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LEGISLATURE

STATE OF MINNESOTA

1990

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STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SEVENTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, MARCH 27, 1990

The House of Representatives convened at 1:30 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 roll was called and the following members were present:

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	McLaughlin	Poppenhagen	Tompkins
Brown	Jacobs	McPherson	Price	Trimble
Burger	Janezich	Milbert	Pugh	Tunheim
Carlson, D.	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	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	Schreiber	

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. Frederick 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. 2478, 2651 and 2199 and S. F. Nos. 2412, 2109, 2026, 2355, 2498, 2068, 2431, 1365, 1971, 394, 1955, 1866, 2445, 2108, 2181, 409, 1743, 1995, 2064, 2360, 2421, 2072, 2349, 2147, 2297, 1681, 1499, 2541, 1937, 1703, 2063, 1976, 1975, 1869, 1675, 1966, 1772, 1946, 2011, 2054 and 1704 have been placed in the members' files.

S. F. No. 394 and H. F. No. 168, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jaros moved that the rules be so far suspended that S. F. No. 394 be substituted for H. F. No. 168 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 409 and H. F. No. 367, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

McLaughlin moved that the rules be so far suspended that S. F. No. 409 be substituted for H. F. No. 367 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1365 and H. F. No. 1561, 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. 1365 be substituted for H. F. No. 1561 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1499 and H. F. No. 1234, 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. 1499 be substituted for H. F. No. 1234 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1703 and H. F. No. 2709, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Trimble moved that the rules be so far suspended that S. F. No. 1703 be substituted for H. F. No. 2709 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1704 and H. F. No. 2351, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

McGuire moved that the rules be so far suspended that S. F. No. 1704 be substituted for H. F. No. 2351 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1743 and H. F. No. 2327, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jacobs moved that the rules be so far suspended that S. F. No. 1743 be substituted for H. F. No. 2327 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1772 and H. F. No. 1879, 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. 1772 be substituted for H. F. No. 1879 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1869 and H. F. No. 2398, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Beard moved that the rules be so far suspended that S. F. No. 1869 be substituted for H. F. No. 2398 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1946 and H. F. No. 2658, 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. 1946 be substituted for H. F. No. 2658 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1955 and H. F. No. 1924, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Dawkins moved that S. F. No. 1955 be substituted for H. F. No. 1924 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1966 and H. F. No. 2144, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Girard moved that the rules be so far suspended that S. F. No. 1966 be substituted for H. F. No. 2144 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1971 and H. F. No. 2016, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Swenson moved that the rules be so far suspended that S. F. No. 1971 be substituted for H. F. No. 2016 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1995 and H. F. No. 1902, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Peterson moved that the rules be so far suspended that S. F. No. 1995 be substituted for H. F. No. 1902 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2026 and H. F. No. 1930, 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. 2026 be substituted for H. F. No. 1930 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2064 and H. F. No. 2243, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Scheid moved that S. F. No. 2064 be substituted for H. F. No. 2243 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2068 and H. F. No. 2249, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Carruthers moved that S. F. No. 2068 be substituted for H. F. No. 2249 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2072 and H. F. No. 2220, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Milbert moved that the rules be so far suspended that S. F. No. 2072 be substituted for H. F. No. 2220 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2108 and H. F. No. 2076, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jacobs moved that the rules be so far suspended that S. F. No. 2108 be substituted for H. F. No. 2076 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2109 and H. F. No. 2499, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Carruthers moved that S. F. No. 2109 be substituted for H. F. No. 2499 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2147 and H. F. No. 2211, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Cooper moved that the rules be so far suspended that S. F. No. 2147 be substituted for H. F. No. 2211 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2181 and H. F. No. 2248, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Dawkins moved that the rules be so far suspended that S. F. No. 2181 be substituted for H. F. No. 2248 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2349 and H. F. No. 2735, 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. 2349 be substituted for H. F. No. 2735 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2355 and H. F. No. 2184, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Wagenius moved that S. F. No. 2355 be substituted for H. F. No. 2184 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2360 and H. F. No. 2534, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Otis moved that the rules be so far suspended that S. F. No. 2360 be substituted for H. F. No. 2534 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2412 and H. F. No. 2489, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Simoneau moved that S. F. No. 2412 be substituted for H. F. No. 2489 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2421 and H. F. No. 2325, 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. 2421 be substituted for H. F. No. 2325 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2431 and H. F. No. 2105, 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. 2431 be substituted for H. F. No. 2105 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2445 and H. F. No. 2628, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Sparby moved that the rules be so far suspended that S. F. No. 2445 be substituted for H. F. No. 2628 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2498 and H. F. No. 2252, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Kelso moved that the rules be so far suspended that S. F. No. 2498 be substituted for H. F. No. 2252 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2541 and H. F. No. 1784, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Dempsey moved that S. F. No. 2541 be substituted for H. F. No. 1784 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1990 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the

Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 1990</i>	<i>Date Filed 1990</i>
1947		357	15:44-March 21	March 22

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 23, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House File:

H. F. No. 1555, relating to fees; providing for fees charged by county recorder.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of

the 1990 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 1990</i>	<i>Date Filed 1990</i>
	1555	358	15:31-March 23	March 23
956		359	15:30-March 23	March 23

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

SECOND READING OF SENATE BILLS

S. F. Nos. 394, 409, 1365, 1499, 1703, 1704, 1743, 1772, 1869, 1946, 1955, 1966, 1971, 1995, 2026, 2064, 2068, 2072, 2108, 2109, 2147, 2181, 2349, 2355, 2360, 2412, 2421, 2431, 2445, 2498 and 2541 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Munger, Marsh, Winter, Redalen and Bauerly introduced:

H. F. No. 2804, A bill for an act relating to finance; appropriating money for wetlands mapping and digitization.

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

Osthoff introduced:

H. F. No. 2805, 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.

Rice introduced:

H. F. No. 2806, A bill for an act relating to veterans; authorizing certain veterans to receive state educational assistance; amending Minnesota Statutes 1988, section 197.75, subdivision 2.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 2156, A bill for an act relating to counties; regulating performance bonds; amending Minnesota Statutes 1988, section 375.21, subdivision 1.

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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 60.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 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.

March 14, 1990

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 60, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 60 be further amended as follows:

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. [473.877 s. 4]

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. [473.877 s. 5]

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. [103F460] [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. [40.42 s. 8]

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. [40.42 s. 6a, 9]"

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 435, line 26, delete the second "9" and insert "10"

Page 435, line 28, delete the first "9" and insert "10"

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 40~~ 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 454, line 24, after “9” insert “, section 10, subdivision 6”

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 re-

sources 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."

Page 459, line 25, before "RELOCATION" insert "RECODIFICATION AND"

Page 462, line 10, before "WATERCRAFT" insert "YOUTH"

Page 462, line 20, delete "YOUTH"

Page 463, line 25, after the period insert "[361.07]"

Page 470, line 23, after "12" insert "; 361.02 s. 7"

Page 470, line 27, delete "361.02" and insert "361.03"

Page 477, line 4, delete "40" and insert "39"

Page 485, line 23, delete "name and address" and insert "names and addresses"

Page 489, after line 5, insert:

"Subd. 7. [WATERCRAFT SURCHARGE.] A surcharge of \$2 is placed on each watercraft licensed under subdivisions 1 to 6, that is 17 feet in length or longer, for management of purple loosestrife and Eurasian water milfoil according to law."

Page 489, line 6, delete "7" and insert "8"

Page 489, line 12, delete "8" and insert "9"

Page 489, line 15, delete "9" and insert "10"

Page 490, line 8, delete "monohulled"

Page 490, line 9, delete "less than" and after "feet" insert "or less"

Page 496, line 2, delete the first "subdivision" and insert "subdivisions 1 and" and delete "this subdivision"

Page 498, line 22, delete "or"

Page 498, line 23, after the comma insert "or section 20,"

Page 499, line 7, delete "1990" and insert "1991"

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 10 are not affected by the recodification. The revisor of statutes shall publish the statutory derivation of the laws recodified by articles 1 to 10 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 10."

Page 499, line 16, before "The" insert "(a)"

Page 499, after line 21, insert:

"(b) In the next edition of Minnesota Statutes, the revisor of statutes shall renumber the sections in Column A with the numbers in Column B.

Column A

361A.01
361A.02
361A.03
361A.04
361A.05
361A.06
361A.07
361A.08
361A.09
361A.10
361A.11
361A.12
361A.13

Column B

86B.820
86B.825
86B.830
86B.835
86B.840
86B.845
86B.850
86B.855
86B.860
86B.865
86B.870
86B.875
86B.880

<u>361A.14</u>	<u>86B.885</u>
<u>361A.15</u>	<u>86B.890</u>
<u>361A.16</u>	<u>86B.895</u>
<u>361A.17</u>	<u>86B.900</u>
<u>361A.18</u>	<u>86B.905</u>
<u>361A.19</u>	<u>86B.910</u>
<u>361A.20</u>	<u>86B.915</u>
<u>361A.21</u>	<u>86B.920</u>

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 10, 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;"

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

We request adoption of this report and repassage of the bill.

Senate Conferees: GARY M. DECramer, GENE MERRIAM AND DENNIS R. FREDERICKSON.

House Conferees: STEVE DILLE, LEN PRICE AND LOREN G. JENNINGS.

Dille moved that the report of the Conference Committee on S. F. No. 60 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Carruthers	Hasskamp	Kelly	McLaughlin
Anderson, G.	Clark	Hausman	Kelso	McPherson
Anderson, R.	Cooper	Heap	Kinkel	Milbert
Battaglia	Dauner	Henry	Knickerbocker	Miller
Bauerly	Dawkins	Himle	Kostohryz	Morrison
Beard	Dempsey	Hugoson	Krueger	Munger
Begich	Dille	Jacobs	Lasley	Murphy
Bennett	Dorn	Janezich	Lieder	Nelson, C.
Bertram	Forsythe	Jaros	Limmer	Nelson, K.
Bishop	Frederick	Jefferson	Long	Neuenschwander
Blatz	Frerichs	Jennings	Lynch	O'Connor
Boo	Girard	Johnson, A.	Macklin	Ogren
Brown	Greenfield	Johnson, R.	Marsh	Olsen, S.
Burger	Gruenes	Johnson, V.	McDonald	Olson, E.
Carlson, D.	Gutknecht	Kahn	McEachern	Olson, K.
Carlson, L.	Hartle	Kalis	McGuire	Omann

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
Pellow	Richter	Skoglund	Uphus	
Pelowski	Rodosovich	Solberg	Valento	
Peterson	Rukavina	Sparby	Vellenga	

The bill was repassed, as amended by Conference, and its title agreed to.

Mr. Speaker:

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

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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Lieder moved that the House refuse to concur in the Senate amendments to H. F. No. 1857, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 1846, A bill for an act relating to 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Wagenius moved that the House refuse to concur in the Senate amendments to H. F. No. 1846, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the 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. 2135, A bill for an act relating to Anoka county; authorizing the sale or exchange of certain land.

PATRICK E. FLAHAVEN, Secretary of the Senate

Quinn moved that the House refuse to concur in the Senate amendments to H. F. No. 2135, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

McEachern moved that the House concur in the Senate amendments to H. F. No. 1989 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1989, A bill for an act relating to 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, 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 132 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	Hartle	Long	Otis	Solberg
Bauerly	Hasskamp	Lynch	Ozment	Sparby
Beard	Haukoos	Macklin	Pappas	Stanius
Begich	Hausman	Marsh	Pauly	Steensma
Bennett	Heap	McDonald	Pellow	Svigum
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
Dille	Kelso	Olsen, S.	Sarna	Winter
Dorn	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Forsythe	Knickerbocker	Olson, K.	Scheid	
Frederick	Kostohryz	Omann	Schreiber	
Frerichs	Krueger	Onnen	Seaberg	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Trimble moved that the House concur in the Senate amendments

to H. F. No. 1067 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1067, A bill for an act relating to education; providing for students on HECB advisory groups if requested; 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, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Winter moved that the House concur in the Senate amendments to H. F. No. 2242 and that the bill be repassed as amended by the Senate. The motion prevailed.

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, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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	McLaughlin	Poppenhagen	Tompkins
Brown	Jacobs	McPherson	Price	Trimble
Burger	Janezich	Milbert	Pugh	Tunheim
Carlson, D.	Jaros	Miller	Quinn	Uphus
Carlson, L.	Jefferson	Morrison	Redalen	Valento
Carruthers	Jennings	Munger	Reding	Vellenga
Clark	Johnson, A.	Murphy	Rest	Wagemus
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	
Frerichs	Kostohryz	Omman	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. 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.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bertram moved that the House concur in the Senate amendments to H. F. No. 2018 and that the bill be repassed as amended by the Senate. The motion prevailed.

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, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Simoneau	Steensma	Trimble	Wagenius	Williams
Skoglund	Sviggum	Tunheim	Waltman	Winter
Solberg	Swenson	Uphus	Weaver	Spk. Vanasek
Sparby	Tjornhom	Valento	Welle	
Stanius	Tompkins	Vellenga	Wenzel	

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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Dempsey moved that the House concur in the Senate amendments to H. F. No. 1785 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1785, A bill for an act relating to real property; providing for plat monuments; imposing a penalty; amending Minnesota Statutes 1988, section 505.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 505.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Boo	Dille	Haukoos	Johnson, A.
Anderson, G.	Brown	Dorn	Hausman	Johnson, R.
Anderson, R.	Burger	Forsythe	Heap	Johnson, V.
Battaglia	Carlson, D.	Frederick	Henry	Kahn
Bauerly	Carlson, L.	Frerichs	Himle	Kalis
Beard	Carruthers	Girard	Hugoson	Kelly
Begich	Clark	Greenfield	Jacobs	Kelso
Bennett	Cooper	Gruenes	Janezich	Kinkel
Bertram	Dauner	Gutknecht	Jaros	Knickerbocker
Bishop	Dawkins	Hartle	Jefferson	Kostohryz
Blatz	Dempsey	Hasskamp	Jennings	Krueger

Lasley	Murphy	Pappas	Runbeck	Tompkins
Lieder	Nelson, C.	Pauly	Sarna	Trimble
Limmer	Nelson, K.	Pellow	Schafer	Tunheim
Long	Neuenschwander	Pelowski	Scheid	Uphus
Lynch	O'Connor	Peterson	Schreiber	Valento
Macklin	Ogren	Poppenhagen	Seaberg	Vellenga
Marsh	Olsen, S.	Price	Segal	Wagenius
McDonald	Olsen, E.	Pugh	Simoneau	Waltman
McEachern	Olson, K.	Quinn	Skoglund	Weaver
McGuire	Omann	Redalen	Solberg	Welle
McLaughlin	Onnen	Reding	Sparby	Wenzel
McPherson	Orenstein	Rest	Stanius	Williams
Milbert	Osthoff	Rice	Steensma	Winter
Miller	Ostrom	Richter	Sviggum	Spk. Vanasek
Morrison	Otis	Rodosovich	Swenson	
Munger	Ozment	Rukavina	Tjornhom	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

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

H. F. No. 2002, A bill for an act relating to veterans; changing a provision prohibiting cemeteries near veterans homes; amending Minnesota Statutes 1988, section 137.20.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Beard moved that the House concur in the Senate amendments to H. F. No. 2002 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2002, A bill for an act relating to veterans; repealing provisions prohibiting cemeteries near veterans home and university; repealing Minnesota Statutes 1988, sections 137.20 and 137.21.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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	McLaughlin	Poppenhagen	Tompkins
Brown	Jacobs	McPherson	Price	Trimble
Burger	Janezich	Milbert	Pugh	Tunheim
Carlson, D.	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	Neuenschwander	Rodosovich	Welle
Dempsey	Kalis	O'Connor	Rukayina	Wenzel
Dille	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	

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. 2174, 2317, 2318, 1873, 2132, 2564, 1725, 2089 and 2134.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2174, A bill for an act relating to public lands; providing payments in lieu of taxes for certain federal land leased to the state; amending Minnesota Statutes 1988, sections 477A.11, subdivision 4; and 477A.13.

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

S. F. No. 2317, A bill for an act relating to utilities; providing for

the assessment of expenses for adjudicating service area disputes to municipal electric utilities; providing for civil penalties for violations of chapter 237; reestablishing the position of program administrator of the telecommunications access for communication-impaired persons board; extending the electric utility service area task force until 1992; requiring a study; appropriating money; amending Minnesota Statutes 1988, sections 216B.62, subdivision 5; and 237.51, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 237.

The bill was read for the first time.

Jacobs moved that S. F. No. 2317 and H. F. No. 2075, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2318, A bill for an act relating to education; clarifying that statutes governing aversive and deprivation procedures apply to handicapped pupils; requiring that rules of the state board of education contain a list of prohibited procedures; amending Minnesota Statutes 1988, sections 127.43, subdivision 1; and 127.44.

The bill was read for the first time.

Wagenius moved that S. F. No. 2318 and H. F. No. 2605, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1873, 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, sections 611A.53, subdivision 2; and 611A.57, subdivision 6; Minnesota Statutes 1989 Supplement, sections 13.84, subdivision 5a; 260.161, subdivision 2; 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.

Seaberg moved that S. F. No. 1873 and H. F. No. 2063, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2132, 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 609.87, subdivisions 3 and 5; Minnesota Statutes 1989 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 237 and 609; repealing Minnesota Statutes 1988, section 609.785.

The bill was read for the first time.

Peterson moved that S. F. No. 2132 and H. F. No. 2222, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2564, A bill for an act relating to criminal sexual conduct; 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.

Ozment moved that S. F. No. 2564 and H. F. No. 2077, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1725, A bill for an act relating to the environment; changing the fund balances required to impose the fee and the collection period of the fee; changing the terms for reimbursement of petroleum tank release costs by the petroleum tank release compensation board; providing certain tank facilities and refineries are ineligible for reimbursement; 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.

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

S. F. No. 2089, A bill for an act relating to crime; clarifying that terroristic threats include those made indirectly; amending Minnesota Statutes 1988, section 609.713, subdivision 1.

The bill was read for the first time.

Nelson, K., moved that S. F. No. 2089 and H. F. No. 2434, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2134, A bill for an act relating to crime; imposing

penalties on persons who commit a gross misdemeanor or felony while wearing or possessing a bullet-resistant vest; permitting summary forfeiture of weapons used to commit a controlled substance offense; permitting summary forfeiture of bullet-resistant vests worn or possessed during the commission of a crime; increasing the penalty for furnishing firearms to a minor, intentionally discharging a firearm under circumstances that endanger another, and selling a firearm with a silencer; clarifying that ammunition manufacturers and federally licensed dealers may sell to government agencies; amending Minnesota Statutes 1988, sections 609.5316, subdivision 3; 609.66, subdivision 1, and by adding a subdivision; and 609.67, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time.

Kelly moved that S. F. No. 2134 and H. F. No. 2086, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

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 third 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	Cooper	Henry	Krueger	Nelson, C.
Anderson, G.	Dauner	Himle	Lasley	Nelson, K.
Anderson, R.	Dawkins	Hugoson	Lieder	Neuenschwander
Battaglia	Dempsey	Jacobs	Limmer	O'Connor
Bauerly	Dille	Janezich	Long	Ogren
Beard	Dorn	Jaros	Lynch	Olsen, S.
Begich	Forsythe	Jefferson	Macklin	Olson, E.
Bennett	Frederick	Jennings	Marsh	Olson, K.
Bertram	Frerichs	Johnson, A.	McDonald	Omamm
Bishop	Girard	Johnson, R.	McEachern	Onnen
Blatz	Greenfield	Johnson, V.	McGuire	Orenstein
Boo	Gruenes	Kahn	McLaughlin	Osthoff
Brown	Gutknecht	Kalis	McPherson	Ostrom
Burger	Hartle	Kelly	Milbert	Otis
Carlson, D.	Hasskamp	Kelso	Miller	Ozment
Carlson, L.	Haukoos	Kinkel	Morrison	Pappas
Carruthers	Hausman	Knickerbocker	Munger	Pauly
Clark	Heap	Kostohryz	Murphy	Pellow

Pelowski	Rice	Seaberg	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.

S. F. No. 2432 was reported to the House.

Blatz moved to amend S. F. No. 2432, as follows:

Page 2, line 23, before "by law" insert "in writing"

Page 2, line 25, after "or" delete "clause"

Page 2, line 26, before "misdemeanor" delete "gross"

The motion prevailed and the amendment was adopted.

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 third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Carlson, L.	Gutknecht	Johnson, R.	Macklin
Anderson, G.	Carruthers	Hartle	Johnson, V.	Marsh
Anderson, R.	Clark	Hasskamp	Kahn	McDonald
Battaglia	Cooper	Haukoos	Kalis	McEachern
Bauerly	Dauner	Hausman	Kelly	McGuire
Beard	Dawkins	Heap	Kelso	McLaughlin
Begich	Dempsey	Henry	Kinkel	McPherson
Bennett	Dille	Himle	Knickerbocker	Milbert
Bertram	Dorn	Hugoson	Kostohryz	Miller
Bishop	Forsythe	Jacobs	Krueger	Morrison
Blatz	Frederick	Janezich	Lasley	Munger
Boo	Frerichs	Jaros	Lieder	Murphy
Brown	Girard	Jefferson	Limmer	Nelson, C.
Burger	Greenfield	Jennings	Long	Nelson, K.
Carlson, D.	Gruenes	Johnson, A.	Lynch	Neuenschwander

O'Connor	Pappas	Rice	Skoglund	Valento
Ogren	Pauly	Richter	Solberg	Wagenius
Olsen, S.	Pellow	Rodosovich	Sparby	Waltman
Olson, E.	Pelowski	Rukavina	Stanius	Weaver
Olson, K.	Peterson	Runbeck	Steensma	Welle
Omann	Poppenhagen	Sarna	Sviggum	Wenzel
Onnen	Price	Schafer	Swenson	Williams
Orenstein	Pugh	Scheid	Tjornhom	Winter
Osthoff	Quinn	Schreiber	Tompkins	Spk. Vanasek
Ostrom	Redalen	Seaberg	Trimble	
Otis	Reding	Segal	Tunheim	
Ozment	Rest	Simoneau	Uphus	

The bill was passed, as amended, 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 bill as Special Orders to be acted upon immediately preceding Special Orders pending for today, Tuesday, March 27, 1990:

H. F. No. 2478.

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.

SPECIAL ORDERS

H. F. No. 2478 was reported to the House.

The Speaker called Quinn to the Chair.

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

Ogren moved to amend H. F. No. 2478, the first engrossment, as follows:

Page 78, line 27, delete "Windom" and insert "Jackson"

Page 185, line 1, after the period insert "Sections 8 and 9 are effective for purchases after December 31, 1990."

The motion prevailed and the amendment was adopted.

Orenstein moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Page 169, after line 24, insert:

"Sec. 7. Minnesota Statutes 1988, section 279.06, is amended to read:

279.06 [COPY OF LIST AND NOTICE.]

Subdivision 1. [LIST AND NOTICE.] Within five days after the filing of such list, the court administrator shall return a copy thereof to the county auditor, with a notice prepared and signed by the court administrator, and attached thereto, which may be substantially in the following form:

State of Minnesota)
) ss.
County of)
District Court
..... Judicial District.

The state of Minnesota, to all persons, companies, or corporations who have or claim any estate, right, title, or interest in, claim to, or lien upon, any of the several parcels of land described in the list hereto attached:

The list of taxes and penalties on real property for the county of remaining delinquent on the first Monday in January, 19, has been filed in the office of the court administrator of the district court of said county, of which that hereto attached is a copy. Therefore, you, and each of you, are hereby required to file in the office of said court administrator, on or before the 20th day after the publication of this notice and list, your answer, in writing, setting forth any objection or defense you may have to the taxes, or any part thereof, upon any parcel of land described in the list, in, to, or on which you have or claim any estate, right, title, interest, claim, or lien, and, in default thereof, judgment will be entered against such parcel of land for the taxes on such list appearing against it, and for all penalties, interest, and costs. Based upon said judgment, the land shall be sold to the state of Minnesota on the second Monday in May, 19 . . . 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 all other lands sold to the state at a tax judgment sale shall be five years from the date of sale.

Inquiries as to the proceedings set forth above can be made to the county auditor of county whose address is

(Signed)

Court Administrator of the District Court of the County
of

(Here insert list.)

The list referred to in the notice shall be substantially in the following form:

List of real property for the county of,
on which taxes remain delinquent on the first Monday in January,
19 :

Town of (Fairfield),
Township (40), Range (20),

**Names (and
Current Filed
Addresses) for
the Taxpayers
and Fee Owners
and in Addition
Those Parties
Who Have Filed
Their Addresses
Pursuant to
section 276.041**

	Subdivision of Section	Section	Tax Parcel Number	Total Tax and Penalty \$ cts.
John Jones (825 Fremont Fairfield, MN 55000)	S.E. ¼ of S.W. ¼	10	23101	2.20

Bruce Smith
(2059 Hand
Fairfield,
MN 55000)
and
Fairfield
State Bank
(100 Main
Street
Fairfield,
MN 55000)

That part of N.E. 1/4
of S.W. 1/4 desc. as
follows: Beg. at the
S.E. corner of said
N.E. 1/4 of S.W. 1/4;
thence N. along the E.
line of said N.E. 1/4
of S.W. 1/4 a distance
of 600 ft.; thence W.
parallel with the S.
line of said N.E. 1/4 of
S.W. 1/4 a distance of
600 ft.; thence S.
parallel with said E.
line a distance of 600
ft. to S. line of said
N.E. 1/4 of S.W. 1/4;
thence E. along said S.
line a distance of 600
ft. to the point of beg.

..... 21 33211 3.15

As to platted property, the form of heading shall conform to circumstances and be substantially in the following form:

City of (Smithtown)

Brown's Addition, or Subdivision

Names (and
Current Filed
Addresses) for
the Taxpayers
and Fee Owners
and in Addition
Those Parties
Who have Filed
Their Addresses
Pursuant to
section 276.041

Lot

Block

Tax
Parcel
Number

Total
Tax and
Penalty
\$ cts

John Jones
(825 Fremont
Fairfield,
MN 55000)

15

9

58243

2.20

Bruce Smith (2059 Hand Fairfield, MN 55000) and Fairfield State Bank (100 Main Street Fairfield, MN 55000)	16	9	58244	3.15
---	----	---	-------	------

The names, descriptions, and figures employed in parentheses in the above forms are merely for purposes of illustration.

The name of the town, township, range or city, and addition or subdivision, as the case may be, shall be repeated at the head of each column of the printed lists as brought forward from the preceding column.

Errors in the list shall not be deemed to be a material defect to affect the validity of the judgment and sale.

Subd. 2. [FORM OF LIST AND NOTICE.] Notwithstanding the provisions of subdivision 1, the commissioner of revenue shall prescribe the form of the list and notice required under subdivision 1. The form shall contain the information required under subdivision 1, but shall be organized and presented in a manner easily read and understood. The print must be easily read and contain standard use of capital and lower case letters. The court administrator shall use the form prescribed by the commissioner for purposes of this section.

