters and halls, which are regulated by the state fire code; amending Minnesota Statutes 1988, section 299F.011, subdivision 4a; repealing Minnesota Statutes 1988, sections 299F.34; 299F.36; 299F.38; 299F.453; 299F.454; 299H.211; 299H.22 to 299H.28; and 299I.01 to 299I.24.

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:

Abrams	Greenfield	Lasley	Orenstein	Simoneau
Anderson, G.	Gruenes	Lieder	Osthoff	Skoglund
Anderson, R.	Gutknecht	Limmer	Ostrom	Solberg
Battaglia	Hartle	Long	Otis	Sparby
Bauerly	Hasskamp	Lynch	Ozment	Stanius
Beard	Haukoos	Macklin	Pappas	Steensma
Begich	Hausman	Marsh	Pauly	Sviggun
Bennett	Heap	McDonald	Pellow	Swenson
Bertram	Henry	McEachern	Pelowski	Tjornhom
Bishop	Himle	McGuire	Peterson	Tompkins
Blatz	Hugoson	McLaughlin	Poppenhagen	Trimble
Boo	Jacobs	McPherson	Price	Tunheim
Brown	Janezich	Milbert	Pugh	Uphus
Burger	Jaros	Miller	Quinn	Valento
Carlson, D.	Jefferson	Morrison	Redalen	Vellenga
Carlson, L.	Jennings	Munger	Reding	Wagenius
Carruthers	Johnson, A.	Murphy	Rest	Waltman
Clark	Johnson, R.	Nelson, C.	Richter	Weaver
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	Neuenschwander	Rukayina	Wenzel
Dawkins	Kalis	O'Connor	Runbeck	Williams
Dempsey	Kelly	Ogren	Sarna	Winter
Dorn	Kelso	Olsen, S.	Schafer	Spk. Vanasek
Forsythe	Kinkel	Olson, E.	Scheid	
Frederick	Knickerbocker	Olson, K.	Schreiber	
Frerichs	Kostohryz	Omman	Seaberg	
Girard	Krueger	Onnen	Segal	

The bill was passed and its title agreed to.

Long 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.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. No. 2651.

H. F. No. 2651 was reported to the House.

The Speaker called Quinn to the Chair.

Bauerly; Bertram; Johnson, R.; Gruenes; Omann; Pelowski and Marsh moved to amend H. F. No. 2651, the first engrossment, as follows:

Page 6, after line 10, insert:

“Subd. 6. St. Cloud, Bemidji, and Winona Campuses	2,500,000
--	-----------

This appropriation is to be used for developing a model for projecting college campus library needs 15 years into the future. The model must take into account anticipated changes in technology affecting publishing, storage, access and reference, electronics, administration, and other related capabilities appropriate to a comprehensive library and the efficient use of its resources. The model must be applied to evaluate the future needs of the library at the St. Cloud, Bemidji, and Winona campuses. A report must be made by

the state board to the education divisions of the senate finance and house appropriations committees by February 1, 1991, describing the model, its application to the needs of the libraries at the St. Cloud, Bemidji, and Winona campuses, and how it might be used as a model by other state universities, the University of Minnesota, community colleges, and technical colleges for evaluating their campus library needs."

Renumber the remaining subdivisions

Adjust the totals accordingly

Page 30, line 45, delete "\$419,372,900" and insert "\$419,767,900"

The question was taken on the Bauerly et al amendment and the roll was called. There were 43 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Bauerly	Girard	Kinkel	Pauly	Tompkins
Bertram	Gruenes	Limmer	Pelowski	Tunheim
Bishop	Gutknecht	Marsh	Peterson	Uphus
Boo	Hartle	McDonald	Poppenhagen	Valento
Dempsey	Henry	McPherson	Redalen	Waltman
Dille	Hugoson	Miller	Rukavina	Weaver
Forsythe	Jaros	Omann	Schafer	Wenzel
Frederick	Johnson, R.	Onnen	Seaberg	
Frerichs	Johnson, V.	Ozment	Swenson	

Those who voted in the negative were:

Abrams	Hasskamp	Lieder	Orenstein	Skoglund
Anderson, R.	Haukoos	Long	Osthoff	Solberg
Battaglia	Hausman	Lynch	Ostrom	Sparby
Beard	Heap	Macklin	Otis	Stanius
Begich	Himle	McEachern	Pappas	Steensma
Bennett	Jacobs	McGuire	Pellow	Sviggum
Blatz	Janezich	McLaughlin	Pugh	Tjornhom
Brown	Jefferson	Milbert	Quinn	Trimble
Burger	Jennings	Morrison	Reding	Vellenga
Carlson, D.	Johnson, A.	Murphy	Rest	Wagenius
Carlson, L.	Kahn	Nelson, C.	Rice	Welle
Carruthers	Kalis	Nelson, K.	Richter	Williams
Clark	Kelly	Neuenschwander	Rodosovich	Winter
Cooper	Kelso	O'Connor	Runbeck	Spk. Vanasek
Dauner	Knickerbocker	Ogren	Sarna	
Dawkins	Kostohryz	Olsen, S.	Scheid	
Dorn	Krueger	Olson, E.	Segal	
Greenfield	Lasley	Olson, K.	Simoneau	

The motion did not prevail and the amendment was not adopted.

Girard moved to amend H. F. No. 2651, the first engrossment, as follows:

Page 6, after line 10, insert:

“Subd. 6. Southwest Campus 8,709,000

Construct recreation/athletic building and tennis court”

Page 17, line 31, delete “14,580,000” and insert “5,871,000”

Renumber the subdivisions in sequence

Adjust figures accordingly

A roll call was requested and properly seconded.

The question was taken on the Girard amendment and the roll was called. There were 53 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Omann	Steensma
Anderson, G.	Frerichs	Limmer	Onnen	Sviggum
Bennett	Girard	Lynch	Pauly	Swenson
Blatz	Gruenes	Macklin	Pellow	Tompkins
Boo	Gutknecht	Marsh	Redalen	Uphus
Brown	Haukoos	McDonald	Richter	Valento
Burger	Heap	McPherson	Runbeck	Waltman
Cooper	Henry	Miller	Schafer	Weaver
Dempsey	Himle	Nelson, C.	Schreiber	Winter
Dille	Hugoson	Olsen, S.	Seaberg	
Forsythe	Johnson, V.	Olson, K.	Stanius	

Those who voted in the negative were:

Anderson, R.	Hausman	Lieder	Otis	Segal
Battaglia	Jacobs	Long	Ozment	Simoneau
Bauerly	Janezich	McEachern	Pappas	Skoglund
Beard	Jaros	McGuire	Pelowski	Solberg
Begich	Jefferson	McLaughlin	Peterson	Sparby
Bertram	Jennings	Milbert	Poppenhagen	Tjornhom
Carlson, D.	Johnson, A.	Munger	Price	Trimble
Carlson, L.	Johnson, R.	Murphy	Pugh	Tumheim
Carruthers	Kahn	Nelson, K.	Quinn	Vellenga
Clark	Kalis	Neuenschwander	Reding	Wagenius
Dauner	Kelly	O'Connor	Rest	Welle
Dawkins	Kelso	Ogren	Rice	Wenzel
Dorn	Kinkel	Olson, E.	Rodosovich	Williams
Greenfield	Kostohryz	Orenstein	Rukavina	Spk. Vanasek
Hartle	Krueger	Osthoff	Sarna	
Hasskamp	Lasley	Ostrom	Scheid	

The motion did not prevail and the amendment was not adopted.

Valento moved to amend H. F. No. 2651, the first engrossment, as follows:

Page 17, line 31, delete "14,580,000" and insert "6,750,000"

Adjust the figures accordingly

A roll call was requested and properly seconded.