Renumber the sections in article 8 in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Neuenschwander moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Page 166, after line 34, insert:

“Subd. 5. [EXCEPTION.] Nothing in this section denies any financial assistance granted to or qualified for by a person whose

construction, installation, remodeling, or repairs commenced prior to August 1, 1990."

The motion prevailed and the amendment was adopted.

Welle moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Page 165, after line 36, insert: "(b) "Economic development" means financial assistance provided to a person directly or to a local unit of government or nonprofit organization on behalf of a person who is engaged in the manufacture or sale of goods and services. Economic development does not include financial assistance for housing related activities."

Page 166, line 1, delete "(b)" and insert "(c)"

Page 166, line 2, before the semicolon insert "for economic development related purposes"

Page 166, line 3, before the semicolon insert "for economic development related purposes"

Page 166, line 6, before the period insert "and was granted for economic development related purposes"

Page 166, line 7, delete "(c)" and insert "(d)"

Page 166, line 13, delete "(d)" and insert "(e)"

Page 167, line 10, after "means" insert "assistance for economic development related purposes as defined in section 2, subdivision 1 including"

The motion prevailed and the amendment was adopted.

Forsythe moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Page 99, after line 29, insert:

"Sec. 2. Minnesota Statutes 1988, section 290A.04, is amended by adding a subdivision to read:

Subd. 2j. A claimant who is a homeowner is allowed a refund equal to the excess of the claimant's net property taxes over the greater of (1) six percent of the claimant's household income, or (2) 1.3 percent of the market value of the homestead. To qualify for a

refund under this subdivision, the claimant must be at least 62 years of age by the end of the year in which the taxes are payable. The definition of "net property taxes" under subdivision 2h applies to this subdivision. For purposes of this subdivision, "market value" means the assessor's estimated market value used in determining the property taxes on which the claim is based."

Renumber the sections in article 4 in sequence

Correct internal references

Page 102, line 34, after the period insert "Section 2 is effective for claims based on property taxes payable in 1991 and thereafter."

Amend the title as follows:

Page 1, line 44, after the second semicolon insert "290A.04, by adding a subdivision;"

A roll call was requested and properly seconded.

The question was taken on the Forsythe amendment and the roll was called. There were 49 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Lynch	Pauly	Stanius
Bishop	Gutknecht	Macklin	Pellow	Sviggum
Blatz	Hartle	Marsh	Poppenhagen	Swenson
Boo	Hasskamp	McDonald	Pugh	Tjornhom
Burger	Haukoos	McPherson	Redalen	Tompkins
Dempsey	Heap	Miller	Richter	Uphus
Dille	Henry	Morrison	Runbeck	Valento
Forsythe	Kelso	Nelson, C.	Schafer	Waltman
Frederick	Knickerbocker	Olsen, S.	Schreiber	Weaver
Frerichs	Limmer	Onnen	Seaberg	

Those who voted in the negative were:

Anderson, G.	Girard	Kostohryz	Omann	Scheid
Anderson, R.	Greenfield	Krueger	Orenstein	Segal
Battaglia	Hausman	Lasley	Osthoff	Simoneau
Bauerly	Himle	Lieder	Ostrom	Skoglund
Beard	Hugoson	McEachern	Otis	Solberg
Begich	Jacobs	McGuire	Ozment	Sparby
Bertram	Janezich	McLaughlin	Pelowski	Steensma
Brown	Jaros	Milbert	Peterson	Trimble
Carlson, D.	Jefferson	Munger	Price	Tunheim
Carlson, L.	Jennings	Murphy	Quinn	Vellenga
Carruthers	Johnson, A.	Nelson, K.	Reding	Wagenius
Clark	Johnson, R.	Neuenschwander	Rest	Welle
Cooper	Johnson, V.	O'Connor	Rice	Wenzel
Dauner	Kahn	Ogren	Rodosovich	Williams
Dawkins	Kalis	Olson, E.	Rukavina	Winter
Dorn	Kinkel	Olson, K.	Sarna	Spk. Vanasek

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

Gutknecht, Stanius and Onnen moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Page 165, after line 16, insert:

"ARTICLE 8
HEALTH CARE; TAX CREDIT

Section 1. [62K.01] [OFFER OF INDIVIDUAL POLICIES TO UNINSURED RESIDENTS.]

An insurance company, nonprofit health service plan corporation, health maintenance organization, or fraternal benefit society issuing individual policies of accident and health insurance in this state may offer individual policies meeting the requirements of section 2 to eligible persons and their dependents.

Sec. 2. [62K.02] [REQUIRED COVERAGES.]

Subdivision 1. [GENERALLY.] An individual policy of accident and health insurance offered pursuant to section 1 must provide the coverage specified in this section.

Subd. 2. [LIMITATIONS ON ACUTE AND PREVENTIVE CARE BENEFITS.] (a) The minimum benefits for a covered individual for acute care services shall, subject to the other provisions of this section, be equal to 75 percent of the cost of covered services in excess of an annual deductible up to \$1,000; 90 percent of the cost of covered services in excess of the annual deductible from \$1,001 to \$10,000; and 100 percent of those costs in excess of the annual deductible over \$10,000. The annual deductible shall not exceed \$1,100 per person. The coverage shall include a limitation of \$1,250 per person on total annual out-of-pocket expenses for services covered under subdivision 3, clause (1).

(b) The policy must include the following limitations and copayments for preventive care services:

(1) a \$200 maximum yearly benefit per person;

(2) a \$10 copayment for each routine office visit;

(3) a \$50 copayment for each emergency room visit that does not result in hospitalization within 24 hours after the visit; and

(4) a \$5 copayment for each prescription in an amount not to exceed \$500 per year.

(c) The coverage shall be subject to a maximum lifetime benefit of not less than \$100,000.

Subd. 3. [COVERED EXPENSES.] Covered expenses shall be the usual and customary charges for the following services and articles when prescribed by a physician:

(1) hospital and surgical services not to exceed:

(i) 15 days of hospitalization per year;

(ii) \$200 per day or the average semiprivate rate for room and board; and services and supplies in the amount of eight times the room and board rate for each stay; and

(2) professional services for the diagnosis or treatment of injuries, illnesses, or conditions, other than dental, which are rendered by a physician or at the physician's direction.

Subd. 4. [EXPENSES NOT COVERED.] Covered expenses for the services and articles specified in this section do not include the following:

(1) any charge for care for injury or disease either (i) arising out of an injury in the course of employment and subject to a workers' compensation or similar law, (ii) for which benefits are payable without regard to fault under coverage statutorily required to be contained in any motor vehicle, or other liability insurance policy or equivalent self-insurance, or (iii) for which benefits are payable under another policy of accident and health insurance, Medicare, or any other governmental program except as otherwise provided by section 62A.04, subdivision 3, clause (4);

(2) any charge for treatment for cosmetic purposes other than for reconstructive surgery when such service is incidental to or follows surgery resulting from injury, sickness, or other diseases of the involved part or when such service is performed on a covered dependent child because of congenital disease or anomaly which has resulted in a functional defect as determined by the attending physician;

(3) care which is primarily for custodial or domiciliary purposes which would not qualify as eligible services under Medicare;

(4) any charge for confinement in a private room to the extent it is in excess of the institution's charge for its most common semiprivate room, unless a private room is prescribed as medically neces-

sary by a physician, provided, however, that if the institution does not have semiprivate rooms, its most common semiprivate room charge shall be considered to be 90 percent of its lowest private room charge;

(5) that part of any charge for services or articles rendered or prescribed by a physician, dentist, or other health care personnel which exceeds the prevailing charge in the locality where the service is provided; and

(6) any charge for services or articles the provision of which is not within the scope of authorized practice of the institution or individual rendering the services or articles.

Subd. 5. [NONAPPLICATION OF MANDATES.] The provider, disease, and treatment mandates established in this chapter and chapters 62C, 62D, and 62E do not apply to these policies.

Subd. 6. [OPTIONAL COVERAGES.] An insurance company or nonprofit health service plan corporation may offer coverages in addition to those required by this section.

Sec. 3. [62K.03] [ELIGIBILITY; TAX CREDIT.]

(a) A Minnesota resident is eligible for coverage under this chapter if the resident does not have coverage under:

(1) a policy, plan, or contract of health or accident insurance regulated under chapter 62A, 62C, 62D, 62E, 62H, or 64B; or

(2) Medicare, medical assistance, general assistance medical care, an employment-based insurance program, or other subsidized health insurance program.

(b) An individual who is covered, or whose dependents are covered, by a policy regulated under this chapter may receive a tax credit for all or a portion of the premiums paid according to section 290.0675.

Sec. 4. [62K.04] [CIVIL PENALTY FOR TERMINATION OF EMPLOYMENT-BASED COVERAGE.]

The commissioner of commerce may impose a civil penalty on an employer that without good cause discontinues all plans of health coverage provided or made available to employees who are residents of this state.

The amount of the civil penalty is equal to four times the total annual premium or financing obligation of that employer for the previous calendar year.

For purposes of this section, "good cause" does not exist if the employer discontinues all plans of health coverage because coverage under individual policies offered pursuant to section 1 is available to employees after the discontinuation.

In a proceeding brought by the commissioner under this section, the employer has the burden of proving that good cause existed for the discontinuation.

Sec. 5. 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) 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; and

(4) if a credit is claimed under section 290.0675, the amount of

premiums deducted in determining federal taxable income as required under section 290.0675, subdivision 5.

Sec. 6. [290.0675] [HEALTH CARE CREDIT.]

Subdivision 1. [CREDIT ALLOWED.] A taxpayer who is enrolled for health care coverage under chapter 62K may take a credit against the tax due for the taxable year under this chapter for a percentage of the eligible premiums paid during the taxable year for the health care plan.

Subd. 2. [AMOUNT OF CREDIT.] The amount of the credit is equal to a percentage of the eligible premium. For a taxpayer whose taxable income for the taxable year does not exceed \$5,000, the amount of the credit is 100 percent of the eligible premium. The percentage of the total premium allowed in determining the credit is reduced ten percent for each \$1,000 of taxable income for the taxable year exceeding \$5,000. No credit is allowed to a taxpayer whose taxable income exceeds \$15,000.

Subd. 3. [REFUNDABLE CREDIT.] If the amount of the credit allowed under this section exceeds the taxpayer's liability for tax under this chapter, the commissioner shall refund the excess amount of the credit to the taxpayer.

Subd. 4. [ELIGIBLE PREMIUMS.] For purposes of this credit, "eligible premiums" means the premiums paid during the taxable year for the coverage of the taxpayer and dependents of the taxpayer under chapter 62K, up to a maximum premium of \$720. It does not include premiums paid for optional coverage.

Subd. 5. [TAX CREDIT TABLES.] The commissioner may construct and make available to taxpayers tables showing the amount of the credit at various levels of taxable income and eligible premiums. The tables must follow the schedule required in subdivision 2, except that the commissioner may graduate the transitions between taxable income and premium expense brackets.

Subd. 6. [MEDICAL DEDUCTION.] If a taxpayer claims a credit for premiums under this section and has taken a deduction for the same premium amounts in determining taxable income under section 213(a) of the Internal Revenue Code, the taxpayer must add the amount of the premiums deducted under that section to federal taxable income under section 290.01, subdivision 19a, clause (4). 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 exceed the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code. "Internal Revenue Code" for purposes of this subdivision means the Internal Revenue Code of 1986, as amended through December 31, 1989.

Subd. 7. [INFORMATION FURNISHED TO COMMISSIONER.] A taxpayer claiming a credit under this section must furnish to the commissioner the information required by the commissioner to determine eligibility for the credit. The commissioner may require that proof of coverage under chapter 62K be filed with the return claiming the credit.

Subd. 8. [APPROPRIATION.] The amount necessary to pay the credits allowed under this section is annually appropriated to the commissioner of revenue from the general fund in the state treasury.

Sec. 7. Minnesota Statutes 1988, section 290.92, subdivision 5, is amended to read:

Subd. 5. [EXEMPTIONS.] (1) [ENTITLEMENT.] An employee receiving wages shall on any day be entitled to claim withholding exemptions in a number not to exceed the number of withholding exemptions that the employee claims and that are allowable pursuant to section 3402(f)(1), (m), and (n) of the Internal Revenue Code of 1986, as amended through December 31, 1987, for federal withholding purposes, plus additional exemptions or amounts for the credit allowed under section 290.0675.

(2) [WITHHOLDING EXEMPTION CERTIFICATE.] The provisions concerning exemption certificates contained in section 3402(f)(2) and (3) of the Internal Revenue Code of 1986, as amended through December 31, 1987, shall apply.

(3) [FORM OF CERTIFICATE.] Withholding exemption certificates shall be in such form and contain such information as the commissioner may by rule prescribe.

(4) [ADDITIONAL EXEMPTIONS.] The commissioner of revenue shall provide for the determination of the additional exemptions or amounts allowed for the credit under section 290.0675. The commissioner may require that the exemptions or amounts be determined and withheld as part of the withholding tables under subdivision 2a or 3, or may require that a separate amount be added to the amount withheld.

Sec. 8. Minnesota Statutes 1989 Supplement, section 290.92, subdivision 5a, is amended to read:

Subd. 5a. [VERIFICATION OF WITHHOLDING EXEMPTIONS; APPEAL.] (1) An employer shall submit to the commissioner a copy of any withholding exemption certificate or any affidavit of residency received from an employee on which the employee claims any of the following:

(a) a total number of withholding exemptions in excess of ten or a number prescribed by the commissioner, or

(b) a status that would exempt the employee from Minnesota withholding, including where the employee is a nonresident exempt from withholding under subdivision 4a, clause (3), except where the employer reasonably expects, at the time that the certificate is received, that the employee's wages under subdivision 1 from the employer will not then usually exceed \$200 per week, or

(c) any number of withholding exemptions which the employer has reason to believe is in excess of the number to which the employee is entitled, or

(d) any withholding exemptions or amounts claimed for the credit under section 290.0675 to which the employer has reason to believe the employee is not entitled.

(2) Copies of exemption certificates and affidavits of residency required to be submitted by clause (1) shall be submitted to the commissioner within 30 days after receipt by the employer unless the employer is also required by federal law to submit copies to the Internal Revenue Service, in which case the employer may elect to submit the copies to the commissioner at the same time that the employer is required to submit them to the Internal Revenue Service.

(3) An employer who submits a copy of a withholding exemption certificate in accordance with clause (1) shall honor the certificate until notified by the commissioner that the certificate is invalid. The commissioner shall mail a copy of any such notice to the employee. Upon notification that a particular certificate is invalid, the employer shall not honor that certificate or any subsequent certificate unless instructed to do so by the commissioner. The employer shall allow the employee the number of exemptions and compute the withholding tax as instructed by the commissioner in accordance with clause (4).

(4) The commissioner may require an employee to verify entitlement to the number of exemptions or to the exempt status claimed on the withholding exemption certificate or, to verify nonresidency. The commissioner may require an employee to verify entitlement to additional exemptions or amounts claimed under section 290.0675. The employee shall be allowed at least 30 days to submit the verification, after which time the commissioner shall, on the basis of the best information available to the commissioner, determine the employee's status and allow the employee the maximum number of withholding exemptions allowable under this chapter. The commissioner shall mail a notice of this determination to the employee at the address listed on the exemption certificate in question or to the last known address of the employee. Pursuant to section 270B.06,

the commissioner may notify the employer of this determination and instruct the employer to withhold tax in accordance with the determination.

However, where the commissioner has reasonable grounds for believing that the employee is about to leave the state or that the collection of any tax due under this chapter will be jeopardized by delay, the commissioner may immediately notify the employee and the employer, pursuant to section 270B.06, that the certificate is invalid, and the employer must not honor that certificate or any subsequent certificate unless instructed to do so by the commissioner. The employer shall allow the employee the number of exemptions and compute the withholding tax as instructed by the commissioner.

(5) The commissioner's determination under clause (4) shall be appealable to tax court in accordance with section 271.06, and shall remain in effect for withholding tax purposes pending disposition of any appeal.

Sec. 9. Minnesota Statutes 1988, section 290.93, subdivision 4, is amended to read:

Subd. 4. [COMMISSIONER TO PRESCRIBE DECLARATION.] The declaration shall be in such form and shall contain such information as the commissioner may prescribe. The commissioner may require proof of eligibility for the credit under section 290.0675, if an amount is deducted for the credit by the individual in determining the estimated tax under subdivision 3.

Sec. 10. [EFFECTIVE DATE.]

Sections 5 to 9 are effective for taxable years beginning after December 31, 1990."

Renumber the articles in sequence

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Gutknecht et al amendment and the roll was called. There were 54 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Johnson, V.	Omann	Seaberg
Bishop	Gruenes	Knickerbocker	Onnen	Stanius
Blatz	Gutknecht	Limmer	Ozment	Sviggum
Boo	Hartle	Lynch	Pauly	Swenson
Burger	Hasskamp	Macklin	Pellow	Tjornhom
Carlson, D.	Haukoos	Marsh	Poppenhagen	Tompkins
Dempsey	Heap	McDonald	Redalen	Uphus
Dille	Henry	McPherson	Richter	Valento
Forsythe	Himle	Miller	Runbeck	Waltman
Frederick	Hugoson	Morrison	Schafer	Weaver
Frerichs	Jaros	Olsen, S.	Schreiber	

Those who voted in the negative were:

Anderson, G.	Jacobs	McEachern	Otis	Skoglund
Battaglia	Janezich	McGuire	Pappas	Solberg
Bauerly	Jefferson	McLaughlin	Pelowski	Sparby
Beard	Jennings	Milbert	Peterson	Steensma
Begich	Johnson, A.	Munger	Price	Trimble
Bertram	Johnson, R.	Murphy	Pugh	Tunheim
Brown	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	
Greenfield	Lieder	Osthoff	Segal	
Hausman	Long	Ostrom	Simoneau	

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

Knickerbocker and Olsen, S., moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Page 80, after line 30, insert:

“Sec. 63. [RESIDENTIAL HOMESTEADS; NO MARKET VALUE INCREASES.]

(a) Notwithstanding Minnesota Statutes, section 273.11, or any law to the contrary, after determining the market value for the 1990 assessment of property classified class 1, the assessor shall compare the market value with the market value determined in the preceding assessment. Notwithstanding any law to the contrary, the assessor's estimated market value for taxes levied in 1990, payable in 1991, must not exceed the assessor's estimated market value for taxes levied in 1989, payable in 1990.

(b) Any increase in value in excess of the amount determined in paragraph (a) must be entered equally in the three subsequent assessment years. An excess amount entered under this paragraph is not subject to the limitation in paragraph (a).

(c) This subdivision does not apply to increases in value attributable to improvements made to the property. It does not apply to property becoming subject to taxation since the last assessment.

(d) The limitation contained in this subdivision also applies to 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. Increases by the assessor, the boards, and the commissioner must be entered in subsequent years under paragraph (b).

(e) 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 residential homesteads for taxes levied in 1990 over that for taxes levied in 1989 has been limited by this act."

Renumber the sections in article 2 in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Knickerbocker and Olsen, S., amendment and the roll was called. There were 54 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kelso	Morrison	Runbeck
Anderson, R.	Girard	Knickerbocker	Olsen, S.	Schafer
Bishop	Gruenes	Limmer	Omann	Seaberg
Blatz	Gutknecht	Long	Onnen	Stanius
Boo	Hartle	Lynch	Orenstein	Swenson
Burger	Haukoos	Macklin	Ozment	Tjornhom
Carlson, D.	Heap	Marsh	Pauly	Tompkins
Dempsey	Henry	McDonald	Pellow	Uphus
Dille	Himle	McPherson	Poppenhagen	Valento
Forsythe	Hugoson	Milbert	Pugh	Weaver
Frederick	Johnson, V.	Miller	Richter	

Those who voted in the negative were:

Anderson, G.	Brown	Dawkins	Janezich	Kahn
Battaglia	Carlson, L.	Dorn	Jaros	Kinkel
Bauerly	Carruthers	Greenfield	Jefferson	Krueger
Beard	Clark	Hasskamp	Jennings	Lasley
Begich	Cooper	Hausman	Johnson, A.	Lieder
Bertram	Dauner	Jacobs	Johnson, R.	McEachern

McGuire	Olson, K.	Reding	Skoglund	Waltman
McLaughlin	Osthoff	Rest	Solberg	Welle
Murphy	Ostrom	Rice	Sparby	Wenzel
Nelson, C.	Otis	Rodosovich	Steensma	Williams
Nelson, K.	Pappas	Rukavina	Sviggum	Winter
Neuenschwander	Pelowski	Sarna	Trimble	Spk. Vanasek
O'Connor	Peterson	Scheid	Tunheim	
Ogren	Price	Segal	Vellenga	
Olson, E.	Quinn	Simoneau	Wagenius	

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

Winter and Anderson, R., moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Page 184, after line 33, insert:

“Sec. 28. [PAYMENT OF THE GREATER MINNESOTA LAND-FILL CLEANUP FEE.]

The operator of a disposal facility in greater Minnesota shall pay the fee required under section 115A.923, subdivision 1, to the county or sanitary district where the facility is located, except that the operator of a facility that is owned by a statutory or home rule city shall pay the fee to the city that owns the facility. The county, city, or sanitary district may use the revenue from the fee only for the purpose specified in section 115A.919.

Sec. 29. [REPEALER.]

Minnesota Statutes 1989 Supplement, sections 115A.922; 115A.923, subdivisions 2, 3, 4, and 5; 115A.924; 115A.925; 115A.927; and 115A.928 are repealed.”

Renumber sections in sequence

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Olsen, S., moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Page 5, line 21, delete “15” and insert “five”

The motion prevailed and the amendment was adopted.

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

Schreiber moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Page 81, after line 31, insert:

“Section 1. Minnesota Statutes Second 1989 Supplement, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX CAPACITY RATE.] The general education tax capacity rate for fiscal year 1991 is 26.3 percent. Beginning in 1990, the commissioner of revenue shall establish the general education tax capacity rate and certify it to the commissioner of education by July 1 of each year for levies payable in the following year. The general education tax capacity rate shall be a rate, rounded up to the nearest tenth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The general education tax capacity rate shall be the rate that raises ~~\$345,000,000~~ \$815,000,000 for fiscal year 1992 and subsequent fiscal years. The general education tax capacity rate certified by the commissioner of revenue may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax capacity rate has been certified.”

Renumber the sections in article 3 in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Schreiber amendment and the roll was called. There were 58 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Lynch	Onnen	Seaberg
Bishop	Gutknecht	Macklin	Osthoff	Stanius
Blatz	Hartle	Marsh	Ozment	Sviggum
Boo	Haukoos	McDonald	Pauly	Swenson
Carlson, D.	Heap	McGuire	Pellow	Tjornhom
Dempsey	Henry	McPherson	Poppenhagen	Tompkins
Dille	Himle	Milbert	Redalen	Uphus
Dorn	Hugoson	Miller	Richter	Valento
Forsythe	Jacobs	Morrison	Runbeck	Waltman
Frederick	Johnson, V.	Olsen, S.	Schafer	Weaver
Frerichs	Knickerbocker	Olson, K.	Scheid	
Girard	Limmer	Omann	Schreiber	

Those who voted in the negative were:

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

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

The Speaker resumed the Chair.

Schreiber moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Page 35, after line 30, insert:

"Sec. 14. Minnesota Statutes Second 1989 Supplement, section 273.13, subdivision 32, is amended to read:

Subd. 32. [TARGET CLASS RATE.] All classes of property with a class rate of 5.06 percent have a target class rate of four percent. At the time of submission of the biennial budget under section 16A.11, the governor shall recommend the effective class rate for taxes payable in the following two calendar years by designating a "phase-in percentage," equal to the proportion of the effective class rate that will be based on the target class rate of four percent, with the remaining proportion based on the class rate of 5.06 percent. The governor shall identify and include within the budget funding for the increased expenditures for homestead and agricultural credit aid over the amount of expenditures for homestead and agricultural credit aid provided in Laws 1989, First Special Session chapter 1, that are estimated to result from the recommendation. At that time, the governor may propose alternative programs other than homestead and agricultural credit aid to prevent other taxpayers' taxes from increasing as a result of the governor's recommended increase in the phase-in percentage. The effective net class rate is the sum of the products of:

(1) the phase-in percentage adopted by the legislature multiplied by four percent; and

(2) 100 percent minus the phase-in percentage multiplied by 5.06 percent.

The phase-in percentage in any year cannot be less than it was in the prior year. The phase-in percentage for taxes payable in 1991 is

ten 29 percent provided that the governor may recommend an alternative phase-in percentage for taxes payable in 1991.

Beginning in 1991, the commissioner of revenue shall annually set the effective class rate to use for taxes payable in the following year as provided in this subdivision and announce it by June 1. For purposes of any aid, levy limitation, debt limit, or salary limitation, and property tax administration, net tax capacity must be computed with reference to the effective class rate for the properties affected by this subdivision."

Page 81, line 23, after "Sections" insert "14,"

Renumber sections in Article 2 in sequence

Correct internal references in article 2

Page 82, line 20, before "the" insert "(i)"

Page 82, line 22, after the comma insert "and (ii) the portion of class 3 clause (a) market value in excess of \$100,000, the class rate applied shall be 4.90 percent"

Pages 100 and 101, delete sections 3 to 5.

Page 101, line 2, delete "6" and insert "3"

Page 102, after line 31, insert:

"Sec. 4. [REPEALER.]

Minnesota Statutes Second 1989 Supplement, section 290A.045, is repealed."

Page 102, line 32, delete "7" and insert "5"

Page 102, line 33, delete "6" and insert "3"

Page 102, line 36, delete "Sections 3 to 5 are" and insert "Section 4 is"

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Schreiber amendment and the roll was called. There were 51 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abrams	Hartle	Macklin	Pauly	Swenson
Bishop	Haukoos	Marsh	Pellow	Tjornhom
Blatz	Heap	McDonald	Poppenhagen	Tompkins
Boo	Henry	McPherson	Redalen	Uphus
Dempsey	Himle	Miller	Richter	Valento
Forsythe	Hugoson	Morrison	Runbeck	Waltman
Frederick	Johnson, V.	Olsen, S.	Schafer	Weaver
Frerichs	Kelso	Omann	Schreiber	
Girard	Knickerbocker	Onnen	Sparby	
Gruenes	Limmer	Osthoff	Stanias	
Gutknecht	Lynch	Ozment	Sviggum	

Those who voted in the negative were:

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

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

McGuire moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Page 37, line 25, delete "paid"

Olsen, S., moved to amend the McGuire amendment to H. F. No. 2478, the first engrossment, as amended, as follows:

Page 37, line 25, delete "a" and insert "the official"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the McGuire amendment, as amended, to H. F. No. 2478, the first engrossment, as amended. The motion did not prevail and the amendment, as amended, was not adopted.