The question was taken on the Valento amendment and the roll was called. There were 54 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Kostohryz	Omann	Seaberg
Bennett	Gutknecht	Limmer	Onnen	Stanius
Blatz	Hartle	Lynch	Ozment	Sviggum
Boo	Haukoos	Macklin	Pauly	Swenson
Burger	Heap	Marsh	Pellow	Tjornhom
Dempsey	Henry	McDonald	Poppenhagen	Tompkins
Dille	Himle	McPherson	Redalen	Uphus
Forsythe	Hugoson	Miller	Richter	Valento
Frederick	Jennings	Morrison	Runbeck	Waltman
Frerichs	Johnson, V.	Neuenschwander	Schafer	Weaver
Girard	Knickerbocker	Olsen, S.	Schreiber	

Those who voted in the negative were:

Anderson, G.	Hasskamp	McEachern	Pappas	Solberg
Anderson, R.	Hausman	McGuire	Pelowski	Sparby
Battaglia	Jacobs	McLaughlin	Peterson	Steensma
Bauerly	Janezich	Milbert	Price	Trimble
Beard	Jaros	Munger	Pugh	Tunheim
Begich	Jefferson	Murphy	Quinn	Vellenga
Bertram	Johnson, A.	Nelson, C.	Reding	Wagenius
Brown	Johnson, R.	Nelson, K.	Rest	Welle
Carlson, L.	Kahn	O'Connor	Rice	Wenzel
Carruthers	Kalis	Ogren	Rodosovich	Williams
Clark	Kelly	Olson, E.	Rukavina	Winter
Cooper	Kinkel	Olson, K.	Sarna	Spk. Vanasek
Dauner	Krueger	Orenstein	Scheid	
Dawkins	Lasley	Osthoff	Segal	
Dorn	Lieder	Ostrom	Simoneau	
Greenfield	Long	Otis	Skoglund	

The motion did not prevail and the amendment was not adopted.

Stanius and Marsh moved to amend H. F. No. 2651, the first engrossment, as follows:

Page 13, after line 20, insert:

"Sec. 14. BOARD OF WATER
AND SOIL RESOURCES

12,000,000

The appropriation in this section is from the reinvest in Minnesota resources fund. This appropriation is for the RIM reserve program."

Page 15, line 18, delete "4,300,000" and insert "6,410,000"

Page 15, line 22, delete "1,500,000" and insert "2,110,000"

Page 16, line 2, delete "500,000" and insert "2,000,000"

Page 17, line 25, delete "43,930,000" and insert "29,820,000"

Page 17, line 31, delete "14,580,000" and insert "470,000"

Renumber the sections in sequence

Adjust figures accordingly

A roll call was requested and properly seconded.

The question was taken on the Stanius and Marsh amendment and the roll was called. There were 59 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Johnson, V.	Olson, K.	Schreiber
Bennett	Girard	Knickerbocker	Omann	Seaberg
Bertram	Gruenes	Limmer	Onnen	Stanius
Blatz	Gutknecht	Lynch	Ostrom	Steensma
Boo	Hartle	Macklin	Ozment	Swenson
Burger	Haukoos	Marsh	Pauly	Tjornhom
Clark	Heap	McDonald	Pellow	Tompkins
Cooper	Henry	McPherson	Poppenhagen	Uphus
Dempsey	Himle	Miller	Redalen	Valento
Dille	Hugoson	Morrison	Richter	Waltman
Forsythe	Jennings	Neuenschwander	Runbeck	Weaver
Frederick	Johnson, R.	Olsen, S.	Schafer	

Those who voted in the negative were:

Anderson, G.	Jacobs	McEachern	Pelowski	Solberg
Anderson, R.	Janezich	McGuire	Peterson	Sparby
Battaglia	Jefferson	McLaughlin	Price	Sviggum
Bauerly	Johnson, A.	Milbert	Pugh	Trimble
Beard	Kahn	Murphy	Quinn	Tunheim
Begich	Kalis	Nelson, C.	Reding	Vellenga
Brown	Kelly	Nelson, K.	Rest	Wagenius
Carlson, L.	Kelso	O'Connor	Rice	Welle
Carruthers	Kinkel	Ogren	Rodosovich	Wenzel
Daurer	Kostohryz	Olson, E.	Rukavina	Williams
Dawkins	Krueger	Orenstein	Sarna	Winter
Dorn	Lasley	Osthoff	Scheid	Spk. Vanasek
Greenfield	Lieder	Otis	Segaf	
Hausman	Long	Pappas	Simoneau	

The motion did not prevail and the amendment was not adopted.

Dempsey, Miller, Girard and Olson, K., moved to amend H. F. No. 2651, the first engrossment, as follows:

Page 13, after line 20, insert:

“Sec. 14. BOARD OF WATER AND SOIL RESOURCES	1,870,000
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This appropriation is for the Wellner-Hageman Dam project located in area two of the Minnesota River Basin Project, Inc. for which the local match has been raised, the land purchased, and the engineering completed.”

Page 17, line 31, delete “14,580,000” and insert “12,710,000”

Renumber the sections in sequence

Adjust figures accordingly

A roll call was requested and properly seconded.

The question was taken on the Dempsey et al amendment and the roll was called. There were 53 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Lynch	Pauly	Steensma
Bennett	Gruenes	Macklin	Pellow	Sviggum
Bishop	Gutknecht	Marsh	Poppenhagen	Swenson
Blatz	Haukoos	McDonald	Price	Tompkins
Boo	Heap	McPherson	Redalen	Uphus
Burger	Henry	Miller	Richter	Valento
Dempsey	Himle	Murphy	Runbeck	Waltman
Dorn	Hugoson	Olsen, S.	Schafer	Weaver
Forsythe	Johnson, V.	Olson, K.	Schreiber	Winter
Frederick	Knickerbocker	Omann	Seaberg	
Frerichs	Limmer	Ostrom	Stanisus	

Those who voted in the negative were:

Anderson, G.	Carlson, L.	Hasskamp	Kahn	Long
Anderson, R.	Carruthers	Hausman	Kalis	McEachern
Battaglia	Clark	Jacobs	Kelly	McGuire
Bauerly	Cooper	Janezich	Kelso	McLaughlin
Beard	Dauner	Jaros	Kinkel	Milbert
Begich	Dawkins	Jefferson	Kostohryz	Munger
Bertram	Dille	Jennings	Krueger	Nelson, C.
Brown	Greenfield	Johnson, A.	Lasley	Nelson, K.
Carlson, D.	Hartle	Johnson, R.	Lieder	Neuenschwander

O'Connor	Ozment	Rest	Simoneau	Wagenius
Ogren	Pappas	Rice	Skoglund	Welle
Olson, E.	Pelowski	Rodosovich	Solberg	Wenzel
Onnen	Peterson	Rukavina	Tjornhom	Williams
Orenstein	Pugh	Sarna	Trimble	Spk. Vanasek
Osthoff	Quinn	Scheid	Tunheim	
Otis	Reding	Segal	Vellenga	

The motion did not prevail and the amendment was not adopted.

Stanius moved to amend H. F. No. 2651, the first engrossment, as follows:

Page 4, after line 20, insert:

“Subd. 9. Unfunded projects 16,895,000

This appropriation is for unfunded projects for the community college system. The projects must be fully funded according to the agency priority program.”

Page 14, delete lines 10 and 11

Page 14, delete lines 28 to 33

Page 17, delete lines 17 to 20

Page 17, delete line 31

Renumber the subdivisions in sequence.

Reletter the paragraphs in sequence

Adjust figures accordingly

A roll call was requested and properly seconded.

The question was taken on the Stanius amendment and the roll was called. There were 54 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Abrams	Forsythe	Heap	Kinkel	McDonald
Bennett	Frederick	Henry	Knickerbocker	McPherson
Blatz	Frerichs	Himle	Lasley	Miller
Boo	Girard	Hugoson	Limmer	Neuenschwander
Burger	Gutknecht	Jaros	Lynch	Olsen, S.
Carlson, D.	Hartle	Jennings	Macklin	Olson, E.
Dempsey	Haukoos	Johnson, V.	Marsh	Omam

Onnen	Poppenhagen	Schafer	Swenson	Valento
Ozment	Redalen	Schreiber	Tjornhom	Weaver
Pauly	Richter	Seaberg	Tompkins	Winter
Pellow	Runbeck	Stanius	Uphus	

Those who voted in the negative were:

Anderson, G.	Greenfield	Long	Pappas	Solberg
Anderson, R.	Gruenes	McEachern	Pelowski	Steensma
Battaglia	Hasskamp	McGuire	Peterson	Sviggum
Bauerly	Hausman	McLaughlin	Price	Trimble
Beard	Jacobs	Milbert	Pugh	Tunheim
Begich	Janezich	Munger	Quinn	Vellenga
Bertram	Jefferson	Murphy	Reding	Wagenius
Bishop	Johnson, A.	Nelson, C.	Rest	Waltman
Brown	Johnson, R.	Nelson, K.	Rice	Welle
Carlson, L.	Kahn	O'Connor	Rodosovich	Wenzel
Carruthers	Kalis	Ogren	Rukavina	Williams
Clark	Kelly	Olson, K.	Sarna	Spk. Vanasek
Cooper	Kelso	Orenstein	Scheid	
Dauner	Kostohryz	Osthoff	Segal	
Dawkins	Krueger	Ostrom	Simoneau	
Dorn	Lieder	Otis	Skoglund	

The motion did not prevail and the amendment was not adopted.

Gruenes moved to amend H. F. No. 2651, the first engrossment, as follows:

Page 6, after line 21, insert:

"Subd. 8. Unfunded Projects 16,895,000

This appropriation is for unfunded projects for the state university system. The projects must be fully funded according to the agency priority program."

Page 14, delete lines 10 and 11

Page 14, delete lines 28 to 33

Page 17, delete lines 17 to 20

Page 17, delete line 31

Renumber the subdivisions in sequence

Reletter the paragraphs in sequence

Adjust figures accordingly

A roll call was requested and properly seconded.

The question was taken on the Gruenes amendment and the roll was called. There were 53 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Abrams	Frichs	Johnson, V.	Ozment	Stanius
Bauerly	Girard	Limmer	Pauly	Steensma
Bennett	Gruenes	Lynch	Fellow	Swenson
Bertram	Gutknecht	Macklin	Pelowski	Tjornhom
Blatz	Hartle	Marsh	Poppenhagen	Tompkins
Boo	Haukoos	McDonald	Redalen	Uphus
Burger	Heap	McPherson	Richter	Valento
Dempsey	Henry	Miller	Runbeck	Weaver
Dorn	Hugoson	Olsen, S.	Schafer	Winter
Forsythe	Jaros	Omann	Schreiber	
Frederick	Johnson, A.	Onnen	Seaberg	

Those who voted in the negative were:

Anderson, G.	Hausman	Long	Ostrom	Skoglund
Anderson, R.	Jacobs	McEachern	Otis	Solberg
Battaglia	Janezich	McGuire	Pappas	Sparby
Beard	Jefferson	McLaughlin	Peterson	Swiggum
Begich	Jennings	Milbert	Price	Trimble
Bishop	Johnson, R.	Munger	Pugh	Tunheim
Brown	Kahn	Murphy	Quinn	Vallenga
Carlson, D.	Kalis	Nelson, C.	Reding	Wagenius
Carlson, L.	Kelly	Nelson, K.	Rest	Waltman
Carruthers	Kelso	Neuenschwander	Rice	Welle
Clark	Kinkel	O'Connor	Rodosovich	Wenzel
Cooper	Knickerbocker	Ogren	Rukavina	Williams
Dauner	Kostohryz	Olson, E.	Sarna	Spk. Vanasek
Dawkins	Krueger	Olson, K.	Scheid	
Greenfield	Lasley	Orenstein	Segal	
Hasskamp	Lieder	Osthoff	Simoneau	

The motion did not prevail and the amendment was not adopted.

Valento moved to amend H. F. No. 2651, the first engrossment, as follows:

Page 17, line 31, delete "14,580,000" and insert "6,750,000"

Page 18, delete lines 4 to 6 and insert:

"subdivision 3d.

9,647,632"

Adjust figures accordingly

A roll call was requested and properly seconded.

The question was taken on the Valento amendment and the roll was called. There were 50 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Bennett	Gutknecht	Kostohryz	Olsen, S.	Schafer
Blatz	Hartle	Limmer	Omann	Schreiber
Böo	Haukoos	Lynch	Onnen	Seaberg
Burger	Heap	Macklin	Ostrom	Stanius
Dempsey	Henry	Marsh	Ozment	Swenson
Forsythe	Himle	McDonald	Pauly	Tjornhom
Frederick	Hugoson	McEachern	Pellow	Tompkins
Frerichs	Jennings	McPherson	Poppenhagen	Uphus
Girard	Johnson, V.	Miller	Redalen	Valento
Gruenes	Knickerbocker	Neuenschwander	Richter	Weaver

Those who voted in the negative were:

Abrams	Dawkins	Krueger	Osthoff	Simoneau
Anderson, G.	Dille	Lasley	Otis	Skoglund
Anderson, R.	Dorn	Lieder	Pappas	Solberg
Battaglia	Greenfield	Long	Pelowski	Sparby
Bauerly	Hasskamp	McGuire	Peterson	Steensma
Beard	Hausman	McLaughlin	Price	Sviggum
Begich	Jacobs	Milbert	Pugh	Trimble
Bertram	Janezich	Munger	Quinn	Tunheim
Bishop	Jefferson	Murphy	Reding	Vellenga
Brown	Johnson, A.	Nelson, C.	Rest	Wagenius
Carlson, D.	Johnson, R.	Nelson, K.	Rice	Waltman
Carlson, L.	Kahn	O'Connor	Rodosovich	Welle
Carruthers	Kalis	Ogren	Rukavina	Wenzel
Clark	Kelly	Olson, E.	Sarna	Williams
Cooper	Kelso	Olson, K.	Scheid	Winter
Dauner	Kinkel	Orenstein	Segal	Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Frerichs, Omann, Waltman, McDonald and Tompkins moved to amend H. F. No. 2651, the first engrossment, as follows:

Page 11, after line 12, insert:

"Sec. 7. WACONIA SCHOOL DISTRICT

A capital loan in an amount not to exceed \$4,935,742 to independent school district No. 110, Waconia, is approved.

Sec. 8. CASS LAKE SCHOOL DISTRICT

A capital loan in an amount not to exceed \$9,247,030 to independent school district No. 115, Cass Lake, is approved.

Sec. 9. FARMINGTON SCHOOL DISTRICT

A capital loan in an amount not to exceed \$11,569,964 to independent school district No. 192, Farmington, is approved.

Sec. 10. LAKE OF THE WOODS SCHOOL DISTRICT

A capital loan in an amount not to exceed \$9,235,922 to independent school district No. 390, Lake of the Woods, is approved.

Sec. 11. PIERZ SCHOOL DISTRICT

A capital loan in an amount not to exceed \$1,701,591 to independent school district No. 484, Pierz, is approved.

Sec. 12. DOVER-EYOTA SCHOOL DISTRICT

A capital loan in an amount not to exceed \$4,851,744 to independent school district No. 533, Dover-Eyota, is approved."

Page 11, line 14, delete "\$4,755,000" and insert "\$5,641,725"

Page 11, line 17, delete "\$8,577,000" and insert "\$10,762,702"

Page 11, line 21, delete "\$9,348,000" and insert "\$10,783,535"

Page 11, line 24, delete "\$3,194,000" and insert "\$5,636,066"

Page 11, line 27, delete "\$10,756,000" and insert "\$12,120,867"

Page 44, line 34, delete "\$3,656,000" and insert "\$5,751,000"

Renumber the sections in sequence

Adjust figures accordingly

A roll call was requested and properly seconded.

The question was taken on the Frerichs et al amendment and the roll was called. There were 52 yeas and 76 nays as follows:

Those who voted in the affirmative were:

- | | | | | |
|---------|-----------|-------------|---------------|-----------|
| Bennett | Forsythe | Haukoos | Kinkel | McDonald |
| Bertram | Frederick | Heap | Knickerbocker | McPherson |
| Boo | Frerichs | Henry | Limmer | Miller |
| Burger | Girard | Himle | Lynch | Morrison |
| Dempsey | Gutknecht | Hugoson | Macklin | Olson, K. |
| Dille | Hartle | Johnson, V. | Marsh | Omann |

Onnen	Poppenhagen	Sparby	Tompkins	Weaver
Ozment	Redalen	Stanius	Tunheim	Wenzel
Pauly	Richter	Sviggum	Uphus	
Pellow	Schafer	Swenson	Valento	
Pelowski	Schreiber	Tjornhom	Waltman	

Those who voted in the negative were:

Abrams	Gruenes	Long	Ostrom	Segal
Anderson, G.	Hasskamp	McEachern	Otis	Simoneau
Anderson, R.	Hausman	McGuire	Pappas	Skoglund
Battaglia	Jacobs	McLaughlin	Peterson	Solberg
Bauerly	Janezich	Milbert	Price	Steensma
Beard	Jefferson	Munger	Pugh	Trimble
Begich	Johnson, A.	Murphy	Quinn	Vellenga
Brown	Johnson, R.	Nelson, C.	Reding	Wagenius
Carlson, L.	Kahn	Nelson, K.	Rest	Welle
Carruthers	Kalis	Neuenschwander	Rice	Williams
Clark	Kelly	O'Connor	Rodosovich	Winter
Cooper	Kelso	Ogren	Rukavina	Spk. Vanasek
Dauner	Kostohryz	Olsen, S.	Runbeck	
Dawkins	Krueger	Olson, E.	Sarna	
Dorn	Lasley	Orenstein	Scheid	
Greenfield	Lieder	Osthoff	Seaberg	

The motion did not prevail and the amendment was not adopted.