Sviggum, Lynch and Runbeck moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Pages 88 and 89, delete section 3

Renumber the sections in Article 3 in sequence

Correct internal references

Amend the title as follows:

Page 1, line 38, delete everything after the semicolon

Page 1, line 39, delete "a subdivision;"

A roll call was requested and properly seconded.

The question was taken on the Sviggum et al amendment and the roll was called. There were 50 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Limmer	Olson, K.	Seaberg
Bishop	Hartle	Lynch	Omann	Stanius
Blatz	Hasskamp	Macklin	Onnen	Steensma
Boo	Haukoos	Marsh	Ozment	Sviggum
Carlson, D.	Heap	McDonald	Pellow	Swenson
Dempsey	Henry	McPherson	Poppenhagen	Tjornhom
Dille	Hugoson	Miller	Richter	Tompkins
Forsythe	Johnson, R.	Morrison	Rumbeck	Waltman
Frederick	Knickerbocker	Murphy	Schafer	Weaver
Frerichs	Lasley	Olsen, S.	Schreiber	Winter

Those who voted in the negative were:

Anderson, G.	Gruenes	Krueger	Otis	Segal
Anderson, R.	Hausman	Lieder	Pappas	Simoneau
Battaglia	Jacobs	Long	Pelowski	Skoglund
Bauerly	Janezich	McEachern	Peterson	Solberg
Beard	Jaros	McGuire	Price	Sparby
Begich	Jefferson	McLaughlin	Pugh	Trimble
Bertram	Jennings	Milbert	Quinn	Tunheim
Brown	Johnson, A.	Munger	Redalen	Uphus
Carlson, L.	Johnson, V.	Nelson, C.	Reding	Vellenga
Carruthers	Kahn	Nelson, K.	Rest	Wagenius
Clark	Kalis	O'Connor	Rice	Welle
Dauner	Kelly	Ogren	Rodosovich	Williams
Dawkins	Kelso	Orenstein	Rukavina	Spk. Vanasek
Dorn	Kinkel	Osthoff	Sarna	
Greenfield	Kostohryz	Ostrom	Scheid	

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

Bishop, Schreiber, Frerichs and Abrams moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Page 185, after line 10, add an article to read:

"ARTICLE 9

BUDGET RESERVE

Section 1. Minnesota Statutes 1988, section 16A.15, subdivision 1, is amended to read:

Subdivision 1. [REDUCTION.] (a) If the commissioner determines that probable receipts for the general fund will be less than anticipated, ~~and that the amount available for the remainder of the biennium will be less than needed, and that the conditions specified in subdivision 6a for reducing the amount in the budget reserve account established in subdivision 6a are met,~~ the commissioner shall, with the approval of the governor, and after consulting the legislative advisory commission, reduce the amount in the budget and cash flow reserve account established in subdivision 6 as needed ~~to balance expenditures with revenue by the amount permitted in subdivision 6a to increase revenue available to meet expenditures.~~

(b) ~~An additional~~ Any remaining deficit that exists after determining the amount, if any, that can be drawn from the budget reserve account under the provisions of subdivision 6a shall, with the approval of the governor, and after consulting the legislative advisory commission, be made up by reducing unexpended allotments of any prior appropriation or transfer. Notwithstanding any other law to the contrary, the commissioner is empowered to defer or suspend prior statutorily created obligations which would prevent effecting such reductions.

(c) If the commissioner determines that probable receipts for any other fund, appropriation, or item will be less than anticipated, and that the amount available for the remainder of the term of the appropriation or for any allotment period will be less than needed, the commissioner shall notify the agency concerned and then reduce the amount allotted or to be allotted so as to prevent a deficit.

(d) In reducing allotments, the commissioner may consider other sources of revenue available to recipients of state appropriations and may apply allotment reductions based on all sources of revenue available.

(e) In like manner, the commissioner shall reduce allotments to an agency by the amount of any saving that can be made over previous spending plans through a reduction in prices or other cause.

Sec. 2. Minnesota Statutes Second 1989 Supplement, section 16A.15, subdivision 6, is amended to read:

Subd. 6. [BUDGET AND CASH FLOW RESERVE ACCOUNT.] A budget and cash flow reserve account is created in the general fund in the state treasury. The commissioner of finance shall, as autho-

rized from time to time by law, restrict part or all of the budgetary balance in the general fund for use as the budget and cash flow reserve account. The commissioner of finance shall transfer to the budget and cash flow reserve account such amounts as are available to bring the total amount, including any existing balance in the account on June 30, 1989, to \$550,000,000 ~~\$200,000,000~~. The amounts restricted shall remain in the account until drawn down under the provisions of this subdivision ~~1~~ or increased under section 16A.1541.

The amount in the cash flow reserve account must be used only to meet temporary cash flow needs in the general fund. The amount in the cash flow reserve account must not be used to supplement general fund revenues when the amount available for the rest of the biennium is less than needed.

Sec. 3. Minnesota Statutes 1988, section 16A.15, is amended by adding a subdivision to read:

Subd. 6a. [BUDGET RESERVE ACCOUNT.] The legislature finds that a budget reserve is necessary to protect the state budget and the recipients of state-funded services from severe fluctuations in revenue available due to fluctuations in the economy and the difficulty of accurately estimating revenues in advance of their receipt. The legislature further finds that a budget reserve equal to five percent of the state's annual general fund expenditures and transfers is a suitable amount. A budget reserve account is created in the general fund in the state treasury. The commissioner of finance shall, as authorized from time to time by law, restrict part of the budgetary balance in the general fund for use as the budget reserve account. The commissioner of finance shall transfer to the budget reserve account such amounts as are available to bring the total amount to \$350,000,000. This amount shall exclude the amount of the cash flow reserve account created under subdivision 6. Beginning July 1, 1991, interest and investment earnings attributable to the amount in the budget reserve account shall accrue to that account. The amounts restricted as the budget reserve account shall remain in the account until drawn down under the provisions of this subdivision and subdivision 1.

The amount in the budget reserve account shall be reduced and used to balance expenditures with revenue only to meet shortfalls due to revenue collections that are less than was projected. The budget reserve account shall not be used to balance expenditures with revenue to the extent that the shortfall was caused by expenditures that exceed estimates.

If a revenue collection shortfall occurs during a biennium that is less than \$150,000,000, no amount shall be drawn from the budget reserve account. If a revenue collection shortfall occurs that is more than \$150,000,000, an amount shall be drawn from the budget

reserve account equal to (1) one-half of the amount by which the revenue collection shortfall exceeds \$150,000,000, but is less than \$450,000,000, plus (2) the amount by which the revenue collection shortfall exceeds \$450,000,000.

Sec. 4. Minnesota Statutes Second 1989 Supplement, section 16A.1541, is amended to read:

16A.1541 [ADDITIONAL REVENUES; PRIORITY.]

If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to the budget and cash flow reserve account until the total amount in the account equals five percent of total general fund appropriations for the current ~~biennium~~ fiscal year as established by the ~~most recent legislative session~~ legislature. Beginning in November 1990 1991, forecast unrestricted budgetary general fund balances are first appropriated to reduce the property tax levy recognition percent under section 121.904, subdivision 4a, to 27 percent before money is allocated to the budget and cash flow reserve account under the preceding sentence.

The amounts necessary to meet the requirements of this section are appropriated from the general fund.

Sec. 5. [REVENUES AND EXPENDITURES PROJECTIONS.]

The commissioner shall report projections of state revenues and expenditures to the governor and the legislature in March, July, and November of each year. Copies of the revenue projection report shall be given to the speaker and the minority leader of the house and the majority leader and minority leader of the senate. The report shall project state revenues and expenditures to the end of the current biennium and the end of the next biennium.

Sec. 6. [EFFECTIVE DATE.]

This article is effective the day following final enactment."

Amend the title as follows:

Page 1, line 32, after "debts;" insert "creating separate reserve accounts for cash flow and budget reserve; placing restrictions on use of the budget reserve; requiring revenue projection reports;"

Page 1, line 33, after "sections" insert "16A.15, subdivision 1, and by adding a subdivision;"

Page 2, after line 24, insert "16A.15, subdivision 6; 16A.1541;"

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 52 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Limmer	Ozment	Swiggum
Bishop	Gruenes	Lynch	Pauly	Swenson
Blatz	Gutknecht	Macklin	Pellow	Tjornhom
Boo	Hartle	Marsh	Poppenhagen	Tompkins
Carlson, D.	Haukoos	McDonald	Redalen	Uphus
Dauner	Heap	McPherson	Richter	Valento
Dempsey	Henry	Miller	Runbeck	Waltman
Dille	Himle	Morrison	Schafer	Weaver
Forsythe	Hugoson	Olsen, S.	Schreiber	
Frederick	Johnson, V.	Omann	Seaberg	
Frerichs	Knickerbocker	Onnen	Stanius	

Those who voted in the negative were:

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

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

Onnen moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Page 90, after line 1, insert:

"Sec. 5. [373.42] [HEALTH AND HUMAN SERVICES ALLOCATION REDUCTION.]

To the extent that local government aid under section 477A.012 or homestead and agricultural credit aid under section 273.1398 is reduced for aid payable in 1990 due to the reduction calculated under section 477A.012, subdivision 5, the county board is authorized to reduce county funds allocated for health and human service

programs, subject to the restrictions of this section. A county may reduce allocations for health and human services programs by an amount no greater than the amount of the reduction computed under section 477A.012, subdivision 5. A county may not reduce allocations for programs required by federal law or regulation, nor for programs specified in section 273.1398 as subject to state takeover. A county may, notwithstanding the requirements of any state law or rule to the contrary, reduce allocations for other health or human services programs, for calendar year 1990, if the reduction is approved by the commissioner responsible for the program. Reductions should be made when possible in health and human services administration, rather than in direct services to clients. If a county proposes to reduce allocations for programs supervised by the commissioner of human services, the county must submit the list of affected programs with the amount of planned reductions for review by the commissioner of human services. If a county proposes to reduce allocations for programs supervised by the commissioner of health, the county must submit the list of affected programs with the amount of planned reductions, for review by the commissioner of health. A commissioner shall review the program reductions proposed by a county. The commissioner shall approve the program reductions, unless the proposed reduction would result in a violation of a federal law or regulation or is a program specified in section 273.1398. The commissioner shall notify the county within 30 days after the county submits its planned reductions. For program reductions approved by the commissioner responsible for the program, the county may continue the program reductions in 1991 and future years."

Renumber the sections in article 3 in sequence

Correct internal references

Amend the title as follows:

Page 2, line 47, after "290;" insert "373;"

A roll call was requested and properly seconded.

The question was taken on the Onnen amendment and the roll was called. There were 59 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Gruenes	Himle	Lynch
Anderson, R.	Dempsey	Gutknecht	Hugoson	Macklin
Bishop	Dille	Hartle	Jennings	Marsh
Blatz	Forsythe	Hasskamp	Johnson, V.	McDonald
Boo	Frederick	Haukoos	Kinkel	McEachern
Carlson, D.	Frerichs	Heap	Knickerbocker	McPherson
Cooper	Girard	Henry	Limmer	Miller

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

Those who voted in the negative were:

Anderson, G.	Janezich	McGuire	Otis	Segal
Battaglia	Jaros	McLaughlin	Pappas	Simoneau
Bauerly	Jefferson	Milbert	Pelowski	Skoglund
Beard	Johnson, A.	Munger	Peterson	Solberg
Begich	Johnson, R.	Murphy	Price	Sparby
Brown	Kahn	Nelson, C.	Pugh	Trimble
Carlson, L.	Kalis	Nelson, K.	Quinn	Vallenga
Carruthers	Kelly	Neuenschwander	Reding	Wagenius
Clark	Kelso	Ogren	Rest	Welle
Dawkins	Kostohryz	Olson, E.	Rice	Wenzel
Dorn	Krueger	Olson, K.	Rodosovich	Williams
Greenfield	Lasley	Orenstein	Rukavina	Winter
Hausman	Lieder	Osthoff	Sarna	Spk. Vanasek
Jacobs	Long	Ostrom	Scheid	

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

Sviggum, Beard, Bertram, Rukavina and Clark moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Page 10, line 10, delete "5.9" and insert "seven"

Page 12, line 33, delete "\$1,000,000" and insert "\$5,000,000"

Page 12, line 33, delete "\$100" and insert "\$0"

Page 12, delete line 34

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

Pauly, Blatz, Himle, Abrams, Schreiber, Forsythe, Knickerbocker, Bennett, Seaberg, Tompkins, Limmer, Morrison and Burger moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Page 25, line 35, strike "three" and insert "2.8"

Page 31, line 4, strike "3.0" and insert "2.8"

Page 82, line 20, before "the" insert "(i)"

Page 82, line 22, after the comma, insert "and (ii) the class rate applied to the market value of class 4b property shall be 3.0 percent"

A roll call was requested and properly seconded.

The question was taken on the Pauly et al amendment and the roll was called. There were 50 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Abrams	Hartle	Long	Onnen	Scheid
Blatz	Haukoos	Lynch	Orenstein	Schreiber
Boo	Heap	Macklin	Ozment	Seaberg
Cooper	Henry	McDonald	Pauly	Stanisus
Dempsey	Himle	McGuire	Pellow	Sviggum
Forsythe	Hugoson	McPherson	Poppenhagen	Swenson
Frederick	Kelso	Miller	Pugh	Tompkins
Frerichs	Knickerbocker	Morrison	Redalen	Valento
Girard	Kostohryz	Nelson, K.	Richter	Waltman
Gutknecht	Limmer	Olsen, S.	Runbeck	Weaver

Those who voted in the negative were:

Anderson, G.	Dorn	Krueger	Ostrom	Simoneau
Anderson, R.	Greenfield	Lasley	Otis	Skoglund
Battaglia	Gruenes	Lieder	Pappas	Solberg
Bauerly	Hasskamp	Marsh	Pelowski	Sparby
Beard	Jacobs	McLaughlin	Peterson	Steensma
Begich	Janezich	Munger	Price	Tjornhom
Bertram	Jaros	Murphy	Quinn	Trimble
Bishop	Jefferson	Nelson, C.	Reding	Tunheim
Brown	Jennings	Neuenschwander	Rest	Uphus
Carlson, D.	Johnson, A.	O'Connor	Rice	Vellenga
Carlson, L.	Johnson, R.	Ogren	Rodosovich	Wagenius
Carruthers	Johnson, V.	Olson, E.	Rukavina	Welle
Clark	Kahn	Olson, K.	Sarna	Williams
Dauner	Kalis	Omamm	Schafer	Winter
Dawkins	Kinkel	Osthoff	Segal	Spk. Vanasek

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

Abrams moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Page 14, after line 22, insert:

“Sec. 12. [290.433] [DRUG ABUSE RESISTANCE EDUCATION CHECKOFF.]

An individual who files an income tax return or property tax refund claim form and a corporation that files a franchise tax return may designate on the original return that \$1 or more be added to the tax or deducted from the refund that would otherwise be payable by or to that individual or corporation and paid into an account established for drug abuse resistance education program grants under section 299A.33. The commissioner of revenue shall notify filers on the income and franchise tax returns and the property tax refund claim forms of their right to designate that part of the tax or

refund be paid into the account. The sum of the amounts so designated to be paid must be credited to the account for use by the commissioner of public safety to provide grants under section 299A.33 to train peace officers to teach a curriculum on drug abuse resistance in the schools. All interest earned on money accrued in the account must be credited to the account by the state treasurer. The state pledges that all money contributed under the drug abuse resistance education checkoff will be used for grants as provided in this section.

Page 17, line 31, delete "11, 13, and 18" and insert "12, 14, and 19"

Renumber the sections in article 1 in sequence

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Abrams amendment and the roll was called. There were 51 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Lynch	Onnen	Sviggum
Bishop	Gutknecht	Macklin	Ozment	Swenson
Blatz	Hartle	Marsh	Pauly	Tjornhom
Boo	Haukoos	McDonald	Pellow	Tompkins
Carlson, D.	Heap	McGuire	Poppenhagen	Uphus
Carlson, L.	Henry	McPherson	Pugh	Valento
Carruthers	Himle	Milbert	Redalen	Waltman
Dempsey	Hugoson	Morrison	Richter	
Frederick	Johnson, V.	Olsen, S.	Runbeck	
Frerichs	Knickerbocker	Olson, E.	Seaberg	
Girard	Limmer	Omam	Stanuis	

Those who voted in the negative were:

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

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

Onnen moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Page 91, line 8, after "(a)," insert "and"

Page 91, strike lines 9 and 10

Page 91, line 11, strike "2, and (3)"

The motion prevailed and the amendment was adopted.

Runbeck and Macklin moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Page 73, line 25, delete "125" and insert "110"

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

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

Frerichs, Sviggum and Heap moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Pages 165 to 167, delete sections 2 and 3

Renumber the sections in article 8 in sequence

Correct internal references

Amend the title as follows:

Page 1, line 23, delete "requiring"

Page 1, delete line 24

Page 1, line 25, delete "assistance;"

Page 2, line 46, delete "116J;"

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 42 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Abrams	Hartle	Lynch	Poppenhagen	Swenson
Blatz	Heap	Marsh	Redalen	Tompkins
Dempsey	Henry	McDonald	Richter	Uphus
Dille	Himle	Miller	Runbeck	Valento
Forsythe	Hugoson	Omman	Schafer	Waltman
Frederick	Jennings	Onnen	Schreiber	Weaver
Frerichs	Johnson, V.	Ostrom	Seaberg	
Girard	Knickerbocker	Pauly	Stanius	
Gruenes	Limmer	Pellow	Sviggum	

Those who voted in the negative were:

Anderson, G.	Dorn	Long	Ozment	Skoglund
Anderson, R.	Greenfield	McEachern	Pappas	Solberg
Battaglia	Gutknecht	McLaughlin	Pelowski	Steensma
Bauerly	Hasskamp	Milbert	Peterson	Tjornhom
Beard	Jacobs	Munger	Price	Trimble
Begich	Janezich	Murphy	Pugh	Tunheim
Bertram	Jaros	Nelson, K.	Quinn	Vellenga
Bishop	Jefferson	Neuenschwander	Reding	Welle
Boo	Johnson, R.	O'Connor	Rest	Wenzel
Brown	Kahn	Ogren	Rice	Williams
Carlson, D.	Kalis	Olsen, S.	Rodosovich	Winter
Carlson, L.	Kinkel	Olson, E.	Rukavina	Spk. Vanasek
Carruthers	Kostohryz	Olson, K.	Sarna	
Clark	Krueger	Orenstein	Scheid	
Cooper	Lasley	Osthoff	Segal	
Dawkins	Lieder	Otis	Simoneau	

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

Krueger and Nelson, C., moved to amend H. F. No. 2478, the first engrossment, as amended, as follows:

Page 79, after line 33, insert:

“Sec. 61. [DOUGLAS COUNTY; SOLID WASTE MANAGEMENT LEVY.]

For taxes levied in 1990, payable in 1991, and thereafter, Douglas county may levy the amount necessary to pay the principal and interest on department of energy and economic development loans for solid waste management purposes. The levy must be made as provided under Minnesota Statutes, section 400.11.

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, must 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.

The levy authority under this section expires when the principal and interest has been paid."

Page 81, after line 29, insert:

"Pursuant to Minnesota Statutes, section 645.023, subdivision 1, section 61 is effective without local approval for taxes levied in 1990 and thereafter."

Renumber the sections in Article 2 in sequence

Correct internal references

Amend the title as follows:

Page 1, line 17, after "Goodhue" insert ", Douglas,"

The motion prevailed and the amendment was adopted.

H. F. No. 2478, 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, Douglas, 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; providing for payment of the greater Minnesota landfill fee; 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 subdivi-

sion; 276.111; 277.15; 279.03, subdivision 2, and by adding a subdivision; 279.06; 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, sections 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 115A.922; 115A.923, subdivisions 2, 3, 4, and 5; 115A.924; 115A.925; 115A.927; 115A.928; 290.06, subdivision 1a; and 375.192, subdivision 1; Minnesota Statutes Second 1989 Supplement, 273.1398, subdivision 2b.

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 94 yeas and 36 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Kinkel	Olson, K.	Segal
Anderson, R.	Frederick	Kostohryz	Orenstein	Simoneau
Battaglia	Greenfield	Krueger	Ostrom	Skoglund
Bauerly	Hartlé	Lasley	Otis	Solberg
Beard	Hasskamp	Lieder	Ozment	Sparby
Begich	Henry	Long	Pappas	Steenma
Bertram	Himle	McEachern	Pelowski	Sviggum
Bishop	Jacobs	McGuire	Peterson	Swenson
Blatz	Janezich	McLaughlin	Price	Trimble
Boo	Jaros	Milbert	Pugh	Tunheim
Brown	Jefferson	Munger	Quinn	Uphus
Carlson, D.	Jennings	Murphy	Redalen	Vellenga
Carlson, L.	Johnson, A.	Nelson, C.	Reding	Wagenius
Carruthers	Johnson, R.	Nelson, K.	Rest	Welle
Clark	Johnson, V.	Neuenschwander	Rice	Wenzel
Cooper	Kahn	O'Connor	Rodovich	Williams
Dauner	Kalis	Ogren	Rukavina	Winter
Dawkins	Kelly	Olsen, S.	Sarna	Spk. Vanasek
Dille	Kelso	Olson, E.	Scheid	

Those who voted in the negative were:

Abrams	Heap	McPherson	Poppenhagen	Tompkins
Dempsey	Hugoson	Miller	Richter	Valento
Forsythe	Knickerbocker	Morrison	Runbeck	Waltman
Frerichs	Limmer	Omann	Schafer	Weaver
Girard	Lynch	Onnen	Schreiber	
Gruenes	Macklin	Osthoff	Seaberg	
Gutknecht	Marsh	Pauly	Stanius	
Haukoos	McDonald	Pellow	Tjornhom	

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

Simoneau from the Committee on Appropriations 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 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.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 33, line 17, delete "\$885,000" and insert "\$855,000"

Page 53, line 3, delete "section" and insert "sections" and after "3" insert ", and 22"

Page 53, delete lines 4 to 14

Page 56, line 18, delete "in each"

Page 56, line 19, delete "year beginning in 1990" and insert "for calendar years 1990 to 1995"

Page 57, line 16, delete "section" and insert "sections" and after "3" insert ", and 22"

Page 59, delete section 22 and insert:

"Sec. 22. [TAXPAYER NOTIFICATION.]

Subdivision 1. [APPLICABILITY.] This section applies to any newly authorized bonding authority granted under section 14, 16, or 18. This newly authorized bonding authority is in addition to any existing bonding authority of a school district.

Subd. 2. [MEETING.] A school board must hold a public meeting in each state senate district that is located wholly or partly within the boundaries of the school district. The school board must hold the public meeting to obtain comments and recommendations from residents on the proposed sale of newly authorized bonds described under subdivision 1. The meeting must be in addition to any other scheduled meeting of the school board or its committees. The meeting must be held in an accessible place and at a convenient time for the majority of residents in the affected state senate district. Meetings must be held in each state senate district at least every other year beginning with calendar year 1990.

Subd. 3. [NOTICE.] A school board must prepare and have delivered by first class mail a notice of the public meeting on the proposed sale of newly authorized bonds to each senate district postal patron residing within the school district. The notice must be mailed at least 15 days but not more than 30 days prior to the scheduled date of the meeting required for each state senate district under subdivision 2. Notice of the meeting in each state senate district also must be posted in the administrative office of the school district and must be published in the official newspaper of the city in which the school district is located twice during the 14 days preceding the date of the meeting.

All notices must state the proposed amount of the bonds to be issued and the expected levy increase necessary to pay the principal

and interest on those bonds. All notices must project the anticipated amount of increase in annual dollars and the annual increase in the percentage of net capacity for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district. The notice also must show the required levy and principal and interest on all previous bonds for which notice under this section is required.

Subd. 4. [BOND AUTHORIZATION.] A school board may vote to issue bonds newly authorized under section 14, 16, or 18 only after complying with the requirements under subdivisions 2 and 3, and an official record of all the meetings in the school district have been filed with the commissioner of education.

Page 64, line 19, delete "(a)"

Page 64, delete lines 22 to 30

Page 70, line 19, delete "(a)"

Page 70, delete lines 22 to 29

Page 76, delete lines 13 to 21

Page 126, line 20, delete "basic" and insert "additional"

Page 126, line 21, before "telephone" insert "basic"

Page 126, line 30, after the period insert "The rate required under this section is available only for a school that installs service that includes access to basic telephone service from each classroom, library, gymnasium, and other work station within the school."

Page 129, after line 23, insert:

"Sec. 31. [REROUTING PROHIBITED.]

Notwithstanding any law to the contrary, independent school district No. 625, St. Paul, must not make any expenditures to reroute that portion of West Rose Avenue that is located near Como Senior High School."

Page 129, line 24, delete "31" and insert "32"

Page 129, line 25, delete "and" and after "19" insert ", and 31"

Page 138, after line 27, insert:

"ARTICLE 14

RURAL HEALTH CARE

Section 1. [SUMMER HEALTH CARE INTERNS.]

Subdivision 1. [SUMMER INTERNSHIPS.] The commissioner of education shall award grants to eligible districts or groups of districts to establish a summer health care intern program in the summer of 1991 for pupils who intend to complete high school graduation requirements and who are between their junior year and senior year of high school. The purpose of the program is to expose interested high school pupils to various careers within the health care profession.

Subd. 2. [CRITERIA.] The commissioner, with the advice of the Minnesota medical association and the Minnesota hospital association, shall establish criteria for awarding grants to districts or groups of districts that have juniors enrolled in high school who are interested in pursuing a career in the health care profession. The criteria must include, among other things:

(1) the proximity of a district or districts to a hospital or clinic willing to participate in the program;

(2) the kinds of formal exposure to the health care profession a hospital or clinic can provide to a pupil;

(3) the need for health care professionals in a particular area; and

(4) the willingness of a hospital or clinic to pay one-half the costs of employing a pupil.

The Minnesota medical association and the Minnesota hospital association jointly must provide the commissioner by January 31, 1991, with a list of hospitals and clinics willing to participate in the program and what provisions those hospitals or clinics will make to ensure a pupil's adequate exposure to the health care profession, and indicate whether a hospital or clinic is willing to pay one-half the costs of employing a pupil.

Subd. 3. [GRANTS.] The commissioner shall award grants to districts or groups of districts meeting the requirements of subdivision 2. The grants must be used to pay one-half of the costs of employing a pupil in a hospital or clinic during the course of the program. No more than five pupils may be selected from any one high school to participate in the program and no more than one-half of the number of pupils selected may be from the seven-county metropolitan area.

Subd. 4. [EVALUATION.] The commissioner, in cooperation with the Minnesota medical association and the Minnesota hospital association, shall evaluate the summer health care intern program and recommend to the education committees of the legislature by February 15, 1992, whether or not the program should be continued and, if so, under what circumstances.

Sec. 2. [APPROPRIATION.]