Sviggum moved to amend H. F. No. 2651, the first engrossment, as follows:

Page 17, after line 38, insert:

“This appropriation is a loan to the cities of St. Paul, Minneapolis, and South St. Paul. These loans are to be repaid with no interest over a period of three years beginning in 1996.”

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 49 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Limmer	Ozment	Stanius
Bennett	Gruenes	Lynch	Pauly	Sviggum
Blatz	Gutknecht	Macklin	Pellow	Swenson
Boo	Haukoos	Marsh	Poppenhagen	Tjornhom
Burger	Heap	McDonald	Redalen	Tompkins
Dempsey	Henry	McPherson	Richter	Uphus
Dille	Himle	Miller	Runbeck	Valento
Forsythe	Hugoson	Olsen, S.	Schafer	Waltman
Frederick	Johnson, V.	Omamm	Schreiber	Weaver
Frerichs	Knickerbocker	Onnen	Seaberg	

Those who voted in the negative were:

Anderson, G.	Greenfield	Lieder	Osthoff	Segal
Anderson, R.	Hasskamp	Long	Ostrom	Simoneau
Battaglia	Hausman	McEachern	Otis	Skoglund
Bauerly	Jacobs	McGuire	Pappas	Solberg
Beard	Janezich	McLaughlin	Pelowski	Sparby
Begich	Jefferson	Milbert	Peterson	Steensma
Bertram	Johnson, A.	Munger	Price	Trimble
Brown	Johnson, R.	Murphy	Pugh	Tunheim
Carlson, D.	Kahn	Nelson, C.	Quinn	Vellenga
Carlson, L.	Kalis	Nelson, K.	Reding	Wagenius
Carruthers	Kelly	Neuenschwander	Rest	Welle
Clark	Kelso	O'Connor	Rice	Wenzel
Cooper	Kinkel	Ogren	Rodosovich	Williams
Dauner	Kostohryz	Olson, E.	Rukavina	Winter
Dawkins	Krueger	Olson, K.	Sarna	Spk. Vanasek
Dorn	Lasley	Orenstein	Scheid	

The motion did not prevail and the amendment was not adopted.

Himle, Sviggum, Frederick, Haukoos, Hartle, Redalen and Frerichs moved to amend H. F. No. 2651, the first engrossment, as follows:

Page 10, line 1, delete "44,112,000" and insert "48,258,000"

Page 10, after line 20, insert:

"Subd. 3. Waseca Campus	4,146,000
Waseca campus and food	
service improvements"	

Page 17, line 25, delete "43,930,000" and insert "39,784,000"

Page 17, line 31, delete "14,580,000" and insert "10,434,000"

Renumber the subdivisions in sequence

Adjust figures accordingly

A roll call was requested and properly seconded.

The question was taken on the Himle et al amendment and the roll was called. There were 57 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Abrams	Burger	Forsythe	Gruenes	Heap
Bennett	Dempsey	Frederick	Gutknecht	Henry
Blatz	Dille	Frerichs	Hartle	Himle
Boe	Dorn	Girard	Haukoos	Hugoson

Jaros	McDonald	Pauly	Runbeck	Tompkins
Johnson, V.	McPherson	Pellow	Schafer	Uphus
Kalis	Miller	Pugh	Schreiber	Valento
Knickerbocker	Olsen, S.	Redalen	Seaberg	Waltman
Limmer	Omann	Reding	Stanisus	Weaver
Lynch	Onnen	Richter	Svigum	
Macklin	Ostrom	Rodosovich	Swenson	
Marsh	Ozment	Rukavina	Tjornhom	

Those who voted in the negative were:

Anderson, G.	Greenfield	Lasley	Olson, K.	Skoglund
Anderson, R.	Hasskamp	Lieder	Orenstein	Solberg
Battaglia	Hausman	Long	Osthoff	Steenma
Bauerly	Jacobs	McEachern	Otis	Trimble
Beard	Janezich	McGuire	Pappas	Tunheim
Begich	Jefferson	McLaughlin	Pelowski	Vellenga
Bertram	Jennings	Milbert	Peterson	Wagenius
Brown	Johnson, A.	Munger	Poppenhagen	Welle
Carlson, D.	Johnson, R.	Murphy	Quinn	Wenzel
Carlson, L.	Kahn	Nelson, C.	Rest	Williams
Carruthers	Kelly	Nelson, K.	Rice	Winter
Clark	Kelso	Neuenschwander	Sarna	Spk. Vanasek
Cooper	Kinkel	O'Connor	Scheid	
Dauner	Kostohryz	Ogren	Segal	
Dawkins	Krueger	Olson, E.	Simoneau	

The motion did not prevail and the amendment was not adopted.

The Speaker resumed the Chair.

Jaros moved to amend H. F. No. 2651, the first engrossment, as follows:

Page 10, delete lines 22 and 23

Page 10, after line 34, insert:

“(g) Duluth Student Center	10,000,000
(h) Crookston Student Center	4,394,000
(i) Waseca Student Center	3,000,000”

Reletter accordingly

A roll call was requested and properly seconded.

The question was taken on the Jaros amendment and the roll was called. There were 33 yeas and 95 nays as follows:

Those who voted in the affirmative were:

Battaglia	Carlson, D.	Kinkel	Olson, K.	Solberg
Bauerly	Dauner	Lieder	Omann	Tunheim
Begich	Frederick	Marsh	Pellow	Uphus
Bennett	Gutknecht	Munger	Richter	Waltman
Boo	Janezich	Murphy	Rodosovich	Williams
Brown	Jaros	Ogren	Rukavina	
Burger	Kalis	Olson, E.	Seaberg	

Those who voted in the negative were:

Abrams	Gruenes	Lasley	Ostrom	Segal
Anderson, G.	Hartle	Limmer	Otis	Simoneau
Anderson, R.	Hasskamp	Long	Ozment	Skoglund
Beard	Haukoos	Lynch	Pappas	Sparby
Bertram	Hausman	Macklin	Pauly	Stanius
Bishop	Heap	McDonald	Pelowski	Steensma
Blatz	Henry	McGuire	Peterson	Sviggum
Carlson, L.	Hugoson	McLaughlin	Poppenhagen	Swenson
Carruthers	Jacobs	McPherson	Price	Tjornhom
Clark	Jefferson	Milbert	Pugh	Tompkins
Cooper	Jennings	Morrison	Quinn	Trimble
Dawkins	Johnson, R.	Nelson, C.	Reding	Valento
Dempsey	Johnson, V.	Nelson, K.	Rest	Vellenga
Dille	Kahn	Neuenschwander	Rice	Wagenius
Dorn	Kelly	O'Connor	Runbeck	Weaver
Forsythe	Kelso	Olsen, S.	Sarna	Welle
Frerichs	Knickerbocker	Onnen	Schafer	Wenzel
Girard	Kostohryz	Orenstein	Scheid	Winter
Greenfield	Krueger	Osthoff	Schreiber	Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Ozment, Omann, McDonald, Tompkins and Frerichs moved to amend H. F. No. 2651, the first engrossment, as follows:

Page 11, after line 12, insert:

"Sec. 7. WACONIA SCHOOL DISTRICT

A capital loan in an amount not to exceed \$1,484,395 to independent school district No. 110, Waconia, is approved.