\$300,000 is appropriated from the general fund to the department of education in fiscal year 1991 to provide grants for the summer health care intern program under section 1.

Amend the title as follows:

Page 1, line 8, before the second "and" insert "rural health care,"

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. 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.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. [APPROPRIATIONS FOR HIGHER EDUCATION.]

The dollar amounts in the columns under "APPROPRIATIONS" are added to (or, if shown in parentheses, are subtracted from) the appropriations in Laws 1989, chapter 293, to the specified agencies. The appropriations are from the general fund or other named fund and are available for the fiscal years indicated for each purpose. The figure 1990 or 1991 means that the addition to or subtraction from the appropriations listed under the figure are for the fiscal year ending June 30, 1990, or June 30, 1991, respectively. If only one

figure is shown in the text for a specified purpose, the addition or subtraction is for 1991 unless the context intends another fiscal year.

SUMMARY BY FUND

GENERAL	1990	1991	TOTAL
	\$ (9,783,400)	\$ (9,400,600)	\$ (19,184,000)

Summary by Agency—All Funds

Higher Education			
Coordinating Board	(9,783,400)	(3,554,200)	(13,337,600)
State Board of Vocational Technical Education		(1,387,700)	(1,387,700)
State Board for Community Colleges		(966,000)	(966,000)
State University Board		(1,729,300)	(1,729,300)
Regents of the University of Minnesota		(1,763,400)	(1,763,400)

APPROPRIATIONS

Available for the Fiscal Year
Ending June 30

	1990	1991
Sec. 2. HIGHER EDUCATION COORDINATING BOARD TOTAL	\$ (9,783,400)	\$ (3,554,200)

Subdivision 1. Agency Administration

A general reduction to the agency administration budget.

(17,100)

Of the biennial appropriation, \$46,300 is for affiliate membership in the Western Interstate Compact on Higher Education.

During the biennium, the higher education coordinating board shall provide data to legislative research offices as necessary for research projects and studies. As a condition of receiving the data, the legislative research offices must enter into an agreement with the board to ensure that the research of-

1990

1991

\$

\$

ices will not disclose any data that identifies individuals.

Subd. 2. State Grants
 (9,783,400) (5,033,400)

If an unencumbered balance is projected in the appropriation for the state grant program after October 1, 1990, the HECB may transfer up to \$500,000 to the appropriation for child care grants.

The HECB shall study ways to redefine the cost of living allowance to more accurately reflect actual costs of living. The board shall examine ways to develop cost of living categories to differentiate among students with different living arrangements and family responsibilities, including child care. The board shall examine whether other items involved in the cost of living should be used in determining categories. The board shall report its findings and recommendations to the education divisions of the house appropriations and senate finance committees by February 1, 1991.

The HECB shall examine the feasibility of using a student loan program, including the SELF program, to assist students whose eligibility for child care grants has expired. The board shall report its findings and recommendations to the education divisions of the house appropriations and senate finance committees by February 1, 1991.

The HECB shall review the percentage of child care grant money authorized for administrative costs on campuses, report on its expenditures of this money, and make any recommendations for changing the percentage levels to the education divisions of the house appropriations and senate fi-

	1990	1991
	\$	\$
nance committees as part of its 1991 biennial budget request.		

The HECB shall work with the Minnesota Association of Financial Aid Administrators to simplify the procedures and methods required to calculate child care grants. The HECB shall report on its progress towards simplification as part of its 1991 biennial budget request.

During the biennium, a campus, post-secondary system, or school district must not reallocate child care program administration money, unless the money is reallocated to child care grants.

During the biennium, the HECB shall amend its child care grant rules to include provisions for campuses that contract with counties for program administration. The rules shall make the campuses accountable for county decisions related to the program, and shall require the campuses to develop on-campus mechanisms for student appeals.

Subd. 3. Interstate Tuition Reciprocity

750,000

Subd. 4. Rural Health Programs

700,000

Of this amount, \$500,000 is for physicians' loans, \$100,000 is for nursing loans, and \$100,000 is for nursing grants.

Subd. 5. The higher education coordinating board may transfer unencumbered balances from the appropriations in this section to the state grant appropriation. Before the transfer, the higher

1990

1991

\$

\$

education coordinating board shall consult with the chairs of the house appropriations and senate finance committees.

Sec. 3. STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION TOTAL

(1,387,700)

Subdivision 1. General Reduction

(644,700)

The legislature requests that the state board reallocate additional money for the aviation mechanics programs from existing internal sources and from non-state sources.

Subd. 2. Teacher Retirement Plan Employers' Contribution

(793,000)

Subd. 3. State Council on Vocational Technical Education

50,000

Sec. 4. STATE BOARD FOR COMMUNITY COLLEGES TOTAL

(966,000)

Subdivision 1. General Reduction

(356,000)

Subd. 2. Teacher Retirement Plan Employers' Contribution

(610,000)

Sec. 5. STATE UNIVERSITY BOARD TOTAL

(1,729,300)

Subdivision 1. General Reduction

	1990	1991
	\$	\$
(657,300)		

Subd. 2. Teacher Retirement Plan Employers' Contribution

(1,072,000)

Subd. 3. Authorized Transfer

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.

Sec. 6. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA TOTAL

(1,763,400)

Subdivision 1. General Reduction

(1,709,400)

Subd. 2. Teacher Retirement Plan Employers' Contribution

(554,000)

Subd. 3. Rural Physicians Associates Program

500,000

\$500,000 is to increase participation in the rural physicians associates program. The Minnesota Medical Association shall assist the university's effort by locating the preceptors for the program. The board of regents shall report, as part of their 1991 biennial budget request, on the feasibility of increasing the program to approximately 40 students per year, on the need to increase the subsidy per stu-

1990

1991

\$

\$

dent, and on the cost implications of these increases.

Sec. 7. POST-SECONDARY SYSTEMS

The public post-secondary governing boards, the department of finance, and the department of administration shall develop jointly a set of detailed criteria to assist the legislature in making decisions on child care facility requests. The boards and departments shall submit a joint report to the education divisions of the house appropriations and senate finance committees by March 1, 1991.

ARTICLE 2

Section 1. [LEGISLATIVE INTENT.]

During the biennium, to ensure fiscal responsibility and to protect current levels of academic quality and funding, the legislature intends that greater oversight be given to the development and establishment of off-campus post-secondary centers, permanent sites, and other large-scale or long-term operations that are intended to provide academic programs, courses, or student services.

Sec. 2. Minnesota Statutes 1989 Supplement, section 135A.06, subdivision 3, is amended to read:

Subd. 3. [SYSTEM PLANS.] Each system shall develop a program plan for instruction, research, and public service. Each system shall consult with the higher education coordinating board and with the other systems throughout the planning process. The higher education coordinating board shall coordinate intersystem efforts in the development of the program plans to achieve intersystem cooperation and differentiation.

Each planning report shall consider at least the following elements:

(1) a statement of program priorities for undergraduate, graduate, and professional education, including data about program cost and average class size within each institution;

(2) the effects of proposed programmatic and enrollment changes on other systems and campuses;

(3) a review of plans for adjusting the number of facilities, staff, and programs to projected level of demand, including consideration of campus and program mergers, campus and program closings, new governance structures, the relationship between fixed costs and projected enrollment changes, and consolidation of institutions, services, and programs that serve the same geographic area under different governing boards;

(4) a review of the current and projected use of community outreach and extension programs including information on all off-campus sites, including at least information for each site from the inventory established in section 9;

(5) enrollment projections for two, five, and ten years based on recent available projections produced by the higher education coordinating board or, if different projections are used, they shall be compared to those prepared by the higher education coordinating board, and the system shall identify the method and assumptions used to prepare its projections;

(6) estimated financial costs and savings of alternative plans for adjusting facilities, staff, and programs to changing enrollments and fiscal resources;

(7) opportunities for providing services cooperatively with other public and private institutions in the same geographic area; and

(8) differentiating and coordinating missions to reduce or eliminate duplication of services and offerings, to improve delivery of services, and to establish clear and distinct roles and priorities.

Sec. 3. Minnesota Statutes 1989 Supplement, section 135A.06, is amended by adding a subdivision to read:

Subd. 6. [SUBMISSION TO LEGISLATURE.] A public post-secondary governing board shall submit the information on off-campus sites required in subdivision 3, clause (4), to the legislature with its biennial budget request in odd-numbered years, and shall update the information with its supplemental budget request in the even-numbered years. The board shall provide detailed information on the use of state appropriated funds in support of each site, including information on the effects on campuses of funding off-campus sites.

Sec. 4. Minnesota Statutes 1989 Supplement, section 136.03, is amended by adding a subdivision to read:

Subd. 3. The state board and the state universities must not establish any off-campus centers or other permanent sites located off state university campuses to provide academic programs, courses, or student services without authorizing legislation. For the purposes of this subdivision, the campus of Metropolitan State University is the seven-county metropolitan area.

Sec. 5. Minnesota Statutes 1988, section 136.62, is amended by adding a subdivision to read:

Subd. 8. The state board and the community colleges must not establish any off-campus centers or other permanent sites located off community college campuses to provide academic programs, courses, or student services without authorizing legislation.

Sec. 6. Minnesota Statutes 1989 Supplement, section 136A.04, subdivision 1, is amended to read:

Subdivision 1. The higher education coordinating board shall:

(1) continuously study and analyze all phases and aspects of higher education, both public and private, and develop necessary plans and programs to meet present and future needs of the people of the state;

(2) continuously engage in long-range planning for the needs of higher education and, if necessary, cooperatively engage in planning with neighboring states and agencies of the federal government;

(3) act as successor to any committee or commission previously authorized to engage in exercising any of the powers and duties prescribed by sections 136A.01 to 136A.07;

(4) review, approve or disapprove, make recommendations, and identify priorities with respect to all proposals for new or additional programs or large-scale or permanent sites of instruction or substantial changes in existing programs or large-scale or permanent sites to be established in or offered by, the University of Minnesota, the state universities, the community colleges, technical institutes, and private collegiate and noncollegiate post-secondary institutions. The board shall forward its recommendations on sites to the house appropriations and senate finance committees. The board shall also periodically review existing programs and recommend discontinuing or modifying any existing program. When reviewing sites and new or existing programs, the board shall consider whether the program is unnecessary, a needless duplication of existing programs, beyond the capability of the system or institution considering its resources, or beyond the scope of the system or institutional mission;

(5) develop in cooperation with the post-secondary systems, house

appropriations committee, senate finance committee, and the departments of administration and finance, a compatible budgetary reporting format designed to provide data of a nature to facilitate systematic review of the budget submissions of the University of Minnesota, the state university system, the community college system, and the technical institutes, which includes the relating of dollars to program output;

(6) review budget requests, including plans for construction or acquisition of facilities of the University of Minnesota, the state universities, the community colleges, and technical institutes for the purpose of relating present resources and higher educational programs to the state's present and long-range needs; and conduct a continuous analysis of the financing of post-secondary institutions and systems, including the assessments as to the extent to which the expenditures and accomplishments are consistent with legislative intent;

(7) obtain from private post-secondary institutions receiving state funds a report on their use of those funds;

(8) continuously monitor and study the transferability between Minnesota post-secondary and higher education institutions of credits earned for equal and relevant work at those institutions, the degree to which credits earned at one institution are accepted at full value by the other institutions, and the policies of these institutions concerning the placement of these transferred credits on transcripts; and

(9) prescribe policies, procedures, and rules necessary to administer the programs under its supervision.

Sec. 7. Minnesota Statutes 1988, section 136C.04, is amended by adding a subdivision to read:

Subd. 20. The state board and the technical colleges must not establish any off-campus centers or other permanent sites located off technical college campuses to provide academic programs, courses, or student services without authorizing legislation.

Sec. 8. [137.40] [OFF-CAMPUS SITES AND CENTERS.]

The board of regents and the university campuses are requested to not establish any off-campus centers or other permanent sites located off university campuses to provide academic programs, courses, or student services without authorizing legislation.

Sec. 9. [INVENTORY.]

Subdivision 1. [HECB.] By November 1, 1990, the higher educa-

tion coordinating board shall compile an inventory of all existing off-campus sites and centers for each post-secondary system and institution that includes at least the following information: total full year equivalent and head count enrollment, number of course offerings in each field of study, degrees available and number awarded, location and type of facilities, leasing or other arrangements and cost, and the amount and sources of funding.

Subd. 2. [HEAC.] The higher education advisory council shall work with the higher education coordinating board to determine categories of off-campus sites and criteria to use in placing sites within categories.

Subd. 3. [HECB.] The higher education coordinating board, and the post-secondary governing boards, shall review the categories and criteria and the information included in the inventory to determine whether these are sufficient for incorporating into system planning activities and enhanced program review activities. As part of its review, the HECB shall examine the courses and programs offered to determine the amount of duplication among the systems and the level of their cooperative efforts. The HECB shall report its findings and recommendations to the appropriations and finance committees by January 15, 1991.

Sec. 10. [CONDITIONS.]

(a) The state university board, the state board for community colleges, the state board of vocational technical education, and their respective campuses must not enter into new long-term lease arrangements, significantly increase the course offerings at off-campus sites, or significantly increase staffing levels for off-campus sites between the effective date of this section and the end of the 1990-1991 academic year. A current long-term lease may be renewed if it expires during this period. The board of regents is requested to abide by these conditions until the end of the 1990-1991 academic year.

(b) This section does not apply to actions of Metropolitan State University that are part of its plan to consolidate its sites in the seven-county metropolitan area. The state university board shall consult with the chairs of the house appropriations and senate finance committees in carrying out its plans.

Sec. 11. [EFFECTIVE DATES.]

Subdivision 1. Sections 1, 4, 5, and 7 to 10 are effective the day following final enactment.

Subd. 2. Section 6 is effective July 1, 1991.

ARTICLE 3

Section 1. [136A.135] [CITATION.]

Sections 136A.135 to 136A.1355 may be cited as the "education for new and continuing nurses act."

Sec. 2. [136A.1351] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] In sections 136A.135 to 136A.1355, the definitions in this section apply.

Subd. 2. "Advanced practice nurse" means a registered nurse who has graduated from a program of study designed to prepare the individual for advanced practice as a nurse practitioner, nurse midwife, clinical nurse specialist in psychiatric mental health, master's degree prepared public health nurse, or nurse anesthetist.

Subd. 3. A "designated rural area" means a Minnesota community outside a ten mile radius of a "Ranally" area which community (1) has more than 2,000 persons per physician, including seasonal variation; and (2) has requested assistance from the higher education coordinating board in finding a nurse for their community.

Subd. 4. A "Ranally area" means a central city or cities and any adjacent built-up areas, plus other communities not connected by continuously built-up areas if population density exceeds 60 persons per square mile and the work force of the communities significantly depends on the central city or cities.

Sec. 3. [136A.1352] [PRE-NURSING GRANTS.]

Subdivision 1. [ESTABLISHMENT.] The higher education coordinating board shall provide grants to students who are entering or enrolled in registered nurse or licensed practical nurse programs, who have no previous nursing training or education, and who agree to practice in a designated rural area.

Subd. 2. [ELIGIBILITY.] (a) To be eligible to receive a grant, a student must be:

(1) a resident of the state of Minnesota;

(2) enrolled in a Minnesota school or college or program of nursing to complete an educational program that would lead to the student's first licensure as a licensed practical nurse or as a registered nurse;

(3) willing to agree to serve at least three of the first five years following licensure in a designated rural area; and

(4) able to meet the financial need criteria established in section 136A.121 and board rules.

(b) The grant must be awarded for one academic year, but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent, but cannot continue after receipt of the nursing degree or certificate.

Subd. 3. [PRIORITY.] If insufficient funds are available to meet the needs of all eligible applicants, the board must give priority to applicants who reside in a designated rural area and applicants attending post-secondary institutions outside the seven-county metropolitan area.

Subd. 4. [DETERMINATION OF NEED; AMOUNT OF AWARD.] The determination of a student's need and the amount of a grant award must be based on the criteria established in section 136A.121 and related board rules.

Sec. 4. [136A.1353] [NURSING GRANT PROGRAM FOR LICENSED PRACTICAL NURSES.]

Subdivision 1. [ESTABLISHMENT.] A nursing grant program is established under the authority of the higher education coordinating board to provide grants to: (1) prospective nursing students to enter into an educational program that would lead to licensure as a licensed practical nurse; and (2) licensed practical nurses to enter into an educational program that would lead to licensure as a registered nurse.

Subd. 2. [ELIGIBILITY.] (a) To be eligible to receive a grant, a student must be:

(1) a resident of the state of Minnesota;

(2) enrolled in a Minnesota school or college of nursing to complete an educational program that would lead to licensure as a licensed practical nurse or be a licensed practical nurse enrolled in a Minnesota school or college of nursing to complete an educational program that would lead to licensure as a registered nurse; and

(3) eligible under any additional criteria established by the school, college, or program of nursing education in which the student is enrolled.

(b) The grant must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent.

Subd. 3. [RESPONSIBILITY OF NURSING PROGRAMS.] Each

nursing school, college, or program of nursing education that wishes to participate in the nursing grant program must apply to the higher education coordinating board for money, according to rules and policies established by the board. A nursing school, college, or program of nursing education must establish criteria to use in awarding the grants. The criteria must include consideration of the likelihood of a student's success in completing the nursing program and must give priority to: (1) students with the greatest financial need; and (2) students enrolling in educational programs leading to licensure as a licensed practical nurse. Grants must be for a minimum of \$500, but must not exceed \$2,500 per year. Each nursing school, college, or program of nursing education shall establish procedures for students to apply for and receive grants.

Subd. 4. [RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD.] The higher education coordinating board shall distribute funds each year to the nursing schools, colleges, or programs of nursing education applying to participate in the nursing grant program based on the last academic year's enrollment of students in educational programs that would lead to licensure as a licensed practical nurse. Money not used by a recipient nursing program must be returned to the higher education coordinating board for redistribution under this section. The board shall establish an application process for interested nursing schools, colleges, or programs of nursing education: Initial applications are due by January 1, 1991, and by January 1 of each later year. By March 1, 1991, and by March 1 of each later year, the board shall notify each applicant nursing school, college, or program of nursing education of its approximate allocation of funds in order to allow the program to determine the number of students that can be supported by the allocation. The board shall distribute funds to the nursing schools, colleges, or programs of nursing education by August 1, 1991, and by August 1 of each later year.

Subd. 5. [FUNDING.] The nursing grant program is funded as provided in the 1990 health and human services supplemental appropriations act.

Subd. 6. [REPORT.] The nursing schools, colleges, or programs of nursing education participating in the nursing grant program shall report to the higher education coordinating board on their program activity as requested by the board.

Subd. 7. [SUNSET.] This section is repealed on June 30, 1995.

Sec. 5. [136A.1354] [NURSING GRANT PROGRAM FOR REGISTERED NURSES.]

Subdivision 1. [ESTABLISHMENT.] The higher education coordinating board shall provide grants to registered nurses seeking to

complete baccalaureate or master's degrees in nursing or a program of advanced nursing education.

Subd. 2. [ELIGIBILITY.] To be eligible to receive a grant, a student must be:

(1) licensed as a registered nurse in Minnesota and have been employed as a nurse in the state for at least one year before re-enrolling in college;

(2) a resident of the state of Minnesota;

(3) enrolled in a Minnesota school or college of nursing to complete a baccalaureate or master's degree, or a program of advanced nursing education; and

(4) eligible under any additional criteria established by the school or college of nursing, or program of advanced nursing education, in which the student is enrolled.

The grant must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent.

Subd. 3. [RESPONSIBILITY OF NURSING PROGRAMS.] Each nursing school, college, or program of advanced nursing education that wishes to participate in the nursing grant program must apply to the higher education coordinating board for money, according to rules and policies established by the board. A nursing school, college, or program of advanced nursing education must establish criteria to use in awarding the grants. The criteria must include consideration of the likelihood of a student's success in completing the nursing program and must give priority to: (1) students with the greatest financial need; and (2) students enrolling to complete baccalaureate degrees. Grants must be for a minimum of \$500, but must not exceed \$2,500 per year. Each nursing school, college, or program of advanced nursing education shall establish procedures for students to apply for and receive grants.

Subd. 4. [RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD.] The higher education coordinating board shall distribute funds each year to the nursing schools, colleges, or programs of advanced nursing education applying to participate in the nursing grant program based on the last academic year's enrollment of registered nurses in schools or colleges of nursing, or programs of advanced nursing education. Money not used by a recipient nursing program must be returned to the higher education coordinating board for redistribution under this section. The board shall establish an application process for interested nursing schools, colleges, or programs of advanced nursing educa-

tion. Initial applications are due by January 1, 1991, and by January 1 of each later year. By March 1, 1991, and by March 1 of each later year, the board shall notify each applicant nursing school, college, or program of advanced nursing education of its approximate allocation of money to allow the program to determine the number of students that can be supported by the allocation. The board shall distribute money to the nursing schools, colleges, or programs of advanced nursing education by August 1, 1991, and by March 1 of each later year.

Subd. 5. [FUNDING.] The nursing grant program is funded as provided in the health and human services 1990 supplemental appropriations act.

Subd. 6. [REPORT.] The nursing schools, colleges, or programs of advanced nursing education participating in the nursing grant program shall report to the higher education coordinating board on their program activity as requested by the board.

Subd. 7. [SUNSET.] This section is repealed on June 30, 1995.

Sec. 6. [136A.1355] [EDUCATION ACCOUNT FOR RURAL ADVANCED PRACTICE NURSES.]

Subdivision 1. [CREATION OF ACCOUNT; DEFINITION OF ADVANCED PRACTICE NURSE.] An education account for rural advanced practice nurses is established. Money from the account must be used by the higher education coordinating board to establish a loan forgiveness program for advanced practice nurses who agree to practice in designated rural areas.

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the program, a registered nurse planning to enroll in a program of study designed to prepare the individual to become an advanced practice nurse shall submit a letter of interest to the higher education coordinating board before enrolling in the program of advanced practice. Before completing the first year of advanced study a registered nurse shall sign a contract to agree to serve at least one of the first two years following completion of the program of advanced study in a designated rural area, as defined in section 2.

Subd. 3. [LOAN FORGIVENESS.] The loan forgiveness program may accept up to ten applicants per year. Applicants are responsible for securing their own loans. For each year of advanced study, for up to two years, applicants chosen to participate in the loan forgiveness program may designate an agreed amount, not to exceed \$5,000, as a qualified loan. For each year that a participant serves as an advanced practice nurse in a designated rural area, up to a maximum of two years, the higher education coordinating board shall annually pay an amount equal to one year of qualified loans and the interest accrued on these loans. Participants who move from one

designated rural area to another, but continue to work as an advanced practice nurse, remain eligible for loan repayment.

Subd. 4. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the required one year minimum commitment of service in a designated rural area, the higher education coordinating board shall collect from the participant 100 percent of the qualified loans and interest paid, plus a penalty of 50 percent of the qualified loans and interest paid. The higher education coordinating board shall deposit the money collected in the education fund for rural advanced practice nurses. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the one year service commitment.

Sec. 7. [136A.136] [RURAL PHYSICIAN EDUCATION ACCOUNT.]

Subdivision 1. [CREATION OF ACCOUNT.] A rural physician education account is established. Money from the fund must be used by the higher education coordinating board to establish a loan forgiveness program for medical students agreeing to practice in designated rural areas.

Subd. 2. [DEFINITIONS.] (a) In this section, the definitions in this subdivision apply.

(b) A "designated rural area" means any Minnesota community outside a ten-mile radius of a "Ranally" area which: (1) has more than 2,000 persons per physician, including seasonal variation; and (2) has requested assistance from the higher education coordinating board in finding a physician for their community.

(c) A "Ranally area" means a central city or cities and any adjacent built-up areas, plus other communities not connected by continuously built-up areas if population density exceeds 60 persons per square mile and the work force of the community or communities significantly depends on the central city or cities.

Subd. 3. [ELIGIBILITY.] To be eligible to participate in the program, a prospective physician shall submit a letter of interest to the higher education coordinating board while attending medical school. Before completing the first year of residency a student or resident shall sign a contract to agree to serve at least three of the first five years following residency in a designated rural area, as defined in this section.

Subd. 4. [LOAN FORGIVENESS.] The loan forgiveness program may accept up to ten applicants per year. Applicants are responsible for securing their own loans. For each year of medical school, for up to five years, applicants chosen to participate in the loan forgiveness

program may designate an agreed amount, not to exceed \$10,000, as a qualified loan. For each year that a participant serves as a physician in a designated rural area, up to a maximum of five years, the higher education coordinating board shall annually pay an amount equal to one year of qualified loans and the interest accrued on these loans. Participants who move their practice from one designated rural area to another remain eligible for loan repayment.

Subd. 5. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the required three year minimum commitment of service in a designated rural area, the higher education coordinating board shall collect from the participant 100 percent of the qualified loans and interest paid, plus a penalty of 50 percent of the qualified loans and interest paid. The higher education coordinating board shall deposit the money collected in the rural physician education fund. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the three-year service commitment.

Sec. 8. [HECB EVALUATION.]

The higher education coordinating board shall evaluate the programs established in sections 1 to 7. The initial evaluation shall examine the progress in establishing the programs and shall be reported to the education divisions of the house appropriations and senate finance committees by February 1, 1991. Beginning in 1992, the HECB shall report to the divisions each February 1 on the operation of each program, including whether the program is achieving its goals, and the board shall make recommendations regarding whether the program shall be terminated or changed.

Sec. 9. [RULES.]

The higher education coordinating board shall develop rules, including emergency rules if necessary, to implement the programs in sections 1 to 7.

ARTICLE 4

Section 1. [299A.41] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions used in this section apply in this chapter.

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 the decedent's death.

Sec. 2. [299A.42] [PUBLIC SAFETY OFFICERS BENEFIT ACCOUNT.]

The public safety officers benefit account is created in the state treasury. Money in the account consists of money transferred and appropriated to that account.

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 according to sections 14.56 to 14.62 and is subject to appeal according to sections 14.63 to 14.68.

Sec. 4. [299A.44] [DEATH BENEFIT.]

On certification to the governor by the commissioner of public safety 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 account, 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 and the higher education coordinating board, 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 January 1, 1973, are eligible to receive educational benefits under this section. To qualify for an award, they must be enrolled in undergraduate degree or certificate programs after June 30, 1990,

at a Minnesota public post-secondary institution or a private, residential, two-year or four-year, liberal arts, degree granting college or university located in Minnesota. Persons who have received a baccalaureate degree are no longer eligible.

Subd. 2. [AWARD AMOUNT.] (a) The amount of the award is:

(1) for public institutions, the actual tuition and fees charged by the institution, or

(2) for private institutions the lesser of (i) the actual tuition and fees charged by the institution or (ii) the highest tuition and fees charged by a public institution in Minnesota.

(b) An award under this subdivision must not affect a recipient's eligibility for a state grant under section 136A.121.

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. An institution must not request payment unless the student is enrolled in or has completed the term for which the payment is intended.

Subd. 4. [RENEWALS.] Each award must be given for one academic year and is renewable for a maximum of six semesters or nine quarters or their equivalent. An award must not be given after the recipient has obtained a baccalaureate degree or has been enrolled full-time or the equivalent for eight semesters or 12 quarters, whichever occurs first. An award must not be given to a dependent child who is 23 years of age or older on the first day of the academic year.

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, including emergency rules, to implement, coordinate, and administer section 5.

Sec. 7. [REPORTS.]

By February 1, 1991, the commissioner of public safety shall report to the house appropriations and senate finance committees on the use of the educational benefits provisions and on any recommendations to change these provisions. The higher education coordinating board shall report on its expenditures as part of its 1991 biennial budget request.

Sec. 8. [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. 9. [MONEY SET ASIDE.]

The higher education coordinating board shall set aside \$100,000 appropriated for the state grant program under Minnesota Statutes, section 136A.121 for the purpose of section 5.

Sec. 10. [EFFECTIVE DATES.]

Sections 1 to 4, 6, and 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 January 1, 1973.

ARTICLE 5

Section 1. [136A.0411] [COLLECTING FEES.]

The higher education coordinating board may charge fees for seminars, conferences, workshops, services, and materials. The money is annually appropriated to the board. As part of its biennial budget request, the board shall report the fees it has collected, the sources of the fees, and the manner in which the fees were spent.

Sec. 2. Minnesota Statutes 1989 Supplement, section 136A.08, is amended to read:

136A.08 [RECIPROCAL AGREEMENTS RELATING TO NON-RESIDENT TUITION WITH OTHER STATES OR PROVINCES.]

Subdivision 1. [AUTHORIZATION.] The Minnesota higher education coordinating board may enter into agreements, on subjects that include remission of nonresident tuition for designated categories of students at public post-secondary institutions, with appropriate state or provincial agencies and public post-secondary institutions in other states or provinces. The agreements shall be for the purpose of the mutual improvement of educational advantages for residents of this state and other states or provinces with whom agreements are made.

Subd. 1a. [WISCONSIN.] A higher education reciprocity agreement with the state of Wisconsin may include provision for the transfer of funds between Minnesota and Wisconsin provided that an income tax reciprocity agreement between Minnesota and Wisconsin is in effect for the period of time included under the higher education reciprocity agreement. If this provision is included, the

amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the board and a duly designated agency representing Wisconsin. The formula shall recognize differences in tuition rates between the two states and the number of students attending institutions in each state under the agreement. Any payments to Minnesota by Wisconsin shall be deposited by the board in the general fund of the state treasury. The amount required for the payments shall be certified by the executive director of the higher education coordinating board to the commissioner of finance annually.

Subd. 2. [NORTH DAKOTA; SOUTH DAKOTA.] A reciprocity agreement with North Dakota may include provision for the transfer of funds between Minnesota and North Dakota. If provision for transfer of funds between the two states is included, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the board and a duly designated agency representing North Dakota. In adopting a formula, the board shall consider tuition rates in the two states and the number of students attending institutions in each state under the agreement. Any payment to Minnesota by North Dakota shall be deposited by the board in the general fund. The amount required for the payments shall be certified by the executive director of the higher education coordinating board to the commissioner of finance annually. All provisions in this subdivision pertaining to North Dakota shall also be applied to South Dakota, and all authority and conditions granted for higher education reciprocity with North Dakota are also granted for higher education reciprocity with South Dakota.

Subd. 3. [FINANCIAL AID.] The board may enter into an agreement, with a state or province with which it has negotiated a reciprocity agreement for tuition, to permit students ~~from both states~~ to receive student aid awards from the student's state or province of residence for attending an eligible institution in the other state or province.

Subd. 4. [GOVERNING BOARD APPROVAL.] An agreement made by the board under this section is not valid as to a particular institution without the approval of that institution's state or provincial governing board.

Sec. 3. Minnesota Statutes 1988, section 136C.08, subdivision 2, is amended to read:

Subd. 2. Any fee established by the board pursuant to under the authority granted in subdivision 1 shall not exceed \$1 per day per vehicle must be approved by the state board. Parking fees collected shall be deposited in the general or repair and betterment fund of the school district or joint school district.

Sec. 4. Minnesota Statutes 1988, section 137.022, subdivision 1, is amended to read:

Subdivision 1. [INVESTMENT.] The investment management of the permanent university fund shall be under the jurisdiction of the board of regents of the University of Minnesota, subject to any limitations imposed by the Constitution of the state of Minnesota, article XI, section 9. All securities and cash held in the state treasury credited to the permanent university fund that are unappropriated or unencumbered are transferred and appropriated to the board of regents of the University of Minnesota solely for the purpose of investment by them, ~~with the restriction that all such investment transactions be handled through the supervision of investment counselors, bank trust departments, or insurance companies which are organized, licensed, or have registered offices within the state of Minnesota or have agreed in writing to conduct such securities transactions and investment counseling under Minnesota law and the rules established by the department of commerce. These.~~ The investments shall be are restricted to those authorized as eligible for use in the Minnesota postretirement investment fund, section 11A.18, with the exception that corporate debt securities may be used to the extent of 80 percent of the portfolio the state board of investment may invest in under section 11A.24.

Sec. 5. Minnesota Statutes 1988, section 137.022, subdivision 3, is amended to read:

Subd. 3. [ENDOWED CHAIRS.] (a) The income from the permanent university fund must be used, and realized and unrealized capital gains of the fund may be used, to help endow provide endowment support for professorial chairs in academic disciplines. This income The endowment support for the chairs from the income and the capital gains must not total more than six percent per year of the 36-month trailing average market value of the fund, as computed quarterly or otherwise as directed by the regents. The endowment support from the income and the capital gains must not provide more than half the sum of the endowments endowment support for all chairs endowed, with nonstate sources providing the remainder. The endowment support from the income and the capital gains may provide more than half the endowment support of an individual chair.

(b) If any portion of the annual appropriation that in subdivision 2 of the income is not used for this the purpose specified in paragraph (a), that portion lapses and must be added to the principal of the permanent university fund.

Sec. 6. Laws 1989, chapter 293, section 2, subdivision 2, is amended to read:

Subd. 2. Agency Administration

\$3,900,000 \$2,972,000

(a) The optometry and osteopathy contract program for students who were in the program in the 1986-1987 academic year must be discontinued on June 30, 1990. No new students may be admitted.

(b) As part of its 1991 biennial budget request, the HECB shall report its recommendations for improvements to the SELF program.

(c) Notwithstanding Laws 1987, chapter 401, section 33, the task force on post-secondary quality assessment may continue for the 1989-1991 biennium. The task force membership may be expanded to include public members appointed by the higher education advisory council from nominees submitted by the HECB.

(d) No further funding of the enterprise development centers shall be provided through the HECB. The Greater Minnesota Corporation may provide funding for the centers.

(e) \$150,000 for the biennium is for matching grants to post-secondary institutions that submit acceptable proposals for campus community service projects emphasizing students performing as tutors or mentors to their younger peers. Campus community service projects attempt to instill in students the value of civic involvement and the belief that each student's community service can make a difference in the community. The HECB may award up to 20 grants. To receive a grant, a recipient must match the grant amount from any resources available to the institution. The state grant is for a staff person on each recipient's campus to coordinate student community service involvement. Up to \$25,000 of the appropriation may be used for HECB

administration, coordination, training, consultation, and evaluation costs. The legislature intends the grant program to be phased out at the end of the biennium to be replaced by 100 percent funding by the recipient institutions from any resources available to the institution.

(f) The HECB shall undertake the second phase of the study of post-secondary needs in the state, as provided in Laws 1988, chapter 703, article 1, section 2, subdivision 3. This phase must concentrate on those parts of the state outside the St. Cloud to Rochester population corridor. The HECB may contract for portions of the study, as necessary, but is not subject to Minnesota Statutes, chapter 16B. Before proceeding with the request for proposals, the HECB shall consult with the post-secondary systems, institutions, and other relevant agencies to locate studies and market analyses that could be used in conducting phase 2. The study must focus on (1) an assessment of the current and future conditions and needs; (2) strategies to meet these needs; (3) costs associated with the strategies; and (4) effects of the strategies on existing institutions, state policies, quality of education, improvement of intersystem cooperation, reduction of duplication, and system and institutional missions.

The study should include consideration of at least the following concerns: the current and projected demographic and participation trends; current levels and types of services available; and needs of traditional and nontraditional students; the geographical accessibility of services needed by different types of students; uses of alternative delivery systems, instructional technology, cooperative efforts, and reciprocity agreements; relationships between post-secondary institutions and business; and the physical capacity of existing

institutions. The study shall analyze attendance patterns and may include market surveys. The HECB shall report the findings of the study to the education and finance committees of the senate and the education and appropriations committees of the house by December 1, 1990. By January 1, 1991, the HECB shall review and comment on each of the strategies proposed in the study. In submitting the findings of phase 2, the board shall relate them to the results of phase 1 and their implications for statewide policy.

The study shall serve as the 1990 inter-system plan as required in Minnesota Statutes, section 135A.06, subdivision 2.

(g) The HECB shall analyze and make recommendations on plans submitted for providing undergraduate and practitioner-oriented graduate programs in the seven-county metropolitan area. By February 1, 1990, the HECB shall report on its recommendations to the education and finance committees of the senate and the education and appropriations committees of the house.

Sec. 7. Laws 1989, chapter 293, section 2, subdivision 3, is amended to read:

Subd. 3. State Scholarships and Grants
\$69,044,000 \$82,644,000

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

During the biennium, the higher education coordinating board may ask the commissioner of finance to loan general fund money to the scholarship and grant account to ease cash flow difficulties. The higher education coordinating board must first certify to the commissioner that there will be adequate refunds to the account to repay the loan.

The commissioner shall use the re-funds to make repayment to the general fund of the full amount loaned. Money necessary to meet cash flow difficulties in the state scholarship and grant program is appropriated to the commissioner of finance for loans to the higher education coordinating board.

This appropriation contains money for increasing living allowances for state scholarships and grants to \$3,170 for the first year and \$3,465 for the second year.

\$2,000,000 each year is for child care grants. For the biennium, the board may determine a reasonable percentage of the appropriation to be used for the administrative costs of the agency and the campuses.

The HECB shall report to the education divisions of the house appropriations and senate finance committees on the academic progress and persistence of state scholarship and grant program recipients by February 1, 1990.

The HECB shall examine and make recommendations on the use of post-secondary scholarships and other mechanisms to provide incentives to students to pursue International Baccalaureate degrees. In making its recommendations, the HECB shall include an analysis of the cost of a scholarship program and whether these scholarships would be an appropriate use of state funds.

The HECB may use up to \$250,000 of the appropriation in each year to provide grants for Minnesota resident students participating in the Akita program. Grants must be awarded on the same basis as other state grants, except that the cost of attendance shall be adjusted to incorporate the state university tuition level and the travel, room and board, books, and fees asso-

ciated with the Akita fee level program. An individual grant must not exceed the state grant maximum award for a student at a four-year private college. The HECB and the state university board shall report on these grants in the 1991 biennial budget document.

By February 15, 1990, the HECB shall report to the education divisions of the senate finance and the house appropriations committees on implementation of procedures to recover overpayment of state scholarship and grant awards. The report shall cover overpayments for the 1988-1989 academic year and shall include at least the following information for each case for which recovery of an overpayment is sought:

- (1) the reason for the overpayment;
- (2) the manner in which the overpayment was discovered;
- (3) the amount of the overpayment;
- (4) the recovery plan proposed by the HECB;
- (5) whether the case was brought to court and, if so,
 - (a) why the case was brought to court,
 - (b) the cost to the HECB of bringing the case to court, and
 - (c) whether the HECB recovered costs and attorney fees; and
- (6) the disposition, including the amount of the overpayment recovered and the amount of time elapsed from the time the overpayment was discovered to the time a repayment agreement was reached.

The report shall not include any information identifying the students involved.

Sec. 8. [LEASE AGREEMENT.]

The state university board may enter into a lease agreement for use of Lourdes Hall, located on the campus of the former college of St. Teresa in Winona, to establish and operate a residential college program. The agreement must include an option to purchase. Notwithstanding Minnesota Statutes, section 16B.24, subdivision 6, the lease agreement may be for the number of years necessary, but not more than 20 years, for the operation of the program. Before entering into the agreement, the board shall consult with the chairs of the senate finance and house appropriations committees. The agreement is not valid unless it includes a clause reserving the exclusive right of the state to terminate by nonappropriation.

Sec. 9. [CONSUMER INFORMATION SYSTEM.]

The public post-secondary state governing boards, and private post-secondary colleges and occupational and technical institutions that enroll recipients of state grants, shall develop a consumer information system for occupational programs. The system must be based on student placement and must include all subbaccalaureate occupational programs and all programs that lead to an occupation requiring certification, licensure, or testing for entry. The first phase of the system must include all subbaccalaureate occupational programs. The higher education coordinating board must coordinate the development of the system and must report on it to the education divisions of the house appropriations and the senate finance committees by February 15, 1991.

Sec. 10. [SYSTEM PLANNING.]

Subdivision 1. [HECB.] As part of its role in coordinating the continuing work on MSPAN 1 and to reduce duplication and improve the efficient delivery of quality services to students, the higher education coordinating board shall examine the current status of system governance and mission differentiation. It further shall examine whether courses and programs are offered currently in the appropriate system. The board shall recommend any change it deems necessary or advisable in governance, mission differentiation, and program location. The board shall consult with the post-secondary systems in its examination. It shall report its findings and recommendations as part of its reporting process in subdivision 2.

Subd. 2. [ALL SYSTEMS.] Notwithstanding Minnesota Statutes, section 135A.06, in place of system plans, the public post-secondary systems shall submit plans for providing undergraduate and prac-

titioner-oriented graduate programs in the seven-county metropolitan area to the higher education coordinating board.

As one part of the planning process, each public post-secondary governing board shall review its current mission statement. Each board shall determine whether the statement accurately reflects its mission and the role of its system in the mission differentiation efforts, and recommend any changes its statement requires. The boards shall submit their mission statements and recommendations to the higher education coordinating board with their metropolitan area plans by December 1, 1990.

The higher education coordinating board shall review and comment on the plans and mission statements and report to the legislature and governor by February 15, 1991.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 and 4 to 10 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; appropriating money or reducing appropriations to the higher education coordinating board, regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, with certain conditions; expressing intent for greater oversight of off-campus post-secondary centers; clarifying the duties and powers of the higher education coordinating board; providing for financial aid for nurses and certain rural health personnel and dependents of certain public safety officers; authorizing rules; changing permitted kinds of investments for the permanent university fund; permitting capital gains of the fund to be used to support endowed academic chairs; authorizing the lease of a certain building by the state university board; requiring development of a consumer information system for occupational programs; adjusting contributions to certain state system retirement plans; requiring plans and reports; amending Minnesota Statutes 1988, sections 136.62, by adding a subdivision; 136C.04, by adding a subdivision; 136C.08, subdivision 2; and 137.022, subdivisions 1 and 3; Minnesota Statutes 1989 Supplement, sections 135A.06, subdivision 3, and by adding a subdivision; 136.03, by adding a subdivision; 136A.04, subdivision 1; and 136A.08; Laws 1989, chapter 293, section 2, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapters 136A; 137; and 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.

The report was adopted.

Simoneau from the Committee on Appropriations 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 following amendments:

Page 1, after line 39, insert:

"Section 1. Minnesota Statutes 1988, section 10A.02, subdivision 1, is amended to read:

Subdivision 1. There is hereby created a state ethical practices campaign reporting board composed of six members. The members shall be appointed by the governor with the advice and consent of three-fifths of both the senate and the house of representatives acting separately. If either house fails to confirm the appointment of a board member within 45 legislative days after appointment, or by

adjournment sine die, whichever occurs first, the appointment shall terminate on the day following the 45th legislative day or on adjournment sine die, whichever occurs first. If either house votes not to confirm an appointment, the appointment terminates on the day following the vote not to confirm. One member shall be a former member of the legislature from a major political party different from that of the governor; one member shall be a former member of the legislature from the same political party as the governor; two members shall be persons who have not been public officials, held any political party office other than precinct delegate, or been elected to public office for which party designation is required by statute in the three years preceding the date of their appointment; and the other two members shall not support the same political party. No more than three of the members of the board shall support the same political party."

Page 2, after line 8, insert:

"Sec. 3. Minnesota Statutes 1988, section 10A.04; subdivision 4, is amended to read:

Subd. 4. The report shall include such information as the board may require from the registration form and the following information for the reporting period:

(a) The lobbyist's total disbursements on lobbying, listing lobbying to influence legislative action separately from lobbying to influence administrative action, and a breakdown of those disbursements for each of those kinds of lobbying into categories specified by the board, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses;

(b) The amount and nature of each honorarium, gift, loan, item or benefit, excluding contributions to a candidate, equal in value to \$50 or more, given or paid to any public official by the lobbyist or any employer or any employee of the lobbyist. The list shall include the name and address of each public official to whom the honorarium, gift, loan, item or benefit was given or paid and the date it was given or paid; and

(c) Each original source of funds in excess of \$500 in any year used for the purpose of lobbying to influence legislative action and each such source of funds used to influence administrative actions. The list shall include the name, address and employer, or, if self-employed, the occupation and principal place of business, of each payer of funds in excess of \$500.

Sec. 4. Minnesota Statutes 1988, section 10A.05, is amended to read:

10A.05 [LOBBYIST REPORT.]

Within 30 days after each lobbyist filing date set by section 10A.04, the executive director of the board shall report to the governor, and the presiding officer of each house of the legislature, the names of the lobbyists registered who were not previously reported, the names of the persons or associations whom they represent as lobbyists and the subject or subjects on which they are lobbying, and whether in each case they lobby to influence legislative or administrative action or both."

Page 11, after line 18, insert:

"Sec. 20. [REVISOR'S INSTRUCTION.]

In the 1990 and subsequent editions of Minnesota Statutes the revisor of statutes shall change the term "ethical practices board" wherever it appears to "campaign reporting board."

Page 27, delete section 12

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 23, after the semicolon insert "10A.02, subdivision 1;"

Page 1, line 24, after "2" insert ", 4," and before "10A.20" insert "10A.05;"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2200, 2269 and 2666 were read for the second time.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1846:

Wagenius, Kelly, Vellenga, Blatz and Marsh.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1857:

Lieder, Steensma and Carlson, D.

MOTIONS AND RESOLUTIONS

Hasskamp moved that the name of Wenzel be added as an author on H. F. No. 1831. The motion prevailed.

McLaughlin moved that the name of Clark be added as an author on H. F. No. 2329. The motion prevailed.

Pugh moved that the name of Carruthers be added as an author on H. F. No. 2365. The motion prevailed.

Reding moved that the name of Lynch be added as an author on H. F. No. 2458. The motion prevailed.

Simoneau moved that the name of Clark be added as an author on H. F. No. 2596. The motion prevailed.

Hasskamp moved that the name of Battaglia be stricken and the name of Wenzel be added as an author on H. F. No. 2801. The motion prevailed.

Simoneau moved that H. F. No. 2520, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Battaglia moved that H. F. No. 84 be returned to its author. The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 1:00 p.m., Wednesday, March 28, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Wednesday, March 28, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

SEVENTY-NINTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 28, 1990

The House of Representatives convened at 1:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Peg Chamberlin, Director, Minnesota Food Share, Minneapolis, Minnesota.

The roll was called and the following members were present:

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
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.	Jaros	Miller	Quinn	Valento
Carlson, L.	Jefferson	Morrison	Redalen	Vellenga
Carruthers	Jennings	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	Olson, E.	Schafer	
Frederick	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omman	Seaberg	
Girard	Krueger	Omnem	Segal	

A quorum was present.

Bennett was excused.

Schreiber was excused until 3:15 p.m.

The Chief Clerk proceeded to read the Journal of the preceding

day. Waltman moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 2200, 2269, 2666 and 2478 and S. F. Nos. 2174, 2317, 2318, 1873, 2132, 2564, 1725, 2089 and 2134 have been placed in the members' files.

S. F. No. 1873 and H. F. No. 2063, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Seaberg moved that the rules be so far suspended that S. F. No. 1873 be substituted for H. F. No. 2063 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2089 and H. F. No. 2434, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Nelson, K., moved that the rules be so far suspended that S. F. No. 2089 be substituted for H. F. No. 2434 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2132 and H. F. No. 2222, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Peterson moved that the rules be so far suspended that S. F. No. 2132 be substituted for H. F. No. 2222 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2134 and H. F. No. 2086, 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. 2134 be substituted for H. F. No. 2086 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2317 and H. F. No. 2075, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jacobs moved that the rules be so far suspended that S. F. No. 2317 be substituted for H. F. No. 2075 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2318 and H. F. No. 2605, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Wagenius moved that the rules be so far suspended that S. F. No. 2318 be substituted for H. F. No. 2605 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2564 and H. F. No. 2077, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Ozment moved that the rules be so far suspended that S. F. No. 2564 be substituted for H. F. No. 2077 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 27, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 1895, relating to courts; providing an alternative dispute resolution pilot project in the second judicial district.

H. F. No. 2188, relating to local government; permitting towns to publish collections of town ordinances, resolutions, rules, and laws.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1990 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the

Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F.</i> <i>No.</i>	<i>H.F.</i> <i>No.</i>	<i>Session Laws</i> <i>Chapter No.</i>	<i>Time and</i> <i>Date Approved</i> <i>1990</i>	<i>Date Filed</i> <i>1990</i>
	1895	360	15:53-March 27	March 28
	2188	361	15:55-March 27	March 28

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

SECOND READING OF SENATE BILLS

S. F. Nos. 1873, 2089, 2132, 2134, 2317, 2318 and 2564 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Frederick, Henry, Macklin, Runbeck and Lynch introduced:

H. F. No. 2807, A bill for an act proposing an amendment to the Minnesota Constitution, article XI, section 1; providing that state spending may not increase at a greater rate than allowed by the constitution.

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

Limmer, Macklin, Blatz, McPherson and Henry introduced:

H. F. No. 2808, A bill for an act relating to state lands; requiring condemnation and sale of certain trust lands constituting lakeshore lots; requiring the sale of certain nontrust 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.

Steensma, Wenzel and Bertram introduced:

H. F. No. 2809, A bill for an act relating to education; providing sex education course guidelines; 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.

Steensma, Wenzel and Bertram introduced:

H. F. No. 2810, 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.

Steensma, Wenzel and Bertram introduced:

H. F. No. 2811, A bill for an act relating to education; providing sex education course guidelines; establishing a task force; 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.

HOUSE ADVISORIES

The following House Advisory was introduced:

Winter, Wenzel, Kahn, Steensma and Vanasek introduced:

H. A. No. 46, A proposal to change the Department of Agriculture to the Department of Agriculture, Food, and Fiber.

The advisory was referred to the Committee on Agriculture.

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. 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.

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. 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.

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.

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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Carruthers moved that the House refuse to concur in the Senate amendments to H. F. No. 2500, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Ogren moved that the House refuse to concur in the Senate amendments to H. F. No. 1927, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Skoglund moved that the House refuse to concur in the Senate amendments to H. F. No. 2343, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Battaglia moved that the House refuse to concur in the Senate amendments to H. F. No. 1960, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kelly moved that the House refuse to concur in the Senate amendments to H. F. No. 1952, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Johnson, A., moved that the House refuse to concur in the Senate amendments to H. F. No. 1981, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Scheid moved that the House refuse to concur in the Senate amendments to H. F. No. 1913, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the 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. 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.

PATRICK E. FLAHAVERN, Secretary of the Senate

Dauner moved that the House refuse to concur in the Senate amendments to H. F. No. 2056, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVERN, Secretary of the Senate

Beginich moved that the House refuse to concur in the Senate amendments to H. F. No. 1928, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 1983 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1983, A bill for an act relating to insurance; making changes in policy conversions to conform to federal law; regulating coverages under Medicare supplement plans; clarifying regulatory authority requiring insurers to submit claims experience and earned premiums data; amending Minnesota Statutes 1988, sections 62A.17, subdivision 6; 62A.21, subdivision 2b; 62A.36, subdivision 1, and by adding subdivisions; 62C.142, subdivision 2; 62D.101, subdivision 2; Minnesota Statutes 1989 Supplement, sections 62A.31, subdivision 2; 62A.315; and 62A.316.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Clark	Hartle	Johnson, R.	Lynch
Anderson, G.	Cooper	Hasskamp	Johnson, V.	Macklin
Anderson, R.	Dauner	Haukoos	Kahn	Marsh
Battaglia	Dawkins	Hausman	Kalis	McEachern
Bauerly	Dempsey	Heap	Kelly	McGuire
Beard	Dille	Henry	Kelso	McLaughlin
Begich	Dorn	Himle	Kinkel	McPherson
Bertram	Forsythe	Hugoson	Knickerbocker	Milbert
Blatz	Frederick	Jacobs	Kostohryz	Miller
Boo	Frerichs	Janezich	Krueger	Munger
Brown	Girard	Jaros	Lasley	Murphy
Carlson, D.	Greenfield	Jefferson	Lieder	Nelson, C.
Carlson, L.	Gruenes	Jennings	Limmer	Nelson, K.
Carruthers	Gutknecht	Johnson, A.	Long	Neuenschwander

O'Connor	Pappas	Rice	Sparby	Wagenius
Ogren	Pauly	Rodosovich	Stanius	Waltman
Olsen, S.	Pellow	Rukavina	Steensma	Weaver
Olson, E.	Pelowski	Runbeck	Sviggum	Welle
Olson, K.	Peterson	Sarna	Swenson	Wenzel
Omann	Poppenhagen	Schafer	Tjornhom	Williams
Onnen	Price	Scheid	Tompkins	Winter
Orenstein	Pugh	Seaberg	Trimble	Spk. Vanasek
Osthoff	Quinn	Segal	Tunheim	
Ostrom	Redalen	Simoneau	Uphus	
Otis	Reding	Skoglund	Valento	
Ozment	Rest	Solberg	Vellenga	

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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 1984 and that the bill be repassed as amended by the Senate. The motion prevailed.