Sec. 8. FARMINGTON SCHOOL DISTRICT

A capital loan in an amount not to exceed \$8,153,144 to independent school district No. 192, Farmington, is approved.

Sec. 9. PIERZ SCHOOL DISTRICT

A capital loan in an amount not to exceed \$770,862 to independent school district No. 484, Pierz, is approved.

Sec. 10. DOVER-EYOTA SCHOOL DISTRICT

A capital loan in an amount not to exceed \$4,196,465 to independent school district No. 533, Dover-Eyota, is approved."

Page 14, delete lines 10 and 11

Page 14, delete lines 28 to 33

Page 17, delete lines 17 to 20

Page 17, delete line 31

Renumber the sections in sequence

Reletter all paragraphs accordingly

Correct internal references

A roll call was requested and properly seconded.

The question was taken on the Ozment et al amendment and the roll was called. There were 46 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Bennett	Gruenes	Macklin	Pellow	Tjornhom
Blatz	Gutknecht	Marsh	Poppenhagen	Tompkins
Boo	Hartle	McDonald	Redalen	Uphus
Burger	Haukoos	McPherson	Richter	Valento
Carlson, D.	Heap	Miller	Runbeck	Waltman
Dempsey	Henry	Olsen, S.	Schafer	Wenzel
Forsythe	Hugoson	Omamm	Schreiber	
Frederick	Johnson, V.	Onnen	Seaberg	
Frerichs	Knickerbocker	Ozment	Stanius	
Girard	Limmer	Pauly	Swenson	

Those who voted in the negative were:

Abrams	Dorn	Lasley	Orenstein	Segal
Anderson, G.	Greenfield	Lieder	Osthoff	Simoneau
Anderson, R.	Hasskamp	Long	Ostrom	Skoglund
Battaglia	Hausman	Lynch	Otis	Solberg
Bauerly	Jacobs	McEachern	Pappas	Sparby
Beard	Janezich	McGuire	Pelowski	Steensma
Begich	Jefferson	McLaughlin	Peterson	Sviggum
Bertram	Jennings	Milbert	Price	Trimble
Bishop	Johnson, A.	Munger	Pugh	Tunheim
Brown	Johnson, R.	Murphy	Quinn	Vellenga
Carlson, L.	Kahn	Nelson, C.	Reding	Wagenius
Carruthers	Kalis	Nelson, K.	Rest	Weaver
Clark	Kelly	Neuenschwander	Rice	Welle
Cooper	Kelso	O'Connor	Rodosovich	Williams
Dauner	Kinkel	Ogren	Rukavina	Winter
Dawkins	Kostohryz	Olson, E.	Sarna	Spk. Vanasek
Dille	Krueger	Olson, K.	Scheid	

The motion did not prevail and the amendment was not adopted.

McPherson moved to amend H. F. No. 2651, the first engrossment, as follows:

Page 16, after line 33, insert:

“Subd. 5. For sealing inactive wells on state-owned land 500,000

This appropriation is for sealing inactive wells identified on state-owned land.”

Page 17, line 31, delete “14,580,000” and insert “14,080,000”

Adjust figures accordingly

A roll call was requested and properly seconded.

The question was taken on the McPherson amendment and the roll was called. There were 49 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Bennett	Gutknecht	Limmer	Ozmet	Stanius
Blatz	Hartle	Lynch	Pellow	Sviggum
Boo	Haukoos	Macklin	Poppenhagen	Swenson
Burger	Heap	Marsh	Price	Tjornhom
Dempsey	Henry	McDonald	Redalen	Tompkins
Dille	Himle	McPherson	Richter	Uphus
Frederick	Hugoson	Miller	Runbeck	Valento
Frerichs	Johnson, R.	Olsen, S.	Schafer	Waltman
Girard	Johnson, V.	Omann	Schreiber	Weaver
Gruenes	Knickerbocker	Onnen	Seaberg	

Those who voted in the negative were:

Abrams	Dorn	Lasley	Orenstein	Segal
Anderson, G.	Greenfield	Lieder	Osthoff	Simoneau
Anderson, R.	Hasskamp	Long	Ostrom	Skoglund
Battaglia	Hausman	McEachern	Otis	Solberg
Bauerly	Jacobs	McGuire	Pappas	Sparby
Beard	Janezich	McLaughlin	Pauly	Steensma
Begich	Jaros	Milbert	Pelowski	Trimble
Bertram	Jefferson	Morrison	Peterson	Tunheim
Bishop	Jennings	Munger	Pugh	Vellenga
Brown	Johnson, A.	Murphy	Quinn	Wagenius
Carlson, D.	Kahn	Nelson, C.	Reding	Welle
Carlson, L.	Kalis	Nelson, K.	Rest	Wenzel
Carruthers	Kelly	Neuenschwander	Rice	Williams
Clark	Kelso	O'Connor	Rodosovich	Winter
Cooper	Kinkel	Ogren	Rukavina	Spk. Vanasek
Dauner	Kostohryz	Olson, E.	Sarna	
Dawkins	Krueger	Olson, K.	Scheid	

The motion did not prevail and the amendment was not adopted.

Kostohryz; Kalis; Reding; Tunheim; Anderson, G.; Beard; McEachern; Janezich; Jacobs; Wenzel; O'Connor; Sviggum; Bertram; Ozment; Hartle; Kinkel; Solberg; Redalen and Johnson, V., moved to amend H. F. No. 2651, the first engrossment, as follows:

Page 30, line 15, after "artists" insert "who are veterans who live"

The motion prevailed and the amendment was adopted.

Heap, Solberg and Krueger moved to amend H. F. No. 2651, the first engrossment, as amended, as follows:

Page 13, after line 2, insert:

"(i) Each state agency requesting capital improvement money during the 1991-1993 biennium from the legislature shall provide the information required in paragraphs (j), (k), (l), and (m) to the commissioner of administration on a timely basis. The commissioner of administration shall present it to the legislature at the time capital requests are considered. The commissioner of administration shall collect and present the information so that it is easily comparable among programs within an agency and between agencies.

(j) For requests in 1991, each agency shall identify all repairs, remodeling, and new construction by building location for the ten-year period ending December 31, 1990. For 1992, the agency shall provide the same information for the ten-year period ending December 31, 1991.

(k) Each agency shall report the costs of each project for new construction and remodeling as they relate to the total projected operating expenditures of the requesting agency for the next five years. The department of finance shall develop a means to calculate these costs.

(l) As of July 1, 1990, a requesting agency must identify each item of

equipment that was purchased for \$200 or more that is still in use. Each item of replacement equipment purchased for \$200 or more after June 30, 1990, must be identified, and the date of purchase, duration of normal usage, and a comparison of replacement cost and repair cost must be provided.

(m) A requesting agency must identify each lease of office or other space in which the agency is the lessee as of July 1, 1990. The information must provide the location, the total square feet leased, the cost per square foot, and the owner of the space."

A roll call was requested and properly seconded.

Solberg moved to amend the Heap et al amendment to H. F. No. 2651, the first engrossment, as amended, as follows:

In the Heap et al amendment, Page 2, delete lines 9 to 18

Reletter the remaining paragraph

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Heap et al amendment, as amended, and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Jefferson	McEachern	Ostrom
Anderson, G.	Dempsey	Jennings	McGuire	Otis
Anderson, R.	Dille	Johnson, A.	McLaughlin	Ozment
Battaglia	Dorn	Johnson, R.	McPherson	Pappas
Bauerly	Forsythe	Johnson, V.	Milbert	Pauly
Beard	Frederick	Kahn	Miller	Pellow
Begich	Frerichs	Kalis	Morrison	Pelowski
Bennett	Girard	Kelly	Munger	Peterson
Bertram	Greenfield	Kelso	Murphy	Poppenhagen
Bishop	Gruenes	Knickerbocker	Nelson, C.	Price
Blatz	Gutknecht	Kostohryz	Nelson, K.	Pugh
Boo	Hartle	Krueger	Neuenschwander	Quinn
Brown	Hasskamp	Lasley	Ogren	Redalen
Burger	Haukoos	Lieder	Olsen, S.	Reding
Carlson, D.	Hausman	Limmer	Olson, E.	Rest
Carlson, L.	Heap	Long	Olson, K.	Rice
Carruthers	Henry	Lynch	Omann	Richter
Clark	Himle	Macklin	Onnen	Rodosovich
Cooper	Hugoson	Marsh	Orenstein	Runbeck
Dauner	Jacobs	McDonald	Osthoff	Sarna

Schafer	Skoglund	Swenson	Valento	Wenzel
Scheid	Solberg	Tjornhom	Vellenga	Williams
Schreiber	Sparby	Tompkins	Wagenius	Winter
Seaberg	Stanius	Trimble	Waltman	Spk. Vanasek
Segal	Steensma	Tunheim	Weaver	
Simoneau	Sviggum	Uphus	Welle	

The motion prevailed and the amendment, as amended, was adopted.

H. F. No. 2651, A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature, with certain conditions; authorizing issuance of state bonds; authorizing the commissioner of finance to make certain covenants to the purchasers of certain bonds or certificates of indebtedness; requiring identification of certain accounts; providing for the reduction and cancellation of certain bond sale authorizations; approving capital loans to certain school districts; not approving capital loans to certain school districts; authorizing certain lease-purchase, lease with option to buy, and rental arrangements by the commissioner of administration; appropriating money; amending Minnesota Statutes 1988, sections 16A.641, subdivision 6; 16A.672, by adding a subdivision; 16B.24, subdivisions 5 and 6; 116.18, subdivision 3d; 136.62, by adding a subdivision; 136A.28, subdivisions 3 and 7; 136C.04, subdivision 4; Minnesota Statutes 1989 Supplement, sections 16A.631; 16A.641, subdivision 7; 16A.69, subdivision 1; 16B.335, subdivision 2; Laws 1979, chapter 280, section 2, as amended; Laws 1989, chapter 329, article 5, section 21, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 124; repealing Minnesota Statutes 1988, section 16A.651.

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 21 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Cooper	Hugoson	Kostohryz	Murphy
Anderson, R.	Dawkins	Jacobs	Krueger	Nelson, C.
Battaglia	Dempsey	Janezich	Lasley	Nelson, K.
Bauerly	Dille	Jefferson	Long	O'Connor
Beard	Dorn	Jennings	Lynch	Ogren
Begich	Forsythe	Johnson, A.	Macklin	Olsen, S.
Bennett	Frederick	Johnson, R.	Marsh	Olson, E.
Bertram	Girard	Johnson, V.	McDonald	Olson, K.
Bishop	Greenfield	Kahn	McEachern	Omann
Brown	Gruenes	Kalis	McGuire	Onnen
Carlson, D.	Hartle	Kelly	McLaughlin	Orenstein
Carlson, L.	Hasskamp	Kelso	Milbert	Osthoff
Carruthers	Hausman	Kinkel	Morrison	Ostrom
Clark	Heap	Knickerbocker	Munger	Otis

Ozment	Reding	Schreiber	Swiggum	Weaver
Pappas	Rest	Seaberg	Swenson	Welle
Pelowski	Rice	Segal	Tompkins	Wenzel
Peterson	Richter	Simoneau	Trimble	Williams
Poppenhagen	Rodosovich	Skoglund	Tunheim	Winter
Price	Rukavina	Solberg	Uphus	Spk. Vanasek
Pugh	Sarna	Sparby	Vellenga	
Quinn	Schafer	Stanius	Wagenius	
Redalen	Scheid	Steensma	Waltman	

Those who voted in the negative were:

Abrams	Frerichs	Jaros	Neuenschwander	Valento
Blatz	Gutknecht	Lieder	Pauly	
Boo	Haukoos	Limmer	Pellow	
Burger	Henry	McPherson	Runbeck	
Dauner	Himle	Miller	Tjornhom	

The bill was passed, as amended, and its title agreed to.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2200, A bill for an act relating to education; starting, developing, adding to, clarifying, and financing elementary and secondary and related education programs and services, including those relating to general education, transportation, special programs, drug prevention and other community programs, facilities, programs of cooperation, other aids and levies, and the department of education; providing for technical rate changes; authorizing bonds and tax levies; appropriating money; amending Minnesota Statutes 1988, sections 120.062, subdivision 9, and by adding a subdivision; 121.148; 121.15, subdivisions 1 and 7; 121.88, subdivision 6; 121.882, subdivision 9, and by adding a subdivision; 121.908, subdivision 3; 121.917, subdivision 4; 122.91, by adding a subdivision; 122.93, by adding a subdivision; 122.94, subdivision 5; 123.33, subdivision 1; 123.35, by adding subdivisions; 123.3514, subdivisions 6 and 6b; 123.37, subdivision 1; 123.38, subdivisions 1 and 2b; 123.39, subdivision 6; 123.58, subdivisions 2 and 6; 123.9361; 123.947; 124.14, subdivision 7; 124.195, subdivision 10, and by adding subdivisions; 124.26, by adding a subdivision; 124.2711, subdivision 2; 124.494, by adding a subdivision; 124A.02, subdivision 1; 124A.036, subdivision 5, and by adding a subdivision; 125.185, by adding a subdivision; 125.231, subdivision 6; 125.60, subdivision 2; 126.12, subdivision 2; 126.666, subdivisions 2 and 4; 126.70, subdivision 2a; 129B.53, subdivision 3; 141.25, subdivisions 7 and 9; 181A.04, by adding a subdivision; 181A.12, subdivision 1; 275.125, subdivision 4; and 471.59; subdivision 2; Minnesota Stat-

utes 1989 Supplement, sections 121.111, subdivisions 1 and 2; 121.15, subdivision 2; 121.612, subdivisions 3 and 5; 121.88, subdivision 9; 121.882, subdivision 2; 122.243, subdivision 2; 122.91, subdivisions 1 and 5; 122.92, subdivision 1; 122.94, subdivision 6; 122.945, subdivision 2; 123.58, subdivision 9; 124.10, subdivision 2; 124.155, subdivision 2; 124.19, subdivision 7; 124.225, subdivisions 1, 3a, and 8k; 124.26, subdivisions 7 and 8; 124.2711, subdivisions 1 and 3; 124.2713; 124.2715; 124.2721; 124.2725, subdivision 8, and by adding a subdivision; 124.38, subdivision 7; 124.573, subdivision 2d; 124.83, subdivision 6; 124.90, subdivision 2; 124A.22, subdivision 2a; 126.22, subdivisions 2 and 3; 128B.03, subdivision 4; 129.128; 141.35; 275.125, subdivisions 5c, 5e, 6h, 6i, 8b, 9a, 9b, 9c, 11d, and 18; Minnesota Statutes Second 1989 Supplement, sections 124.2442, subdivision 1; 124.83, subdivisions 1 and 4; 124A.03, subdivision 2; 124A.26, subdivision 1; Laws 1959, chapter 462, section 3, subdivision 10, as renumbered, as amended; Laws 1984, chapter 463, article 6, section 15, subdivision 2; Laws 1988, chapter 718, article 6, section 23; and Laws 1989, chapter 329, article 5, section 21, subdivision 4; article 11, sections 15, subdivisions 2 and 12; 16, subdivision 2; article 12, sections 9, subdivision 2; and 11; proposing coding for new law in Minnesota Statutes, chapters 121; 122; 124; 125; 126; 129B; and 237; proposing coding for new law as Minnesota Statutes, chapter 124B; repealing Minnesota Statutes 1988, sections 121.15, subdivision 4; 124.43, subdivisions 2, 3, 4, 5, and 6; Minnesota Statutes 1989 Supplement, section 124.43, subdivision 1.

Reported the same back with the following amendments:

Page 3 to 6, delete section 3

Page 6, line 23, delete "\$386" and insert "\$376"

Page 6, line 36, delete "6" and insert "5"

Page 16, line 27, delete "any" and after "year" insert "1991"

Page 16, line 28, after "must" insert "not" and delete "in the same manner that special"

Page 16, line 29, delete everything before the period

Page 16, line 36, delete "for previous years"

Page 35, line 10, after "under" insert "section 8"

Page 61, after line 21, insert:

"Sec. 22. [REVERSE REFERENDUM.]