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, 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	Begich	Burger	Dauer	Frederick
Anderson, G.	Bertram	Carlson, D.	Dawkins	Frerichs
Anderson, R.	Bishop	Carlson, L.	Dempsey	Girard
Battaglia	Blatz	Carruthers	Dille	Greenfield
Bauerly	Boo	Clark	Dorn	Gruenes
Beard	Brown	Cooper	Forsythe	Gutknecht

Hartle	Knickerbocker	Nelson, K.	Pugh	Sviggum
Hasskamp	Kostohryz	Neuenschwander	Quinn	Swenson
Haukoos	Krueger	O'Connor	Redalen	Tjornhom
Hausman	Lasley	Ogren	Reding	Tompkins
Heap	Lieder	Olsen, S.	Rest	Trimble
Henry	Limmer	Olson, E.	Rice	Tunheim
Himle	Long	Olson, K.	Richter	Uphus
Hugoson	Lynch	Omman	Rodosovich	Valento
Jacobs	Macklin	Onnen	Rukavina	Vellenga
Janezich	Marsh	Orenstein	Runbeck	Wagenius
Jaros	McDonald	Osthoff	Sarna	Waltman
Jefferson	McEachern	Ostrom	Schafer	Weaver
Jennings	McGuire	Otis	Scheid	Welle
Johnson, A.	McLaughlin	Ozment	Seaberg	Wenzel
Johnson, R.	McPherson	Pappas	Segal	Williams
Johnson, V.	Milbert	Pauly	Simoneau	Winter
Kahn	Miller	Pellow	Skoglund	Spk. Vanasek
Kalis	Morrison	Pelowski	Solberg	
Kelly	Munger	Peterson	Sparby	
Kelso	Murphy	Poppenhagen	Stanius	
Kinkel	Nelson, C.	Price	Steenasma	

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. 1919, A bill for an act relating to ethnic Minnesotans; designating Ethnic American Day; proposing coding for new law in Minnesota Statutes, chapter 10.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Pappas moved that the House concur in the Senate amendments to H. F. No. 1919 and that the bill be repassed as amended by the Senate. The motion prevailed.

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, 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	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
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.	Jaros	Miller	Quinn	Valento
Carlson, L.	Jefferson	Morrison	Redalen	Vellenga
Carruthers	Jennings	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	Olson, E.	Schafer	
Frederick	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omann	Seaberg	
Girard	Krueger	Onnen	Segal	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Price moved that the House concur in the Senate amendments to H. F. No. 1883 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1883, A bill for an act relating to natural resources; providing legislative approval of certain consumptive uses of water over 2,000,000 gallons per day; exempting legislative approval for consumptive uses over 2,000,000 gallons per day for construction dewatering and pollution abatement or remediation; amending Minnesota Statutes 1988, section 105.405, subdivision 3.

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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Krueger moved that the House concur in the Senate amendments to H. F. No. 2305 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2305, A bill for an act relating to agriculture; providing requirements for light butter, reduced fat cheese, light cheese, frozen yogurt, frozen low-fat yogurt, frozen nonfat yogurt, reduced-fat ice cream, low-fat ice cream, and nonfat ice cream; amending Minnesota Statutes 1988, sections 32.471, subdivision 1; 32.481; and 32.55, subdivision 2, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 32.

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	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
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.	Jaros	Miller	Quinn	Valento
Carlson, L.	Jefferson	Morrison	Redalen	Vellenga
Carruthers	Jennings	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	Olson, E.	Schafer	
Frederick	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omann	Seaberg	
Girard	Krueger	Onnen	Segal	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Haukoos moved that the House concur in the Senate amendments to H. F. No. 2321 and that the bill be repassed as amended by the Senate. The motion prevailed.

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 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	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
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.	Jaros	Miller	Quinn	Valento
Carlson, L.	Jefferson	Morrison	Redalen	Vellenga
Carruthers	Jennings	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	Olson, K.	Scheid	
Frerichs	Kostohryz	Omann	Seaberg	
Girard	Krueger	Onnen	Segal	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Wagenius moved that the House concur in the Senate amendments to H. F. No. 1921 and that the bill be repassed as amended by the Senate. The motion prevailed.

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, 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	Carruthers	Hartle	Johnson, V.	Marsh
Anderson, G.	Clark	Hasskamp	Kahn	McDonald
Anderson, R.	Cooper	Haukoos	Kalis	McEachern
Battaglia	Dauner	Hausman	Kelly	McGuire
Bauerly	Dawkins	Heap	Kelso	McLaughlin
Beard	Dempsey	Henry	Kinkel	McPherson
Begich	Dille	Himle	Knickerbocker	Milbert
Bertram	Dorn	Hugoson	Kostohryz	Miller
Bishop	Forsythe	Jacobs	Krueger	Morrison
Blatz	Frederick	Janezich	Lasley	Munger
Boo	Frerichs	Jaros	Lieder	Murphy
Brown	Girard	Jefferson	Limmer	Nelson, C.
Burger	Greenfield	Jennings	Long	Nelson, K.
Carlson, D.	Gruenes	Johnson, A.	Lynch	Neuenschwander
Carlson, L.	Gutknecht	Johnson, R.	Macklin	O'Connor

Ogren	Pauly	Richter	Sparby	Wagenius
Olsen, S.	Pellow	Rodosovich	Stanisus	Waltman
Olson, E.	Pelowski	Rukavina	Steensma	Weaver
Olson, K.	Peterson	Runbeck	Sviggum	Welle
Omann	Poppenhagen	Sarna	Swenson	Wenzel
Onnen	Price	Schafer	Tjornhom	Williams
Orenstein	Pugh	Scheid	Tompkins	Winter
Osthoff	Quinn	Seaberg	Trimble	Spk. Vanasek
Ostrom	Redalen	Segal	Tunheim	
Otis	Reding	Simoneau	Uphus	
Ozment	Rest	Skoglund	Valento	
Pappas	Rice	Solberg	Vellenga	

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. 2059, A bill for an act relating to education; permitting special school district No. 1 to remodel the Aviation Training Center with federal funds.

PATRICK E. FLAHAVERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Carlson, L., moved that the House concur in the Senate amendments to H. F. No. 2059 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2059, A bill for an act relating to education; designating the commissioner of transportation as agent for the Mid-American Aviation Resource Consortium; permitting special school district No. 1 to remodel the Aviation Training Center with federal funds.

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	Bertram	Carlson, L.	Dille	Gruenes
Anderson, G.	Bishop	Carruthers	Dorn	Gutknecht
Anderson, R.	Blatz	Clark	Forsythe	Hartle
Battaglia	Boo	Cooper	Frederick	Hasskamp
Bauerly	Brown	Dauner	Frerichs	Haukoos
Beard	Burger	Dawkins	Girard	Hausman
Begich	Carlson, D.	Dempsey	Greenfield	Heap

Henry	Lieder	Ogren	Redalen	Swenson
Himle	Limmer	Olsen, S.	Reding	Tjornhom
Hugoson	Long	Olson, E.	Rest	Tompkins
Jacobs	Lynch	Olson, K.	Rice	Trimble
Janezich	Macklin	Omann	Richter	Tunheim
Jaros	Marsh	Onnen	Rodosovich	Uphus
Jefferson	McDonald	Orenstein	Rukavina	Valento
Jennings	McEachern	Osthoff	Runbeck	Vellenga
Johnson, A.	McGuire	Ostrom	Sarna	Wagenius
Johnson, R.	McLaughlin	Otis	Schafer	Waltman
Johnson, V.	McPherson	Ozment	Scheid	Weaver
Kahn	Milbert	Pappas	Seaberg	Welle
Kalis	Miller	Pauly	Segal	Wenzel
Kelly	Morrison	Pellow	Simoneau	Williams
Kelso	Munger	Pelowski	Skoglund	Winter
Kinkel	Murphy	Peterson	Solberg	Spk. Vanasek
Knickerbocker	Nelson, C.	Poppenhagen	Sparby	
Kostohryz	Nelson, K.	Price	Stanius	
Krueger	Neuenschwander	Pugh	Steenasma	
Lasley	O'Connor	Quinn	Swiggum	

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. 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.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kelly moved that the House concur in the Senate amendments to H. F. No. 1841 and that the bill be repassed as amended by the Senate. The motion prevailed.

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, 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	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	Steenasma
Begich	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	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
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	
Frerichs	Kostohryz	Omann	Seaberg	
Girard	Krueger	Onnen	Segal	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Stanius moved that the House concur in the Senate amendments to H. F. No. 1673 and that the bill be repassed as amended by the Senate. The motion prevailed.

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 Minnesota Statutes 1989 Supplement, section 151.34.

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	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	Swiggum
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.	Jaros	Miller	Quinn	Valento
Carlson, L.	Jefferson	Morrison	Redalen	Vellenga
Carruthers	Jennings	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	Olson, E.	Schafer	
Frederick	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omann	Seaberg	
Girard	Krueger	Onnen	Segal	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1758, 2493, 1874, 2433, 354 and 2012.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1758, A bill for an act relating to health; requiring the licensing of wholesale drug distributors; regulating the use of

biosynthetic bovine somatotropin; providing penalties; amending Minnesota Statutes 1988, sections 151.01, subdivision 28; 151.06, subdivision 1; 151.15, subdivision 3; 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 Appropriations.

S. F. No. 2493, A bill for an act relating to insurance; promoting availability of automobile insurance for family or group family day care providers; amending Minnesota Statutes 1988, sections 65B.47, subdivision 1, and by adding a subdivision; and 65B.49, by adding a subdivision.

The bill was read for the first time.

Lynch moved that S. F. No. 2493 and H. F. No. 2589, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1874, 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 or evaluations of 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.

Carruthers moved that S. F. No. 1874 and H. F. No. 1836, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2433, A bill for an act relating to metropolitan government; authorizing certain investments by the metropolitan airports commission; authorizing the metropolitan council to review and approve changes in certain land uses relating to metropolitan airport development; amending Minnesota Statutes 1988, section 473.606, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 473.

The bill was read for the first time.

Lieder moved that S. F. No. 2433 and H. F. No. 2614, now on

Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 354, A bill for an act relating to trusts; permitting the creation of custodial trusts; adopting the uniform custodial trust act; proposing coding for new law as Minnesota Statutes, chapter 529.

The bill was read for the first time.

Rest moved that S. F. No. 354 and H. F. No. 596, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2012, 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.

Olson, E., moved that S. F. No. 2012 and H. F. No. 2087, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2545, A bill for an act relating to appropriations; authorizing sale of state bonds; appropriating money for tourist facilities at Bemidji.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked “APPROPRIATIONS” are added to, or if shown in parentheses, are subtracted from the appropriations in Laws 1989, chapter 269, to the specified agencies and for the purposes specified in this act. All appropriations are from

the general fund unless otherwise indicated. The figures "1990," and "1991," where used in this act, mean that the appropriations or reductions listed under them are available for the year ending June 30, 1990, or June 30, 1991, respectively.

SUMMARY BY FUND

GENERAL	1990 \$477,000	1991 \$1,841,000
TRUNK HIGHWAY		533,000
HIGHWAY USER		130,000
SPECIAL REVENUE		(9,950,000)

APPROPRIATIONS
Available for the Year
Ending June 30
1990 1991

Sec. 2. TRANSPORTATION

Subdivision 1. Truck Safety Program 475,000

This appropriation is from the trunk highway fund. The approved complement of the department is increased by seven trunk highway fund positions for the truck safety program. The authorized complement is reduced by six federal fund positions in this activity. The department may use existing balances in equipment appropriations to support the equipment needs of this function.

Subd. 2. Air Traffic Control Training Grant

The department is authorized to accept a federal grant from the Federal Aviation Administration. \$3,400,000 in fiscal year 1990 and \$5,700,000 in fiscal year 1991 for a demonstration project to develop an alternative method of training air traffic controllers.

Sec. 3. TRANSPORTATION REGULATION BOARD

58,000

	1990	1991
	\$	\$
(a) \$25,000 is from the trunk highway fund for space rental and furniture for the South St. Paul Administrative Truck Center Building.		

(b) \$33,000 is from the trunk highway fund for data processing enhancement.

Sec. 4. TRANSPORTATION STUDY BOARD

130,000

This appropriation is from the highway user tax distribution fund.

Sec. 5. REGIONAL TRANSIT BOARD

\$1,497,000 is transferred from the appropriation made in Laws 1989, chapter 269, section 3, subdivision 3, to the Regional Transit Board for Metro Mobility services to the department of human services to pay transportation costs of eligible disabled riders of Metro Mobility.

Sec. 6. PUBLIC SAFETY

Subdivision 1. Bureau of Criminal Apprehension

(a) Criminal Investigation and Assistance

326,000

The general fund approved complement of the Bureau of Criminal Apprehension is increased by six positions. This appropriation is to enhance narcotic investigation activities in greater Minnesota.

(b) Minnesota automated fingerprint identification network

\$(275,000)

Subd. 2. Office of Drug Policy

50,000

(a) This appropriation is to match a federal Bureau of Justice Assistance

	1990	1991
	\$	\$
grant to evaluate drug control programs.		
(b) The department is authorized to accept a federal grant from the federal Bureau of Justice Assistance in the amount of \$6,873,000 for drug enforcement activity to be matched with 25 percent state funds. Match funds for this grant are available until spent for the purposes appropriated.		

Subd. 3. Lawful Gambling Regulation and Enforcement	1,078,000
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The general fund approved complement of the department is increased by nine positions. The positions and appropriation in this subdivision are available only if the bill styled as H.F. 2005 is enacted in the 1990 legislative session. Any unencumbered balance in this appropriation remaining in the first year does not cancel, but is available for the second year of the biennium. Any unencumbered balance remaining from the appropriation made in Laws 1989, chapter 334, article 8, section 5, subdivision 2, does not cancel, but is available for the second year of the biennium.

Subd. 4. Capitol Security Tunnel Surveillance	\$(45,000)
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Subd. 5. Fire Safety	(4,000)
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The approved complement of the department is increased by five positions for school building inspection. These positions shall only be filled if funding is provided by the commissioner of education.

Subd. 6. Ancillary Services Crime Victims Reparations	(50,000)
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Subd. 7. Administration and Related Services	
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	1990	1991
	\$	\$
(a) Traffic Safety		(53,000)
(b) Soft Body Armor Reimbursement		(50,000)
Subd. 8. Bicycle Registration		(50,000)
Sec. 7. BOARD OF PEACE OFFICER STANDARDS AND TRAINING		(100,000)
Sec. 8. DEPARTMENT OF COMMERCE Administrative Services		(122,000)
Sec. 9. BOARD OF WATER AND SOIL RESOURCES		
(a) Local water resources protection grants		(500,000)
(b) Well sealing cost share grants		(100,000)
Sec. 10. GAMING		
Subdivision 1. Lawful Gambling Regulation and Enforcement		1,623,000

The approved complement of the department is increased by 30 positions for this activity.

Subd. 2. Lottery-related costs

The lottery shall reimburse the general fund \$150,000 in fiscal year 1991 for lottery-related costs incurred by the department of public safety.

Sec. 11. AGRICULTURE

Subdivision 1. Apiary Deficiency	\$39,000	
Subd. 2. Haylift Expenses	24,000	
Subd. 3. Building Lease Renewal Cost Increases	196,000	83,000
Subd. 4. Agricultural Lime Regulation		60,000

The approved general fund complement of the department is increased by one position for this activity.

Subd. 5. Grasshopper Control Costs	597,000	
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	1990	1991
	\$	\$
<p>This appropriation is to reimburse counties and townships for up to 50 percent of the costs incurred for grasshopper control activities during calendar year 1989. Eligible costs must be documented and submitted on forms provided by the commissioner. Reimbursements will be made only for activities conducted in designated grasshopper control zones.</p>		

Subd. 6. Bovine Growth Hormone Study		25,000
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The department shall immediately undertake research to determine the potential economic consequences of the use of bovine growth hormone. The department shall report its findings to the legislature by January 15, 1991.

Subd. 7. Reductions

The following amounts are reduced from the appropriations made in Laws 1989, chapter 269, section 7, and Laws 1989, chapter 350.

(a) Family farm security interest adjustment payments	\$(126,000)	\$(126,000)
(b) Minnesota Grown Program		(100,000)
(c) Ethanol promotion		(38,000)
(d) Livestock compensation		(31,000)
(e) General		(211,000)

Sec. 12. BOARD OF ANIMAL HEALTH

Pseudorabies Control		\$(100,000)
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The approved complement of the board is increased by one position.

Sec. 13. GREATER MINNESOTA CORPORATION		(10,000,000)
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\$10,000,000 is transferred from the greater Minnesota account in the special revenue fund to the general fund.

	1990	1991
	\$	\$
Sec. 14. WORLD TRADE CENTER-CORPORATION		35,000

This appropriation is to be matched with \$25,000 in goods and services from other sources to conduct the World Export Processing Zone Association international convention to be held in Minnesota in May 1991.

Sec. 15. INDIAN AFFAIRS COUNCIL

Subdivision 1. Reburial of Indian Remains		90,000
Subd. 2. Indian Business Loan Program		50,000

This appropriation is from the special revenue fund.

The approved complement of the council is increased by one position for this activity.

Sec. 16. BOARD OF THE ARTS

116,000

This appropriation is to match a grant from the National Endowment for the Arts.

Sec. 17. BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING AND LANDSCAPE ARCHITECTURE	\$22,000
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Sec. 18. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Fiscal Agent (a) Minnesota Humanities Commission	35,000
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Sec. 19. PUBLIC SERVICE

The public service department shall develop and implement options to recover part of the costs of the energy division in evaluation and approval ac-

	1990	1991
	\$	\$

tivities related to the conservation improvement program.

Sec. 20. EFFECT OF REDUCTIONS TO TRUNK HIGHWAY FUND

It is the intent of the legislature that any reduction in revenues to the trunk highway fund in fiscal year 1991 caused by changes in the 1990 legislative session in the allocation of revenues from the motor vehicle excise tax not result in the delay, deferral, or cancellation of any trunk highway improvement project presently included in the department of transportation's trunk highway construction plan.

Sec. 21. [RULES FOR AQUICULTURE RESEARCH PERMITS.]

Not later than October 1, 1991, the commissioner of agriculture, in consultation with the commissioners of health, natural resources, and the pollution control agency, and the advisory committee established under Minnesota Statutes, section 17.49, subdivision 1, shall adopt rules to expedite permits from all permitting authorities for aquiculture research projects and for private or public-private economic ventures in aquiculture.

Sec. 22. [ENERGY SAVINGS GRANTS; APPROPRIATION.]

Subdivision 1. [AUTHORITY.] Notwithstanding any law to the contrary, including but not limited to Minnesota Statutes, section 4.071, the amounts provided in this section are appropriated from the money received by the governor, the commissioner of finance, or any other state agency as a result of the settlement of the United States District Court, 578 F. Supp. 586 (D.Kan. 1983). The appropriations remain available until spent.

Subd. 2. [GRANT TO SCHOOL DISTRICT 625.] \$230,000 is appropriated to the commissioner of public service, energy division, for the purposes of a grant to independent school district No. 625 to engage in programs promoting energy savings.

Sec. 23. [CHILD PROTECTION HOTLINE; FUND TRANSFER.]

Notwithstanding Minnesota Statutes, sections 299A.22 to 299A.25, or any other law to the contrary, up to \$45,000 from the children's trust fund established under section 299A.22, to be

administered by the children's trust fund for the fiscal year ending June 30, 1991, must be used to fund and administer the professional consultation telephone line and service authorized by Minnesota Statutes, section 626.562.

Sec. 24. [MOTOR VEHICLE EXCISE TAX REVENUE TRANSFER; LIMITATION.]

Notwithstanding Minnesota Statutes, section 297B.09, the commissioner of finance may not transfer in the biennium ending June 30, 1991, from revenues received from the tax imposed by section 297B.02, more than \$175,500,000 to the highway user tax distribution fund, the trunk highway fund, and the transit assistance fund combined. Any revenue from the tax which but for this section would be transferred to those funds, must be credited to the general fund.

Sec. 25. [TRUCK OVERWEIGHT PENALTIES; REFUNDS.]

The commissioner of public safety may pay refunds of civil penalties collected for truck weight violations cited by state patrol officers and committed while crossing the marked trunk highway No. 169 bridge between the cities of Anoka and Champlin between January 15, 1988, and November 15, 1988. The refund in each case must be the difference between the civil penalty actually paid for the violation and the maximum fine which could have been imposed as a criminal penalty for the violation had the violation been charged as a misdemeanor; provided that in no case shall a refund for a civil penalty exceed the amount received by the highway user tax distribution fund from that civil penalty. The commissioner of public safety may require documentation as the commissioner deems necessary to determine eligibility for a refund under this section. A sum of money sufficient to pay the refunds authorized under this section is appropriated to the commissioner of public safety from the highway user tax distribution fund. This appropriation is available until expended.

Sec. 26. Minnesota Statutes 1988, section 37.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS.] Members of the state agricultural society must be citizens of this state. The membership is as follows:

(a) Three delegates chosen annually by each agricultural society or association in the state which maintains an active existence, holds annual fairs, and is entitled to share in the state appropriation under the provisions of section 38.02. If one of those societies or associations fails to choose delegates, then its president, secretary, and treasurer, by virtue of their offices, are its delegates. If two fairs receiving state aid are operating in one county, each delegate from

each society or association is entitled to one-half vote at regular or special meetings of the state society.

(b) One delegate appointed by the county board of each county in which no county or district agricultural society exists.

(c) Individuals elected by the society as honorary members for having performed eminent services in agriculture, horticulture, or related arts and sciences or long and faithful service in or benefits to the society. Honorary members must be elected by two-thirds vote at any annual meeting. The number of honorary members may not exceed the society's membership and only one honorary member may be elected annually. Each honorary member is entitled to one vote.

(d) Two elected delegates and the president may represent each of the following societies and associations: Red River Valley Winter Shows, the Minnesota State Horticultural Society, the State Dairyman's Association, the Minnesota Dairy Goat Association, the Minnesota Honey Producers Association, Inc., the Minnesota Livestock Breeders' Association, the Minnesota Crop Improvement Association, the Minnesota Pork Producers Association, the Minnesota Lamb and Wool Producers Association, the Minnesota Horse Breeders' Association, the Minnesota Veterinary Medical Association, the Minnesota Cattle Breeders' Association, the Central Livestock Association, the Minnesota State Poultry Association, the Farm Equipment Association, the North Central Florist Association, the Minnesota Garden Flower Society, the State Fair Exhibitors' Organization, the Minnesota Federation of County Fairs, the State Forestry Association, the Minnesota Horse Council, Minnesota Nurserymen's Association, Minnesota Apple Growers' Association, State Grange of Minnesota, Minnesota Farmers' Union, American Dairy Association of Minnesota, and the Minnesota Farm Bureau Federation.

(e) The following societies and associations are entitled to one delegate each: Central Minnesota Vegetable Growers Association, the Minnesota Fruit and Vegetable Growers' Association, Minnesota Shorthorn Breeders' Association, the Minnesota Milking Shorthorn Association, Minnesota Guernsey Breeders' Association, Minnesota Jersey Cattle Club, Minnesota Holstein Association, Minnesota Hereford Association, Minnesota Aberdeen Angus Breeders', Minnesota Red Polled Breeders', Minnesota Ayreshire Breeders' Association, Minnesota Brown Swiss Association, Minnesota Poland China Breeders' Association, Minnesota Duroc Breeders', Minnesota Chester White Association, Minnesota Turkey Growers' Association, Minnesota Gladiolus Society, Minnesota Hampshire Association, Minnesota Suffolk Association, North American Dairy Sheep Association, and the Minnesota Berkshire Association. All of these societies and associations must be active and statewide in their scope and operation, hold annual meetings, and be incorporated

under the laws of the state before they are entitled to a delegate. The societies and associations must file with the secretary of state, on or before December 20, a report showing that the society or association has held a regular annual meeting for that year, a summary of its financial transactions for the current year, and an affidavit of the president and secretary that it has a paid-up membership of at least 25. On or before December 31, the secretary of state shall certify to the secretary of the state agricultural society the names of the societies or associations that have complied with these provisions.

(f) The members of the board of managers of the state agricultural society are members of the society and entitled to one vote each.

Sec. 27. Minnesota Statutes 1988, section 84B.11, is amended by adding a subdivision to read:

Subd. 5. [EXPIRATION DATE.] Notwithstanding any law to the contrary, the citizens council on Voyageurs National Park is extended until June 30, 1993.

Sec. 28. Minnesota Statutes 1989 Supplement, section 168.011, subdivision 7, is amended to read:

Subd. 7. [PASSENGER AUTOMOBILE.] "Passenger automobile" means any motor vehicle designed and used for the carrying of not more than 15 persons including the driver. "Passenger automobile" does not include motorcycles and motor scooters, and buses described in subdivision 9, paragraph (a), clause (2). For purposes of taxation only, "passenger automobile" includes pickup trucks and vans.

Sec. 29. Minnesota Statutes 1989 Supplement, section 168.011, subdivision 9, is amended to read:

Subd. 9. [BUS; INTERCITY BUS.] (a) "Bus" means (1) every motor vehicle designed for carrying more than 15 passengers including the driver and used for transporting persons, and (2) every motor vehicle that is (i) designed for carrying more than ten passengers including the driver, (ii) used for transporting persons, and (iii) owned by a nonprofit organization and not operated for hire or for commercial purposes.

(b) "Intercity bus" means any bus operating as a common passenger carrier over regular routes and between fixed termini, but excluding all buses operating wholly within the limits of one city, or wholly within two or more contiguous cities, or between contiguous cities and a terminus outside the corporate limits of such cities, and not more than 20 miles distant measured along the fixed route from such corporate limits.

Sec. 30. Minnesota Statutes 1989 Supplement, section 168.33, subdivision 7, is amended to read:

Subd. 7. [FEES.] In addition to all other statutory fees and taxes, a filing fee of \$3.50 is imposed on every application; except that a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the department or a deputy registrar. The filing fee shall be shown as a separate item on all registration renewal notices sent out by the department of public safety. No filing fee or other fee may be charged for the permanent surrender of a certificate of title and license plates for a motor vehicle. Filing fees collected under this subdivision by the registrar must be paid into the state treasury and credited to the highway user tax distribution fund, except fees for registrations of new motor vehicles. Filing fees collected for registrations of new motor vehicles must be paid into the state treasury with 50 percent of the money credited to the general fund and 50 percent credited to the highway user tax distribution fund.

Sec. 31. Minnesota Statutes 1988, section 170.23, is amended to read:

170.23 [ABSTRACTS; FEE; ADMISSIBLE IN EVIDENCE.]

The commissioner shall upon request furnish any person a certified abstract of the operating record of any person subject to the provisions of this chapter, and, if there shall be no record of any conviction of such person of violating any law relating to the operation of a motor vehicle or of any injury or damage caused by such person, the commissioner shall so certify. Such abstracts shall not be admissible as evidence in any action for damages or criminal proceedings arising out of a motor vehicle accident. A fee of \$5 shall be paid for each such abstract. The commissioner shall permit a person to inquire into the operating record of any person by means of the inquiring person's own computer facilities for a fee to be determined by the commissioner of at least \$2 for each inquiry. The commissioner shall furnish an abstract that is not certified for a fee to be determined by the commissioner in an amount less than the fee for a certified abstract but more than the fee for an inquiry by computer. Fees collected under this section must be paid into the state treasury with 90 percent of the money credited to the trunk highway fund and ten percent credited to the general fund.

Sec. 32. [174.026] [PROHIBITION ON EXCLUSIVE CONTRACTS.]