If special school district No. 1, Minneapolis, independent school district No. 625, St. Paul, and independent school district No. 709, Duluth, intend to exercise the authority under sections 14, 16, and 18, respectively, the school district shall pass a resolution stating that fact before January 1, 1991. The resolution must be published for two successive weeks in the official newspaper of the city in which the school district is located, together with a notice fixing a date for a public hearing on the matter. The hearing must be held at least two weeks, but not more than four weeks, after the first publication of the resolution. Following the public hearing, the school district may determine to take no further action, or to adopt a resolution confirming its intent to exercise its authority to issue bonds. That resolution must also be published in the official newspaper of the city in which the school district is located. If within 30 days after publication of the resolution, voters equal in number to eight percent of the votes cast in the school district in the last statewide general election sign a petition requesting a vote on the proposed resolution and file the petition with the county auditor, the resolution is not effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of education shall prepare a suggested form of the question to be presented at the election. The referendum must be held at a special or general election before December 1, 1991."

Page 126, delete lines 5 to 9

Page 131, after line 9, insert:

"Sec. 30. [REPORT TO LEGISLATURE.]

The commissioner of education shall report to the education committees of the legislature by February 1, 1992, concerning the model plans for parental involvement programs developed by the department of education under section 12B.79 and provide in the report recommendations for implementing the plans."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 2, line 5, delete "124A.03, 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.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Long, 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, Monday, March 26, 1990:

H. F. Nos. 2063 and 2086; S. F. No. 1794; H. F. Nos. 2057, 2138, 2148, 2614, 1854, 2434, 2599 and 84; S. F. Nos. 1789 and 2130; H. F. Nos. 2199 and 2458; S. F. Nos. 2127, 1727 and 1920; H. F. No. 1894; and S. F. Nos. 1150, 1739 and 1698.

SPECIAL ORDERS

Long moved that H. F. No. 2199, No. 36 on Special Orders for today, Monday, March 26, 1990, be acted upon immediately. The motion prevailed.

H. F. No. 2199 was reported to the House.

Johnson, R., moved to amend H. F. No. 2199, the first engrossment, as follows:

Page 3, line 7, delete "reviewed" and insert "received"

The motion prevailed and the amendment was adopted.

Johnson, R., moved to amend H. F. No. 2199, the first engrossment, as amended, as follows:

Page 1, after line 39, insert:

"ARTICLE 1**TECHNICAL CORRECTIONS"**

Page 47, after line 4, insert:

"ARTICLE 2**PURCHASE OF PRIOR SERVICE CREDIT**

Section 1. [BUY-BACK OF PRIOR SERVICE CREDIT.]

Subdivision 1. [MILITARY AFFAIRS.] A person who was employed by the department of military affairs between April 14, 1967, and December 31, 1974, may purchase service credit from the Minnesota state retirement system for periods of that employment for which allowable service credit has not been obtained.

Subd. 2. [TEACHER.] A person who earned service credit in the teachers retirement association while employed as a teacher by independent school district No. 701 from 1968 to December of 1971 and has earned service credit in the association while employed as a special education teacher by a school district cooperative since July 1, 1974, may purchase credit for prior service as a teacher while employed by Range Center, Inc., from January 1, 1972, to June 30, 1974.

Subd. 3. [ST. CLOUD CITY COUNCIL.] A person who began service as an elected member of the St. Cloud city council on April 20, 1980, and who began participating in the public employees retirement association on February 19, 1989, may purchase credit for prior service as an elected member of the city council from April 20, 1980, to February 18, 1989.

Subd. 4. [AITKIN COUNTY OFFICIAL.] A member of the public employees retirement association with prior service as an elected county official in Aitkin county between January 4, 1971, and December 31, 1975, may purchase allowable service credit in the association for that period of service.

Subd. 5. [ST. LOUIS PARK.] A person who was born on July 31, 1927, who is the city attorney for the city of Brooklyn Park, and who was a member of the city council for the city of St. Louis Park from January 1, 1960 to January 1, 1968, is entitled to purchase credit from the public employees retirement association for that period of service if not otherwise credited as allowable service by the association.

Subd. 6. [PURCHASE.] Notwithstanding Minnesota Statutes, section 352.01, subdivision 11, any member of the Minnesota state retirement system currently employed by the Willmar Regional Treatment Center who left state service to attend the University of Michigan, Ann Arbor, between February 1966 and April 1968 may obtain allowable service credit for that period.

Subd. 7. [PERA.] A basic member of the public employees retirement association who was employed by the city of White Bear Lake from March 1, 1966 to February 1979, employed by the metropolitan transit commission on February 23, 1979, and who received a reduced salary based on service with the metropolitan transit commission between November 4, 1987 and March 1, 1988, may elect to exclude that service from calculation of the highest five

successive years average salary used to determine the person's annuity from the public employees retirement association.

Subd. 8. [PURCHASE PAYMENT AMOUNT.] To purchase credit for prior service under subdivisions 1 to 6 there must be paid to the applicable fund an amount equal to the present value, on the date of payment, of the amount of the additional retirement annuity obtained by the purchase of the additional service credit. To make an exclusion under subdivision 7, there must be paid to the public employees retirement association an amount equal to the difference in the present value, on the date of payment, of the additional retirement annuity obtained by the exclusion of service between November 4, 1987 and March 1, 1988 from calculation of the highest five successive years average salary. Calculation of this amount must be made using the applicable preretirement interest rate specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the fund. The calculation must assume continuous future service in the association 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. The calculation must also assume a future salary history that 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 shall establish in the records of the fund or association sufficient 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 association.

Subd. 9. [PAYMENT; CREDITING SERVICE.] Payment must be made in one lump sum, unless the executive director of the fund or association 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. The period of allowable service may be credited to the account of the person or the period of service excluded from calculation of the high five only after receipt of full payment by the executive director.

Subd. 10. [OPTIONAL EMPLOYER PARTIAL PAYMENT.] Payment is the obligation of the person entitled to purchase credit for the prior service. However, the current or former employer of a person specified in subdivisions 1 to 7 may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect during the period of prior service applied to the actual salary rates in effect during the period 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. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

ARTICLE 3

OTHER RETIREMENT PROVISIONS

Section 1. Minnesota Statutes 1988, section 3.082, is amended to read:

3.082 [MEMBERS' EMPLOYMENT; CONTINUATION.]

A member of the legislature of the state of Minnesota who held a position, other than a temporary position, in the employ of a private employer in Minnesota at the commencement of service in a legislative session, who applies for reemployment not later than 30 days after the last legislative day in each calendar year, shall be continued in or restored to the position, or to a position of like seniority, status and pay. Retirement benefits under an employer-sponsored pension or retirement plan shall not be reduced because of time spent in legislative service. A private pension or retirement plan may not reduce a retirement benefit otherwise payable to a person because of compensation that the person receives as a member of the legislature.

Sec. 2. Minnesota Statutes 1988, section 352B.01, subdivision 2, is amended to read:

Subd. 2. [MEMBER.] "Member" means:

(a) persons referred to and employed after June 30, 1943, under Laws 1929, chapter 355, as amended or supplemented, currently employed by the state, whose salaries or compensation is paid out of state funds;

(b) a conservation officer employed under section 97A.201, currently employed by the state, whose salary or compensation is paid out of state funds; and

(c) a crime bureau officer who was employed by the crime bureau and was a member of the highway patrolmen's retirement fund on July 1, 1978, whether or not that person has the power of arrest by warrant after that date, or person (1) who is employed by the bureau of criminal apprehension under section 299C.04 as police personnel, with powers of arrest by warrant under section 299C.04, and who is currently employed by the state, and whose salary or compensation is paid out of state funds., (2) who was employed by the bureau of criminal apprehension and was a member of the highway patrolmen's retirement fund on July 1, 1978, whether or not that person

has the power of arrest by warrant after that date, who is currently employed by the department of public safety, and whose salary or compensation is paid out of state funds, or (3) who was employed by the bureau of criminal apprehension and was a member of the highway patrolmen's retirement fund on July 1, 1978, who has powers of arrest by warrant, who is currently employed by the department of public safety, and whose salary or compensation is paid out of state funds.

Sec. 3. Laws 1989, chapter 319, article 17, section 18, is amended to read:

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 15 and 17 are effective July 1, 1989. Section 16 is effective May 29, 1989.

Sec. 4. [MOOSE LAKE FIREFIGHTER RELIEF ASSOCIATION ASSETS.]