The commissioner of transportation may not enter into a contract that provides a radio or television station with an exclusive right to broadcast traffic information that is compiled and made available by the department of transportation. The commissioner may not renew

a contract entered into before July 1, 1990, that is not in compliance with this section.

Sec. 33. Minnesota Statutes 1988, section 297B.09, is amended by adding a subdivision to read:

Subd. 3. [REDUCTION OF TRANSFER.] Notwithstanding subdivision 1, the commissioner of finance shall reduce by \$1,300,000 the amount of money collected and received under this chapter that would otherwise be transferred to the trunk highway fund in the fiscal year ending June 30, 1991.

Sec. 34. Laws 1989, chapter 307, section 43, is amended to read:

Sec: 43. [APPROPRIATION.]

\$480,000 is appropriated to the commissioner of public safety from the trunk highway fund for record keeping, implementation, and administration of sections 1 to 42. \$252,000 is for fiscal year 1990 and \$228,000 is for fiscal year 1991. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Delete the title and insert:

“A bill for an act relating to the organization and operation of state government; appropriating money and reducing appropriations for the department of transportation and other agencies with certain conditions; transferring funds; regulating certain activities and practices; providing for certain funds, accounts, and fees; requiring studies and reports; providing penalties; amending Minnesota Statutes 1988, sections 37.03, subdivision 1; 84B.11, by adding a subdivision; 170.23; and 297B.09, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 168.011, subdivisions 7 and 9; and 168.33, subdivision 7; Laws 1989, chapter 307, section 43; proposing coding for new law in Minnesota Statutes, chapter 174.”

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 2545 was read for the second time.

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 Special Orders pending for today, Wednesday, March 28, 1990:

H. F. Nos. 2200 and 2269; S. F. No. 2421; and H. F. No. 2666.

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 28, 1990:

S. F. Nos. 1696 and 1366; H. F. No. 2038; S. F. Nos. 1743, 2068, 1995, 2431, 1365, 2026, 2108, 1983 and 2179; H. F. No. 2230; and S. F. Nos. 2224 and 1772.

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.

SPECIAL ORDERS

H. F. No. 2200 was reported to the House.

Schafer moved to amend H. F. No. 2200, the third engrossment, as follows:

Page 100, line 10, delete "\$432,000" and insert "\$1,200,000"

Page 131, line 34, delete "\$177,000" and insert "\$945,000"

The question was taken on the Schafer amendment and the roll was called. There were 57 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kalis	Onnen	Stanius
Anderson, R.	Frerichs	Knickerbocker	Ostrom	Sviggum
Bishop	Girard	Limmer	Ozment	Swenson
Blatz	Gutknecht	Lynch	Pauly	Tjornhom
Boo	Hartle	Macklin	Pellow	Tompkins
Burger	Hasskamp	Marsh	Poppenhagen	Uphus
Carlson, D.	Haukoos	McDonald	Redalen	Valento
Cooper	Heap	McPherson	Richter	Waltman
Dempsey	Henry	Miller	Runbeck	Weaver
Dille	Himle	Olsen, S.	Schafer	
Dorn	Hugoson	Olson, K.	Schreiber	
Forsythe	Johnson, V.	Omann	Seaberg	

Those who voted in the negative were:

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

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

Valento, Morrison, McPherson, Omann, Dempsey and McDonald moved to amend H. F. No. 2200, the third engrossment, as follows:

Page 59, line 36, after "Subd. 4." insert "[REVERSE REFERENDUM.] After holding the meetings required in subdivision 2, the school board may decide to take no further action, or may adopt a resolution indicating its intent to issue bonds. The resolution confirming its intent to issue bonds also must be published in the official newspaper of the city in which the school district is located within 15 days of the date the board adopts the resolution.

A referendum must be held on the board's resolution indicating its intent to issue bonds if within 30 days after the date the board publishes its resolution, voters equal in number to eight percent of the votes cast in the school district in the preceding general election sign and file with the county auditor a petition requesting a vote on the board's resolution. Bonds may not be issued until a question of whether to approve the resolution 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.

Subd. 5.”

Page 60, line 2, delete “and” and insert a comma

Page 60, line 3, after “3” insert “and 4”

A roll call was requested and properly seconded.

The question was taken on the Valento et al amendment and the roll was called. There were 56 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Gruenes	Lasley	Pauly	Swenson
Blatz	Gutknecht	Limmer	Pellow	Tjornhom
Boo	Hartle	Lynch	Poppenhagen	Tompkins
Burger	Haukoos	Macklin	Quinn	Uphus
Carlson, D.	Heap	Marsh	Redalen	Valento
Dauner	Henry	McDonald	Richter	Waltman
Dempsey	Himle	McPherson	Schafer	Weaver
Dille	Hugson	Miller	Schreiber	Winter
Forsythe	Jacobs	Morrison	Seaberg	
Frederick	Jennings	Ogren	Stanius	
Frerichs	Johnson, V.	Olsen, S.	Steensma	
Girard	Knickerbocker	Onnen	Sviggum	

Those who voted in the negative were:

Anderson, G.	Hausman	Long	Orenstein	Runbeck
Battaglia	Janezich	McEachern	Osthoff	Sarna
Bauerly	Jaros	McGuire	Ostrom	Scheid
Beard	Jefferson	McLaughlin	Otis	Segal
Begich	Johnson, A.	Milbert	Pappas	Simoneau
Bertram	Johnson, R.	Munger	Pelowski	Skoglund
Bishop	Kahn	Murphy	Peterson	Solberg
Carlson, L.	Kalis	Nelson, C.	Price	Sparby
Carruthers	Kelly	Nelson, K.	Pugh	Trimble
Clark	Kelso	Neuenschwander	Reding	Tunheim
Cooper	Kinkel	O'Connor	Rest	Vellenga
Dawkins	Kostohryz	Olson, E.	Rice	Wagenius
Dorn	Krueger	Olson, K.	Rodosovich	Wenzel
Greenfield	Lieder	Omann	Rukavina	Williams

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

Hugson moved to amend H. F. No. 2200, the third engrossment, as follows:

Page 124, line 2, after “day” insert “unless a 16 or 17 year old student has provided the employer with written permission from the student's parent or guardian”

Page 124, line 36, after "student" insert "at least 16 years of age who has provided the employer with written permission from the student's parent or guardian, or"

A roll call was requested and properly seconded.

The question was taken on the Hugoson amendment and the roll was called. There were 60 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Johnson, V.	Olson, K.	Scheid
Anderson, G.	Frerichs	Kalis	Omamm	Schreiber
Bertram	Girard	Krueger	Onnen	Stanius
Bishop	Gutknecht	Limmer	Ozment	Steensma
Blatz	Hartle	Lynch	Pauly	Swiggum
Boo	Hasskamp	Macklin	Pellow	Swenson
Burger	Haukoos	McDonald	Pelowski	Tjornhom
Carlson, D.	Heap	McPherson	Poppenhagen	Uphus
Dempsey	Henry	Miller	Redalen	Valento
Dille	Himle	Morrison	Richter	Waltman
Dorn	Hugoson	Neuenschwander	Runbeck	Weaver
Forsythe	Johnson, R.	Olsen, S.	Schafer	Winter

Those who voted in the negative were:

Anderson, R.	Gruenes	Marsh	Ostrom	Segal
Battaglia	Jacobs	McEachern	Otis	Simoneau
Bauerly	Janezich	McGuire	Pappas	Skoglund
Beard	Jaros	McLaughlin	Peterson	Solberg
Begich	Jefferson	Milbert	Price	Trimble
Brown	Johnson, A.	Murphy	Quinn	Tunheim
Carlson, L.	Kelly	Nelson, C.	Reding	Vellenga
Carruthers	Kelso	Nelson, K.	Rest	Wagenius
Clark	Kinkel	O'Connor	Rice	Wenzel
Cooper	Kostohryz	Ogren	Rodosovich	Williams
Dauner	Lasley	Olson, E.	Rukavina	Spk. Vanasek
Dawkins	Lieder	Orenstein	Sarna	
Greenfield	Long	Osthoff	Seaberg	

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

Pellow; Olsen, S.; Richter; Henry and Tjornhom moved to amend H. F. No. 2200, the third engrossment, as follows:

Page 110, after line 23, insert:

"Sec. 18. [INTERGENERATIONAL VOLUNTEER PROGRAMS.]

For the coordination and development of intergenerational volunteer programs:

\$300,000 1991

The department of education shall cooperate with the board on aging in developing these programs."

Page 131, line 34, delete "\$177,000" and insert "\$477,000"

Renumber subsequent sections

Correct internal cross references

A roll call was requested and properly seconded.

The question was taken on the Pellow et al amendment and the roll was called. There were 50 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Knickerbocker	Onnen	Seaberg
Blatz	Gutknecht	Limmer	Pauly	Stanisus
Boo	Hartle	Lynch	Pellow	Sviggum
Burger	Hasskamp	Macklin	Poppenhagen	Swenson
Carlson, D.	Haukoos	Marsh	Quinn	Tjornhom
Dempsey	Heap	McDonald	Redalen	Tompkins
Forsythe	Henry	McPherson	Richter	Uphus
Frederick	Himle	Miller	Runbeck	Valento
Frerichs	Hugoson	Olsen, S.	Schafer	Waltman
Girard	Johnson, V.	Omann	Schreiber	Weaver

Those who voted in the negative were:

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

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

Olsen, S.; Henry; McPherson; Tjornhom and Swenson moved to amend H. F. No. 2200, the third engrossment, as follows:

Page 12, after line 15, insert:

"Sec. 3. Minnesota Statutes 1989 Supplement, section 124.32, subdivision 1b, is amended to read:

Subd. 1b. [TEACHERS SALARIES.] Each year the state shall pay to a district a portion of the salary of each essential person employed in the district's program for handicapped children during the regular school year, whether the person is employed by one or more districts. The portion for a full-time person shall be an amount not to exceed the lesser of 60 66 percent of the salary or \$16,727 \$18,400. The portion for a part-time or limited-time person shall be an amount not to exceed the lesser of 60 66 percent of the salary or the product of \$16,727 \$18,400 times the ratio of the person's actual employment to full-time employment."

Re-number subsequent sections

Correct internal cross references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., et al amendment and the roll was called. There were 54 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Lynch	Pauly	Stanius
Anderson, R.	Gutknecht	Macklin	Pellow	Steensma
Bishop	Hartle	Marsh	Poppenhagen	Sviggum
Blatz	Haukoos	McDonald	Quinn	Swenson
Boo	Heap	McPherson	Redalen	Tjornhom
Burger	Henry	Miller	Richter	Tompkins
Dempsey	Himle	Morrison	Runbeck	Valento
Forsythe	Hugoson	Olsen, S.	Schafer	Waltman
Frederick	Jacobs	Olson, K.	Schreiber	Weaver
Frerichs	Knickerbocker	Omman	Seaberg	Winter
Girard	Limmer	Onnen	Segal	

Those who voted in the negative were:

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

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

Schreiber, Stanius, Sviggum, Runbeck, Lynch, Uphus, Frederick, Limmer, Onnen, Weaver, Macklin, McDonald, Pellow and Poppenhagen moved to amend H. F. No. 2200, the third engrossment, as follows:

Page 3, after line 24, insert:

“Sec. 3. [124A.0305] [REFERENDUM LEVY OFFSET.]

Beginning with the 1991-1992 school year, a district's certified referendum levy is reduced by one dollar for every two dollars of training and experience revenue the district receives under section 124A.22, subdivision 4a.

Sec. 4. Minnesota Statutes 1988, section 124A.22, is amended by adding a subdivision to read:

Subd. 4a. [TRAINING AND EXPERIENCE REVENUE.] For the 1991-1992 school year and later, training and experience revenue for each district equals the greater of zero or the result of the following computation:

(a) subtract 1.0 from the training and experience index;

(b) multiply the result in clause (a) by the product of \$210 times the actual pupil units for the school year.”

Page 4, after line 20, insert:

“Sec. 6. [REPEALER.]

Minnesota Statutes 1988, section 124A.22, subdivision 4, is repealed June 30, 1991.”

Renumber subsequent sections and correct internal cross references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Schreiber et al amendment and the roll was called. There were 48 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abrams	Carruthers	Frerichs	Hasskamp	Knickerbocker
Anderson, R.	Cooper	Girard	Haukoos	Lasley
Boo	Dempsey	Gruenes	Hugoson	Limmer
Burger	Dille	Gutknecht	Jacobs	Lynch
Carlson, D.	Frederick	Hartle	Johnson, V.	Macklin

Marsh	Omann	Quinn	Schreiber	Uphus
McDonald	Onnen	Redalen	Seaberg	Waltman
McPherson	Ozment	Richter	Stanius	Weaver
Miller	Pellow	Runbeck	Sviggun	
Olson, K.	Poppenhagen	Schafer	Swenson	

Those who voted in the negative were:

Anderson, G.	Heap	Lieder	Osthoff	Simoneau
Battaglia	Henry	Long	Ostrom	Skoglund
Bauerly	Himle	McEachern	Otis	Solberg
Beard	Janezich	McGuire	Pappas	Sparby
Begich	Jaros	McLaughlin	Pelowski	Steensma
Bertram	Jefferson	Milbert	Peterson	Trimble
Blatz	Jennings	Munger	Price	Tunheim
Brown	Johnson, A.	Murphy	Pugh	Vellenga
Carlson, L.	Johnson, R.	Nelson, C.	Reding	Wagenius
Clark	Kahn	Nelson, K.	Rest	Welle
Dauner	Kalis	Neuenschwander	Rice	Wenzel
Dawkins	Kelly	O'Connor	Rodosovich	Williams
Dorn	Kelso	Ogren	Rukavina	Winter
Forsythe	Kinkel	Olsen, S.	Sarna	Spk. Vanasek
Greenfield	Kostohryz	Olson, E.	Scheid	
Hausman	Krueger	Orenstein	Segal	

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

Sviggun, Haukoos, McPherson, Frederick, Hugoson, Swenson, Weaver, Lynch and Runbeck moved to amend H. F. No. 2200, the third engrossment, as follows:

Page 2, after line 22, insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 1160.12, is amended to read:

1160.12 [GREATER MINNESOTA ACCOUNT.]

(a) The Greater Minnesota account is in the special revenue fund. Money in the account not needed for the immediate purposes of the corporation may be invested by the state board of investment in any way authorized by section 11A.24. Money in the account is appropriated to the corporation to be used as provided in this chapter.

(b) The account consists of:

- (1) money appropriated and transferred from other state funds;
- (2) fees and charges collected by the corporation;
- (3) income from investments and purchases;

(4) revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes; and

(5) gifts, donations, and bequests made to the corporation; and

(6) through the first five full fiscal years, during which proceeds from the lottery are received, one-half of the net proceeds of the state-operated lottery must be credited to the Greater Minnesota Corporation account. Thereafter, up to one-half, as determined by law each biennium, of the net proceeds from the state-operated lottery must be credited to the Greater Minnesota Corporation account."

Page 4, after line 3, insert:

"Sec. 4. [124A.305] [EQUITY AID.]

Equity aid for each district is equal to the greater of zero or the product of the district's pupil units for that school year times the difference of the statewide average general education revenue per pupil unit and the district's general education revenue per pupil unit. Equity aid, or a portion thereof, may be funded with up to one-half of the net proceeds of the state-operated lottery. This section is effective beginning in the 1991-92 school year."

Re-number subsequent sections

Correct internal cross references

Amend the title accordingly

The question was taken on the Sviggum et al amendment and the roll was called. There were 48 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Gruenes	Marsh	Price	Stanius
Beard	Gutknecht	McDonald	Pugh	Steensma
Bishop	Hartle	McPherson	Quinn	Sviggum
Boo	Haukoos	Milbert	Redalen	Swenson
Burger	Hugoson	Miller	Richter	Tompkins
Carlson, D.	Jacobs	Morrison	Runbeck	Uphus
Carruthers	Johnson, V.	Omann	Schafer	Waltman
Dauner	Limmer	Onnen	Scheid	Weaver
Dempsey	Lynch	Ozment	Schreiber	
Frederick	Macklin	Pellow	Seaberg	

Those who voted in the negative were:

Abrams	Blatz	Dawkins	Hasskamp	Janezich
Anderson, G.	Brown	Dille	Hausman	Jaros
Battaglia	Carlson, L.	Dorn	Heap	Jefferson
Begich	Clark	Forsythe	Henry	Johnson, A.
Bertram	Cooper	Greenfield	Himle	Johnson, R.

Kahn	McGuire	Olson, K.	Rice	Tunheim
Kalis	McLaughlin	Orenstein	Rodosovich	Vellenga
Kelly	Munger	Osthoff	Rukavina	Wagenius
Kinkel	Murphy	Ostrom	Sarna	Welle
Knickrbocker	Nelson, C.	Otis	Segal	Wenzel
Kostohryz	Nelson, K.	Pappas	Simoneau	Williams
Krueger	Neuschwander	Pauly	Skoglund	Winter
Lasley	O'Connor	Pelowski	Solberg	Spk. Vanasek
Lieder	Ogren	Peterson	Sparby	
Long	Olsen, S.	Reding	Tjornhom	
McEachern	Olson, E.	Rest	Trimble	

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

Tompkins and Rice moved to amend H. F. No. 2200, the third engrossment, as follows:

Page 120, after line 31, insert:

“Sec. 15. [126.027] [SEX EDUCATION.]

Subdivision 1. [PURPOSE.] It is the intent of the legislature to help young people respond responsibly when making decisions about what is appropriate sexual behavior.

Subd. 2. [EMPHASIZE ABSTINENCE.] All public elementary, junior high, and senior high school classes that teach sex education and discuss sexual intercourse shall emphasize that abstinence from sexual intercourse is the only protection that is 100 percent effective against unwanted teenage pregnancy, sexually transmitted diseases, and acquired immune deficiency syndrome (AIDS) when transmitted sexually.

Subd. 3. [SEX EDUCATION GUIDELINES.] All sex education courses and courses that discuss sexual intercourse must satisfy the following criteria:

(1) Course material and instruction must be age appropriate.

(2) Course material and instruction must stress that abstinence is the only contraceptive method which is 100 percent effective, and that all other methods of contraception carry a risk of failure in preventing unwanted teenage pregnancy. Statistics based on the latest medical information must be provided to students citing the failure and success rates of condoms and other contraceptives in preventing pregnancy.

(3) Course material and instruction must stress that sexually transmitted diseases are serious possible hazards of sexual intercourse. Students must be provided with statistics based on the latest

medical information citing the failure and success rates of condoms in preventing AIDS and other sexually transmitted diseases.

(4) Course material and instruction must include a discussion of the possible emotional and psychological consequences of preadolescent and adolescent sexual intercourse outside of marriage and the consequences of unwanted adolescent pregnancy.

(5) Course material and instruction must stress that students should abstain from sexual intercourse until they are ready for marriage.

(6) Course material and instruction must teach honor and respect for monogamous heterosexual marriage.

(7) Course material and instruction must advise students of the laws pertaining to their financial responsibility to children born in and out of wedlock.

(8) Course material and instruction must advise students that it is unlawful to have sexual relations with persons to whom they are not married.

(9) Course material and instruction must emphasize that students have the power to control personal behavior. Students must be encouraged to base their actions on reasoning, self-discipline, sense of responsibility, self-control, and ethical considerations, such as respect for one's self and others.

(10) Course materials and instruction must teach students not to make unwanted physical and verbal sexual advances, how to say no to unwanted sexual advances, and that it is wrong to take advantage of or exploit another person."

Page 129, after line 12, insert:

"Sec. 32. [SEX EDUCATION MATERIALS.]

Subdivision 1. [VIDEO TAPES AND SUPPLEMENTARY MATERIALS.] (a) The commissioner of education must contract with an organization to develop video tapes and supplementary materials that help young people respond responsibly when making decisions about appropriate sexual behavior. The commissioner must review the video tapes and supplementary materials to ensure that the tapes and materials, at a minimum, do all of the following:

(1) present the main theme of sexual abstinence and responsibility to students in grades 7 through 12;

(2) be student-centered, not teacher-centered, using students as presenters in the videos to reflect the pressure students feel from their peers, both male and female, and from the media;

(3) be acceptable for presentation on television and of high enough quality to be used as shorts on television as public service announcements;

(4) focus on the process of decision making that students use when confronted with a decision about engaging in sex, with the video portraying refusal skills and reflecting the decisionmaking processes taught in the school curriculum;

(5) portray vignettes dispelling myths on why students engage in sex;

(6) portray strategies for males and females to say no;

(7) discuss the topic of abstinence and encourage students to take responsibility and make ethical and reasoned decisions in the prevention of teen pregnancy, with the idea of the video tapes being used over a long period of time;

(8) represent a broad spectrum of approaches ensuring diversity in terms of age and maturity levels, ethnicity, and urban, suburban, and rural environments; and

(9) encourage youth to resist negative peer pressure.

(b) The commissioner must integrate existing educational materials with the video tapes and supplementary materials and distribute the video tapes and supplementary materials to all school districts.

Subd. 2. [FUNDING.] Adolescent Family Life Demonstration Project grants available may be used to purchase or contract for the development of video tapes and supplementary materials.

Sec. 33. [NO EXPLICIT MATERIALS.]

To protect the pupils' natural latency, a school district must not use sexually explicit materials as part of its health and sexual education curriculum for pupils in kindergarten to grade four."

Page 129, line 15, after the period insert "Section 32 is effective July 1, 1992."

Renumber subsequent sections

Correct internal cross references

A roll call was requested and properly seconded.

Vellenga, Rice and Hasskamp moved to amend the Tompkins and Rice amendment to H. F. No. 2200, the third engrossment, as follows:

Page 1 of the Tompkins and Rice amendment, delete lines 15 to 36 and insert:

“Sec. 15. [126.25] [SEXUAL EDUCATION GUIDELINES.]

Subdivision 1. [PURPOSE.] It is the intent of the legislature to help young people make responsible decisions about their sexual behavior.

Subd. 2. [GUIDELINES.] (a) All material and instruction in public elementary and secondary courses that teach sex education and discuss sexual behaviors must be age appropriate.

(b) All sex education courses that discuss sexual behavior must satisfy the criteria in the numbered clauses in this paragraph:

(1) teach the topic of abstinence and encourage students to take responsibility and make ethical and reasoned decisions in the prevention of teenage pregnancy;

(2) discuss methods of contraception that carry a risk of failure in preventing unwanted teenage pregnancy;

(3) discuss possible emotional and psychological consequences of preadolescent and adolescent sexual behavior;

(4) stress that sexually transmitted diseases are serious possible consequences of sexual behavior;

(5) emphasize that students have the power to control personal behavior;

(6) course material and instruction must emphasize that students have the power to control personal behavior. Students must be encouraged to base their actions on reasoning, self-discipline, sense of responsibility, self-control, and ethical considerations, such as respect for one's self and others; and

(7) course materials and instruction must teach students not to make unwanted physical and verbal sexual advances, how to say no to unwanted sexual advances, and that it is wrong to take advantage of or exploit another person.

Students should be encouraged to base their actions on reasoning,

self-discipline, a sense of responsibility, self-control, ethical considerations, and respect for themselves and others."

Delete pages 2 to 4

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 amendment to the amendment and the roll was called. There were 85 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Abrams	Hartle	Krueger	Olson, E.	Runbeck
Anderson, R.	Hasskamp	Lasley	Olson, K.	Sarna
Battaglia	Haukoos	Lieder	Orenstein	Scheid
Bauerly	Hausman	Long	Osthoff	Segal
Beard	Himle	McEachern	Ostrom	Simoneau
Begich	Jacobs	McGuire	Otis	Skoglund
Bertram	Janezich	McLaughlin	Pappas	Solberg
Bishop	Jaros	Milbert	Pelowski	Sparby
Brown	Jefferson	Miller	Peterson	Trimble
Carlson, L.	Jennings	Morrison	Price	Tunheim
Carruthers	Johnson, A.	Munger	Pugh	Vellenga
Clark	Johnson, R.	Murphy	Quinn	Wagenius
Cooper	Kahn	Nelson, C.	Reding	Weaver
Dauner	Kalis	Nelson, K.	Rest	Welle
Dawkins	Kelly	Neuenschwander	Rice	Williams
Dorn	Kinzel	O'Connor	Rodosovich	Winter
Greenfield	Kostohryz	Ogren	Rukavina	Spk. Vanasek

Those who voted in the negative were:

Anderson, G.	Girard	Lynch	Pellow	Swenson
Blatz	Gruenes	Macklin	Poppenhagen	Tompkins
Boo	Gutknecht	Marsh	Redalen	Uphus
Burger	Heap	McDonald	Richter	Valento
Carlson, D.	Henry	McPherson	Schafer	Waltman
Dempsey	Hugoson	Olsen, S.	Schreiber	Wenzel
Dille	Johnson, V.	Omann	Seaberg	
Forsythe	Kelso	Onnen	Stanuis	
Frederick	Knickerbocker	Ozment	Steensma	
Frerichs	Limmer	Pauly	Sviggum	

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Tompkins and Rice amendment, as

amended; and the roll was called. There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Girard	Lasley	Onnen	Schreiber
Anderson, G.	Greenfield	Lieder	Orenstein	Seaberg
Anderson, R.	Gruenes	Limmer	Osthoff	Segal
Battaglia	Gutknecht	Long	Ostrom	Simoneau
Bauerly	Hartle	Lynch	Otis	Skoglund
Beard	Hasskamp	Macklin	Ozment	Solberg
Begich	Haukoos	Marsh	Pappas	Sparby
Bertram	Hausman	McDonald	Pauly	Stanius
Bishop	Heap	McEachern	Pellow	Steensma
Blatz	Henry	McGuire	Pelowski	Sviggum
Boo	Himle	McLaughlin	Peterson	Swenson
Brown	Hugoson	McPherson	Poppenhagen	Tjornhom
Burger	Jacobs	Milbert	Price	Tompkins
Carlson, D.	Janezich	Miller	Pugh	Trimble
Carlson, L.	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	Kalis	Neuenschwander	Richter	Waltman
Dempsey	Kelly	O'Connor	Rodosovich	Weaver
Dille	Kelso	Ogren	Rukavina	Welle
Dorn	Kinkel	Olsen, S.	Runbeck	Wenzel
Forsythe	Knickerbocker	Olson, E.	Sarna	Williams
Frederick	Kostohryz	Olson, K.	Schafer	Winter
Frerichs	Krueger	Omann	Scheid	Spk. Vanasek

Those who voted in the negative were:

Kahn

The motion prevailed and the amendment, as amended, was adopted.

Quinn, Price, Begich, Beard, Long, Schafer, Solberg, Stanius, Jacobs, Hasskamp, Gutknecht, Kostohryz, Carruthers, Jennings and Bishop offered an amendment to H. F. No. 2200, the third engrossment, as amended.

Bishop requested a division of the Quinn et al amendment to H. F. No. 2200, the third engrossment, as amended.

The first portion of the Quinn et al amendment to H. F. No. 2200, the third engrossment, as amended, reads as follows:

Page 120, after line 5, insert:

"Sec. 13. Minnesota Statutes 1988, section 125.12, is amended by adding a subdivision to read:

Subd. 2b. [LENGTH OF CONTRACT.] Notwithstanding other

law, a school board may not enter into an employment contract or a series of employment contracts that singly or cumulatively promise an individual employment in a position of superintendent for a period longer than the current contract for teachers."

Page 120, after line 5, insert:

"Sec. 14. Minnesota Statutes 1988, section 125.17, is amended by adding a subdivision to read:

Subd. 1a. [LENGTH OF CONTRACT.] Notwithstanding other law, a school board may not enter into an employment contract or a series of employment contracts that singly or cumulatively promise an individual employment in a position of superintendent for a period longer than the current contract for teachers."

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 first portion of the Quinn et al amendment and the roll was called. There were 116 yeas and 10 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dille	Himle	McLaughlin	Seaberg	Tjornhom
Frerichs	Knickerbocker	Olsen, S.	Sparby	Weaver

The motion prevailed and the first portion of the Quinn et al amendment was adopted.

The second portion of the Quinn et al amendment to H. F. No. 2200, the third engrossment, as amended, reads as follows:

Page 120, after line 5, insert:

“Sec. 15. Minnesota Statutes 1988, section 125.12, is amended by adding a subdivision to read:

Subd. 2c. [ADMINISTRATIVE EMPLOYEES; CONTRACT.] Notwithstanding other law, a school board may not enter into an employment contract with administrators, including the superintendent, that gives a larger percentage increase in compensation than the current contract between the school board and the teachers bargaining unit gave over the immediately preceding teachers' contract. For the purpose of this subdivision, compensation includes fringe benefits.”

Page 120, after line 5, insert:

“Sec. 16. Minnesota Statutes 1988, section 125.17, is amended by adding a subdivision to read:

Subd. 1b. [ADMINISTRATIVE EMPLOYEES; CONTRACT.] Notwithstanding other law, a school board may not enter into an employment contract with administrators, including the superintendent, that gives a larger percentage increase in compensation than the current contract between the school board and the teachers bargaining unit gave over the immediately preceding teachers' contract. For the purpose of this subdivision, compensation includes fringe benefits.”

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 second portion of the Quinn et al

amendment and the roll was called. There were 52 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dawkins	Kostohryz	Orenstein	Solberg
Anderson, R.	Frerichs	Krueger	Pellow	Stanicus
Battaglia	Greenfield	Long	Pelowski	Swenson
Bauerly	Hasskamp	McDonald	Price	Wagenius
Beard	Jacobs	McEachern	Pugh	Welle
Begich	Janezich	McGuire	Quinn	Wenzel
Brown	Jaros	Milbert	Rukavina	Winter
Carlson, L.	Jennings	Nelson, C.	Sarna	Spk. Vanasek
Clark	Johnson, R.	Nelson, K.	Schafer	
Cooper	Kalis	O'Connor	Seaberg	
Dauner	Kinkel	Ogren	Skoglund	

Those who voted in the negative were:

Abrams	Hartle	Lieder	Onnen	Segal
Bertram	Haukoos	Limmer	Ostrom	Simoneau
Bishop	Hausman	Lynch	Otis	Sparby
Blatz	Heap	Macklin	Pappas	Steenasma
Boo	Henry	Marsh	Pauly	Sviggum
Burger	Himle	McPherson	Peterson	Tjornhom
Carruthers	Hugoson	Miller	Poppenhagen	Tompkins
Dempsey	Jefferson	Morrison	Redalen	Tunheim
Dille	Johnson, V.	Murphy	Reding	Uphus
Dorn	Kahn	Neuenschwander	Rice	Valento
Forsythe	Kelly	Olsen, S.	Richter	Waltman
Frederick	Kelso	Olsen, E.	Runbeck	Weaver
Girard	Knickerbocker	Olson, K.	Scheid	Williams
Gruenes	Lasley	Omann	Schreiber	

The motion did not prevail and the second portion of the Quinn et al amendment was not adopted.

Lynch, Weaver, Henry, Tjornhom and Frederick moved to amend H. F. No. 2200, the third engrossment, as amended, as follows:

Page 2, after line 22, insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 1160.12, is amended to read:

1160.12 [GREATER MINNESOTA ACCOUNT.]

(a) The Greater Minnesota account is in the special revenue fund. Money in the account not needed for the immediate purposes of the corporation may be invested by the state board of investment in any way authorized by section 11A.24. Money in the account is appropriated to the corporation to be used as provided in this chapter.

(b) The account consists of:

- (1) money appropriated and transferred from other state funds;
- (2) fees and charges collected by the corporation;
- (3) income from investments and purchases;
- (4) revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes; and
- (5) gifts, donations, and bequests made to the corporation; and
- (6) through the first five full fiscal years, during which proceeds from the lottery are received, one-half of the net proceeds of the state-operated lottery must be credited to the Greater Minnesota Corporation account. Thereafter, up to one-half, as determined by law each biennium, of the net proceeds from the state-operated lottery must be credited to the Greater Minnesota Corporation account."

Page 3, after line 24, insert:

"Sec. 3. Minnesota Statutes 1988, section 124A.22, subdivision 3, is amended to read:

Subd. 3. [COMPENSATORY EDUCATION CONCENTRATION REVENUE.] The compensatory education concentration revenue for each district equals the formula allowance times the AFDC pupil units counted according to section 124.17, subdivision 1b, for the school year.

Subd. 3a. [COMPENSATORY EDUCATION REVENUE.] Beginning with the 1991-1992 school year, a district that does not qualify for compensatory education concentration revenue, or that qualifies for less compensatory revenue per pupil unit under subdivision 3, is eligible for compensatory education revenue under this subdivision. Compensatory education revenue for each eligible district equals a compensatory allowance times the number of pupils in the district from families receiving aid to families with dependent children. The compensatory allowance is determined each fiscal year by dividing an amount equal to one-half of the lottery proceeds by the number of pupils from families receiving aid to families with dependent children in districts eligible for revenue under this subdivision. A district is not eligible for revenue under both this subdivision and subdivision 3."

The question was taken on the Lynch et al amendment and the roll was called. There were 61 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Lynch	Onnen	Stanius
Anderson, R.	Gutknecht	Macklin	Ozment	Sviggum
Beard	Hartle	Marsh	Pauly	Swenson
Blatz	Haukoos	McDonald	Pellow	Tjornhom
Boo	Heap	McPherson	Poppenhagen	Tompkins
Burger	Henry	Milbert	Pugh	Uphus
Carlson, D.	Himle	Miller	Quinn	Valento
Carruthers	Hugoson	Morrison	Redalen	Waltman
Dauner	Jacobs	Murphy	Richter	Weaver
Dempsey	Johnson, V.	O'Connor	Runbeck	
Forsythe	Kelso	Olsen, S.	Schafer	
Frederick	Knickerbocker	Olson, K.	Schreiber	
Frerichs	Limmer	Omann	Seaberg	

Those who voted in the negative were:

Anderson, G.	Jaros	McGuire	Pelowski	Sparby
Bauerly	Jefferson	McLaughlin	Peterson	Steensma
Bertram	Jennings	Munger	Reding	Trimble
Brown	Johnson, A.	Nelson, C.	Rest	Tunheim
Carlson, L.	Johnson, R.	Nelson, K.	Rice	Vellenga
Clark	Kalis	Neuenschwander	Rodosovich	Wagenius
Cooper	Kelly	Ogren	Rukavina	Welle
Dawkins	Kostohryz	Olson, E.	Sarna	Wenzel
Dille	Krueger	Orenstein	Scheid	Williams
Dorn	Lasley	Osthoff	Segal	Winter
Greenfield	Lieder	Ostrom	Simoneau	Spk. Vanasek
Hasskamp	Long	Otis	Skoglund	
Hausman	McEachern	Pappas	Solberg	

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

Bertram and Dauner moved to amend H. F. No. 2200, the third engrossment, as amended, as follows:

Page 124, line 22, before the period insert “; except that an employer may permit a high school student under the age of 18 to work until 12:00 a.m. on an evening before a school day if the student has supplied the employer with written authorization from a parent or guardian of the student permitting the student to work until 12:00 a.m.”

Page 125, line 19, after “p.m.” insert “or 12:00 a.m., whichever is applicable.”

A roll call was requested and properly seconded.

The question was taken on the Bertram and Dauner amendment and the roll was called. There were 58 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Johnson, R.	Omann	Sparby
Bauerly	Frederick	Johnson, V.	Onnen	Stanius
Bertram	Frerichs	Lynch	Ozment	Sviggum
Blatz	Girard	Marsh	Pauly	Swenson
Boo	Gutknecht	McDonald	Pellow	Tjornhom
Burger	Hartle	McEachern	Peterson	Tompkins
Carlson, D.	Hasskamp	McGuire	Redalen	Valento
Cooper	Haukoos	McPherson	Reding	Waltman
Dauner	Henry	Miller	Richter	Weaver
Dawkins	Himle	Morrison	Schafer	Welle
Dempsey	Hugoson	Neuenschwander	Scheid	
Dille	Jennings	Olson, K.	Schreiber	

Those who voted in the negative were:

Anderson, G.	Jefferson	Milbert	Price	Steensma
Anderson, R.	Johnson, A.	Munger	Pugh	Trimble
Battaglia	Kalis	Murphy	Quinn	Tunheim
Beard	Kelly	Nelson, C.	Rest	Uphus
Begich	Kelso	Nelson, K.	Rice	Vellenga
Carlson, L.	Kinkel	O'Connor	Rodosovich	Wagenius
Carruthers	Knickerbocker	Ogren	Rukavina	Wenzel
Clark	Kostohryz	Olsen, S.	Runbeck	Williams
Greenfield	Krueger	Olson, E.	Sarna	Winter
Gruenes	Lasley	Orenstein	Seaberg	Spk. Vanasek
Hausman	Lieder	Osthoff	Segal	
Jacobs	Limmer	Ostrom	Simoneau	
Janezich	Long	Otis	Skoglund	
Jaros	McLaughlin	Pappas	Solberg	

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

Sviggum moved to amend H. F. No. 2200, the third engrossment, as amended, as follows:

Page 100, line 18, after the period insert "Section 32 is effective for districts with a combination approved by the state board of education under section 122.243, subdivision 1, after August 1, 1990."

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

Anderson, G., moved to amend H. F. No. 2200, the third engrossment, as amended, as follows:

Page 115, after line 3, insert:

"Sec. 8. Minnesota Statutes 1988, section 123.36, subdivision 10, is amended to read:

Subd. 10. (a) The board may lease a schoolhouse, or a part of a schoolhouse if the leasing of the part does not interfere with the educational programs taking place in the rest of the building, as determined by the school board, that is not needed for school purposes to any person, business or organization. The board may charge and collect reasonable consideration for the lease and may determine the terms and conditions of the lease.

(b) In districts with outstanding bonds, the net proceeds of the lease shall be first deposited in the debt retirement fund of the district in an amount sufficient to meet when due that percentage of the principal and interest payments for outstanding bonds that is ascribable to the payment of expenses necessary and incidental to the construction or purchase of the particular building or property that is leased. Any remaining net proceeds in these districts may be deposited in either the debt redemption fund or capital expenditure fund. All net proceeds of the lease in districts without outstanding bonds shall be deposited in the capital expenditure fund of the district.

(c) The board may make capital improvements including fixtures to a schoolhouse or a portion thereof, not exceeding in cost the replacement value of the schoolhouse, to facilitate its rental, and the lease of an improved schoolhouse or part of it, shall provide for rentals which will recover the cost of the improvements over the initial term of the lease. Notwithstanding clause (b), the portion of the rentals representing the cost of the improvements shall be deposited in the capital expenditure fund of the district and the balance of the rentals shall be used as provided in clause (b)."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Carlson, D., moved to amend H. F. No. 2200, the third engrossment, as amended, as follows:

Page 60, line 31, before "Notwithstanding" insert "(a)"

Page 61, after line 3, insert:

"(b) If as a result of an agreement under section 122.541 or 122.535 entered into after January 1, a pupil is assigned to a different school, the 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."

The motion prevailed and the amendment was adopted.

Schreiber moved to amend H. F. No. 2200, the third engrossment, as amended, as follows:

Page 4, after line 20, insert:

"Sec. 6. Minnesota Statutes Second 1989 Supplement, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX CAPACITY RATE.] The general education tax capacity rate for fiscal year 1991 is 26.3 percent. Beginning in 1990, the commissioner of revenue shall establish the general education tax capacity rate and certify it to the commissioner of education by July 1 of each year for levies payable in the following year. The general education tax capacity rate shall be a rate, rounded up to the nearest tenth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The general education tax capacity rate shall be the rate that raises ~~\$845,000,000~~ \$815,000,000 for fiscal year 1992 and subsequent fiscal years. The general education tax capacity rate certified by the commissioner of revenue may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax capacity rate has been certified."

Renumber the remaining section

Amend the title as follows:

Page 2, line 5, after the first semicolon insert "124A.23, subdivision 1,"

A roll call was requested and properly seconded.

The question was taken on the Schreiber amendment and the roll was called. There were 60 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Johnson, V.	Olson, K.	Schreiber
Anderson, R.	Girard	Knickerbocker	Omann	Seaberg
Bishop	Gruenes	Limmer	Onnen	Stanius
Blatz	Gutknecht	Lynch	Ozment	Sviggum
Boo	Hartle	Macklin	Pauly	Swenson
Burger	Hasskamp	Marsh	Pellow	Tjornhom
Carlson, D.	Haukoos	McDonald	Poppenhagen	Tompkins
Carruthers	Heap	McGuire	Quinn	Uphus
Dempsey	Henry	McPherson	Redalen	Valento
Dille	Himle	Miller	Richter	Waltman
Forsythe	Hugoson	Morrison	Runbeck	Weaver
Frederick	Jacobs	Olsen, S.	Schafer	Winter

Those who voted in the negative were:

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

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

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, rural health care, 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; 123.36, subdivision 10; 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; 125.12, by adding a subdivision; 125.17, 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.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.

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 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Lasley	Onnen	Seaberg
Anderson, G.	Gutknecht	Lieder	Orenstein	Segal
Anderson, R.	Hartle	Limmer	Osthoft	Simoneau
Battaglia	Hasskamp	Long	Ostrom	Skoglund
Bauerly	Haukoos	Lynch	Otis	Solberg
Beard	Hausman	Macklin	Ozment	Sparby
Begich	Heap	Marsh	Pappas	Stanius
Bertram	Henry	McDonald	Pauly	Steenmsa
Bishop	Himle	McEachern	Pellow	Svigum
Blatz	Hugoson	McGuire	Pelowski	Swenson
Brown	Jacobs	McLaughlin	Peterson	Tjornhom
Burger	Janezich	McPherson	Poppenhagen	Tompkins
Carlson, D.	Jaros	Milbert	Price	Trimble
Carlson, L.	Jefferson	Miller	Pugh	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
Dille	Kalis	Neuenschwander	Rodosovich	Weaver
Dorn	Kelly	O'Connor	Rukavina	Welle
Forsythe	Kelso	Ogren	Runbeck	Wenzel
Frederick	Kinkel	Olsen, S.	Sarna	Williams
Frerichs	Knickerbocker	Olson, E.	Schafer	Winter
Girard	Kostohryz	Olson, K.	Scheid	Spk. Vanasek
Greenfield	Krueger	Omann	Schreiber	

Those who voted in the negative were:

Dempsey Quinn

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.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON 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 and Fillmore counties.

March 21, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 796, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 796 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [SALE OF TAX-FORFEITED LAND; PINE COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 282.018, Pine county may sell the tax-forfeited lands bordering public waters that are described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general.

(c) The lands that may be conveyed are located in Pine county and are described as follows:

(1) In Windemere township, Lots 56, 57, and 58 on Sturgeon Island, Section 16, Township 45 North, Range 19 West;

(2) In the city of Willow River:

(i) Rearrangement of Auditor's Subdivision, Part of Lot 4, less the following: Commencing at the southeasterly corner of Lot 2, Block 2, Townsite of Willow River, running thence easterly on prolongation of southerly line of said Lot 2 150 feet to East bank of the creek running through said Auditor Lot 4, thence southerly along East bank of creek to South line of Section 2, Township 44 North, Range 20 West, thence westerly along said South line to point of intersection with easterly line of Willow Street in Townsite of Willow River thence northerly along East line of Willow Street 304.5 feet, more or less, to Southwest corner of Auditor Lot 6 thence easterly 150 feet to prolongation of easterly line of said Auditor Lot 6 thence northerly 119 feet to point of beginning. Rearrangement of Auditor's Subdivision of Section 2, Township 44 North, Range 20 West; and

(ii) Part of Lot 15, viz: Beginning at the Northeast corner of Lot 4, Block 2, Townsite of Willow River, thence along North line of Lot 15, Rearrangement of Auditor's Subdivision of Section 2, Township 44 North, Range 20 West, to Creek, South along Creek approximately 75 feet, thence westerly to Southeast corner of Lot 4, Block 2, Townsite of Willow River and East 75 feet to point of beginning, Rearrangement of Auditor's Subdivision of Section 2, Township 44 North, Range 20 West.

(3) In Windemere township, Part of Government Lot 8 viz: Beginning at a point on the South line 1336.15 feet West of the Southeast corner thereof, thence to the right an angle of 77 degrees, 27 minutes, for a distance of 406.12 feet, more or less, to shore of Sand Lake, thence southwesterly on shore 620 feet, more or less, to South line of Lot 8, thence East 568.44 feet, more or less, to point of beginning, less 1.22 acres to Vogel and 0.37 acre to Lund and less 0.24 acre to Lund; all in Section 6, Township 45 North, Range 19 West.

(4) In Windemere township, Part of East 50 feet of West 100 feet of Government Lot 8 lying North of a line described as follows: Beginning at a point on West boundary line of Lot 8, which is 1742 feet North of the Southwest corner of Section 4, Township 45 North, Range 19 West, measured along West boundary line thence northeasterly forming an angle of 53 degrees 21 minutes with West boundary line 124.6 feet, more or less, to point 100 feet East of West boundary line measured at right angles thereto on East line of land.

(d) The county has determined that the county's land management interests would best be served if the lands were privately owned.

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. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to government affairs; providing coverage for preventive rabies treatment; authorizing sale of certain tax-forfeited lands that border public waters in Pine county; amending Minnesota Statutes 1989 Supplement, section 176.135, subdivision 1."

We request adoption of this report and repassage of the bill.

House Conferees: DOUG CARLSON, PAUL ANDERS OGREN AND TOM RUKAVINA.

Senate Conferees: FLORIAN CHMIELEWSKI, ROBERT J. SCHMITZ AND JIM GUSTAFSON.

Carlson, D., moved that the report of the Conference Committee on H. F. No. 796 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 and Fillmore counties.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Lasley	Osthoff	Simoneau
Anderson, G.	Gruenes	Lieder	Ostrom	Skoglund
Anderson, R.	Gutknecht	Limmer	Otis	Solberg
Battaglia	Hartle	Long	Ozment	Sparby
Bauerly	Hasskamp	Lynch	Pappas	Stanius
Beard	Haukoos	Macklin	Pauly	Steensma
Begich	Hausman	Marsh	Pellow	Sviggum
Bertram	Heap	McDonald	Pelowski	Swenson
Bishop	Henry	McEachern	Peterson	Tjornhom
Blatz	Himle	McGuire	Poppenhagen	Tompkins
Boo	Hugoson	McLaughlin	Price	Trimble
Brown	Jacobs	McPherson	Pugh	Tunheim
Burger	Janezich	Milbert	Quinn	Uphus
Carlson, D.	Jaros	Miller	Redalen	Valento
Carlson, L.	Jefferson	Morrison	Reding	Vellenga
Carruthers	Jennings	Munger	Rest	Wagenius
Clark	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	Runbeck	Williams
Dille	Kelly	Ogren	Sarna	Winter
Dorn	Kelso	Olsen, S.	Schafer	Spk. Vanasek
Forsythe	Kinkel	Olsen, E.	Scheid	
Frederick	Knickerbocker	Omam	Schreiber	
Frerichs	Kostohryz	Onnen	Seaberg	
Girard	Krueger	Orenstein	Segal	

The bill was repassed, as amended by Conference, and its title agreed to.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1913:

Scheid, Osthoff, Dawkins, Neuenschwander and Boo.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1927:

Ogren, Brown and Uphus.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1928:

Begich, Beard and Bishop.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1952:

Kelly, Seaberg and Pappas.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1960:

Battaglia, Osthoff and Kahn.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1981:

Johnson, A.; Brown and Seaberg.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2056:

Dauner, Dempsey and Vellenga.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2135:

Quinn, Weaver and Jacobs.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2343:

Skoglund, Haukoos and Winter.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2500:

Carruthers, Skoglund and Knickerbocker.

MOTIONS AND RESOLUTIONS

Wenzel moved that the names of Marsh, Winter and McDonald be added as authors on H. F. No. 2662. The motion prevailed.

Sviggum moved that H. F. No. 295 be returned to its author. The motion prevailed.

Hartle, Sviggum, Frerichs, Reding and Rodosovich introduced:

House Resolution No. 22, A house resolution congratulating the Owatonna High School Boys Basketball Team for winning the 1990 Class AA Boys Basketball Tournament.

SUSPENSION OF RULES

Hartle moved that the rules be so far suspended that House Resolution No. 22 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 22

A house resolution congratulating the Owatonna High School Boys Basketball Team for winning the 1990 Class AA Boys Basketball Tournament.

Whereas, individual and team championships in various sporting and academic activities at the high school level are highly sought honors in Minnesota; and

Whereas, the Owatonna High School Boys Basketball Team defeated Mounds View 72-59, Chaska 35-34, and Minneapolis North 72-26; and

Whereas, the Indians 46-point margin of victory was the second largest in a state championship game; and

Whereas, the team members are Scott Armstrong, Joey Aul, Scott Bangs, Mike Broich, Mark Felber, Jeff Hanson, Corey Ihrke, Thad Johnson, Chad Kolander, Brek Larson, Dan Malakowsky, Pat McDermott, Kyle Paulson, Mark Randall, and Reid Stransky; to student managers Justin Sheard, Scott Springman, and Dan Stockwell; the assistant coaches are Harv Golberg, Brad Larson, and Dan Meier; and the head coach is Len Olson.

Be It Resolved by the House of Representatives of the State of Minnesota that it congratulates the Owatonna High School Boys Basketball Team for winning the 1990 Class AA Boys Basketball Tournament.

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 principal of Owatonna High School.

Hartle moved that House Resolution No. 22 be now adopted. The motion prevailed and House Resolution No. 22 was adopted.

Waltman and Sviggum introduced:

House Resolution No. 23, A house resolution congratulating the Lake City High School Boys Basketball Team for winning the 1990 Class A Boys Basketball Championship.

SUSPENSION OF RULES

Waltman moved that the rules be so far suspended that House Resolution No. 23 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 23

A house resolution congratulating the Lake City High School Boys Basketball Team for winning the 1990 Class A Boys Basketball Championship.

Whereas, individual and team championships in various sporting and academic activities at the high school level are highly sought honors in Minnesota; and

Whereas, the Lake City High School Boys Basketball Team won its third state championship by defeating Mankato Loyola 52-51; and

Whereas, the Tigers successful 26-2 record was a community accomplishment as a result of basketball programs offered at St. John's Lutheran School and the Athletic Booster Club at elementary level competition; and

Whereas, the team members are Gary Brown, Erik Brunkow, Troy Diepenbrock, Cris Gastner, Tony Heise, Brock Lortscher, Brent Meincke, Duren Moses, Jason Oeltjen, Trent Sanders, Paul Schad, Erik Sievers, Chris Sommerfield, Brett Stolzenberg, and Tony Wise; the managers are Terry Walker and Keith Zanko; the assistant coach is Leo Fausch; and the head coach is Jerry Snyder.

Be It Resolved by the House of Representatives of the State of Minnesota that it congratulates the Lake City High School Boys Basketball Team for winning the 1990 Class A Boys Basketball Championship.

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 principal of Lake City High School.

Waltman moved that House Resolution No. 23 be now adopted. The motion prevailed and House Resolution No. 23 was adopted.

Waltman and Sviggum introduced:

House Resolution No. 24, A house resolution congratulating Jerry Snyder, coach of the Lake City High School Boys Basketball Team, for being named the Coach of the Year.

SUSPENSION OF RULES

Waltman moved that the rules be so far suspended that House Resolution No. 24 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 24

A house resolution congratulating Jerry Snyder, coach of the Lake City High School Boys Basketball Team, for being named the Coach of the Year.

Whereas, the Lake City High School Boys Basketball Team won the 1990 State High School Class A Boys Basketball Tournament that was held March 22-24, 1990, at the St. Paul Civic Center; and

Whereas, coach Jerry Snyder was named Coach of the Year by the Minnesota Coaches Association; and

Whereas, Jerry Snyder has been coaching for 28 seasons and his record is 419 wins and 193 losses; and

Whereas, coached by Jerry Snyder, Lake City won back-to-back state championships in 1978 and 1979 when Randy Breuer, now a Timberwolves player, played his junior and senior years; *Now, Therefore,*

Be It Resolved by the House of Representatives of the State of Minnesota that it congratulates Jerry Snyder, coach of the Lake City High School Boys Basketball Team, for being named the Coach of the Year.

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 Jerry Snyder.

Waltman moved that House Resolution No. 24 be now adopted. The motion prevailed and House Resolution No. 24 was adopted.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 12:00 noon, Thursday, March 29, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Thursday, March 29, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

EIGHTIETH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 29, 1990

The House of Representatives convened at 12:00 noon and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Pastor Joe Schularick, United Lutheran Church, Frost, Minnesota.

The roll was called and the following members were present:

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	McLaughlin	Poppenhagen	Tompkins
Brown	Jacobs	McPherson	Price	Trimble
Burger	Janezich	Milbert	Pugh	Tunheim
Carlson, D.	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	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	Knickrbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omann	Schreiber	

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. Henry 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. 2545 and 2200 and S. F. Nos. 1758, 2493, 1874, 2433, 354 and 2012 have been placed in the members' files.

S. F. No. 354 and H. F. No. 596, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Rest moved that S. F. No. 354 be substituted for H. F. No. 596 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1874 and H. F. No. 1836, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Carruthers moved that the rules be so far suspended that S. F. No. 1874 be substituted for H. F. No. 1836 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2012 and H. F. No. 2087, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Olson, E., moved that S. F. No. 2012 be substituted for H. F. No. 2087 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2433 and H. F. No. 2614, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Lieder moved that the rules be so far suspended that S. F. No. 2433 be substituted for H. F. No. 2614 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2493 and H. F. No. 2589, which had been referred to the

Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Lynch moved that the rules be so far suspended that S. F. No. 2493 be substituted for H. F. No. 2589 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. 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; appropriating money; requiring a draining system report; amending Minnesota Statutes 1