Notwithstanding the requirements of Minnesota Statutes, section 424A.02 or any other law, for firefighters' relief association purposes the Moose Lake area fire protection district must be treated as a continuation of the fire department of the city of Moose Lake. Assets of the Moose Lake fire department relief association must be transferred to a relief association now or hereafter established by the district and service of transferred members must be considered continuous for purpose of computing retirement benefits.

Sec. 5. [SURVIVOR BENEFIT COVERAGE IN CERTAIN INSTANCES.]

The surviving spouse of a former state employee who was employed as a correction officer at the St. Cloud state reformatory, who was born on February 25, 1905, and who died on June 14, 1970 is entitled to the surviving spouse benefit specified in Minnesota Statutes 1971, section 352.12, subdivision 2, notwithstanding that the date of death occurred a few months before the April 30, 1971 date of enactment of that provision and that a refund was paid under Minnesota Statutes 1969, section 352.12, subdivision 1. The surviving spouse benefit accrues on the first day of the month next following the date of enactment of this section and is payable upon an application filed with the executive director of the Minnesota state retirement system. The surviving spouse benefit is payable from the correctional employees retirement fund.

Sec. 6. [MAXIMUM SERVICE PENSION AMOUNT.] Notwithstanding Minnesota Statutes, section 424A.02, subdivision 3, the Minnetonka Volunteer Firefighter Relief Association may pay a

maximum service pension amount of \$30 per month per year of service.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment. Section 3 is retroactive to May 29, 1989. Section 6 is effective upon approval by the governing body of the city of Minnetonka and upon compliance with Minnesota Statutes, section 645.021, subdivision 3."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "authorizing certain purchases of prior service credit; forbidding certain reductions in retirement benefits; providing that certain persons are members of the state troopers retirement plan; changing the effective date of a provision governing surviving spouse benefits from the public employees retirement association; providing survivor benefits to certain spouses of deceased former corrections employees; clarifying the status of certain volunteer firefighter relief associations; increasing maximum service pension for the Minnetonka volunteer firefighter relief association;"

Page 1, line 6, after "sections" insert "3.082;"

Page 1, line 7, after the first semicolon, insert "352B.01, subdivision 2;"

Page 1, line 30, after the semicolon, insert "amending Minnesota Statutes 1988, sections 3.082; and 352B.01, subdivision 2; Laws 1989, chapter 319, article 17, section 18;"

Himle moved to amend the Johnson, R., amendment to H. F. No. 2199, the first engrossment, as amended, as follows:

In the Johnson, R., amendment, Page 4, delete lines 3 to 18

Renumber the remaining sections

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Johnson, R., amendment, as amended, to H. F. No. 2199, the first engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

H. F. No. 2199, A bill for an act relating to retirement; making a variety of technical changes in the laws governing benefits and administration of various statewide and local public pension plans; authorizing certain purchases of prior service credit; forbidding certain reductions in retirement benefits; providing that certain persons are members of the state troopers retirement plan; changing the effective date of a provision governing surviving spouse benefits from the public employees retirement association; providing survivor benefits to certain spouses of deceased former corrections employees; clarifying the status of certain volunteer firefighter relief associations; increasing maximum service pension for the Minnetonka volunteer firefighter relief association; amending Minnesota Statutes 1988, sections 3A.03, subdivision 2; 352.73, by adding a subdivision; 352B.01, subdivision 2; 352B.11, subdivision 4; 352C.09, subdivision 2; 352D.05, subdivision 3; 354.05, subdivision 13; 354.07, subdivision 4; 354.146, subdivision 1; 354.42, subdivisions 2 and 3; 354.46, subdivision 1; 354.52, subdivision 2; 354.55, subdivision 19; 356.302, subdivisions 3 and 4; Minnesota Statutes 1989 Supplement, sections 352.01, subdivision 25; 352.031, subdivisions 2, 3, and by adding a subdivision; 352.115, subdivision 3; 352.116, subdivisions 1, 1a, and by adding a subdivision; 352.93, subdivisions 2a and 3; 352B.08, subdivisions 2a and 3; 352B.11, subdivision 2; 353.01, subdivision 37; 353.29, subdivision 3; 353.30; 353.651, subdivision 4; 354.05, subdivision 38; 354.071, subdivisions 2, 3, and by adding a subdivision; 354.44, subdivision 6; 354.45, subdivision 1a; 354.46, subdivision 2; 354.47, subdivision 1; 354.48, subdivision 3; 354.49, subdivisions 2 and 3; 354.50, subdivision 5; 354.55, subdivision 11; 354.65; 354.66, subdivision 2; 354A.011, subdivision 15a; 354A.095; 354A.31, subdivisions 4, 6, and 7; 354A.32, subdivisions 1 and 1a; 354B.02, subdivisions 2 and 3; 354B.03, subdivisions 1 and 3; 356.371, subdivision 3; 356.86, subdivisions 2, 4, 5, and 6; Laws 1989, chapter 319, article 17, section 18; Laws 1989, chapter 319, article 19, section 7, subdivision 4; repealing Minnesota Statutes 1988, sections 11A.19, subdivisions 1 to 8; 354.05, subdivisions 23, 24, 33, and 34; 354.146, subdivision 2; and 354.62, subdivisions 1, 3, 4, 5, and 6; Minnesota Statutes 1989 Supplement, sections 11A.19, subdivision 9; 353.87, subdivision 5; 354.44, subdivision 7; and 354.62, subdivisions 2 and 7.

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:

Abrams	Bauerly	Bertram	Burger	Clark
Anderson, G.	Beard	Blatz	Carlson, D.	Cooper
Anderson, R.	Begich	Boo	Carlson, L.	Dauner
Battaglia	Bennett	Brown	Carruthers	Dawkins

Dempsey	Jennings	McPherson	Pellow	Solberg
Dille	Johnson, A.	Milbert	Pelowski	Sparby
Dorn	Johnson, R.	Miller	Peterson	Stanius
Forsythe	Johnson, V.	Morrison	Poppenhagen	Steensma
Frederick	Kahn	Munger	Price	Svigum
Frerichs	Kalis	Murphy	Pugh	Swenson
Girard	Kelso	Nelson, C.	Quinn	Tjornhom
Greenfield	Kinkel	Nelson, K.	Redalen	Tompkins
Gruenes	Knickerbocker	Neuenschwander	Reding	Trimble
Gutknecht	Kostohryz	O'Connor	Rest	Tunheim
Hartle	Krueger	Ogren	Rice	Uphus
Hasskamp	Lasley	Olsen, S.	Richter	Valento
Haukoos	Lieder	Olson, E.	Rodosovich	Vellenga
Hausman	Limmer	Olson, K.	Rukavina	Wagenius
Heap	Long	Omann	Runbeck	Waltman
Henry	Lynch	Onnen	Sarna	Weaver
Himle	Macklin	Orenstein	Schafer	Welle
Hugoson	Marsh	Ostrom	Schreiber	Wenzel
Jacobs	McDonald	Otis	Seaberg	Williams
Janezich	McEachern	Ozment	Segal	Winter
Jaros	McGuire	Pappas	Simoneau	Spk. Vanasek
Jefferson	McLaughlin	Pauly	Skoglund	

The bill was passed, as amended, and its title agreed to.

Long moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Long moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Trimble moved that the name of Kelly be added as an author on H. F. No. 2346. The motion prevailed.

Skoglund moved that the names of Johnson, A.; Wagenius; Winter and Steensma be added as authors on H. F. No. 2474. The motion prevailed.

Sarna moved that the name of Olsen, S., be added as an author on H. F. No. 2721. The motion prevailed.

Pappas moved that H. F. No. 1884, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Dawkins moved that H. F. No. 160 be returned to its author. The motion prevailed.

Dawkins moved that H. F. No. 2301 be returned to its author. The motion prevailed.

Valento moved that H. F. No. 2357 be returned to its author. The motion prevailed.

Abrams moved that H. F. No. 2359 be returned to its author. The motion prevailed.

Quinn moved that H. F. No. 2491 be returned to its author. The motion prevailed.

Blatz moved that H. F. No. 2740 be returned to its author. The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 1:30 p.m., Tuesday, March 27, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:30 p.m., Tuesday, March 27, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives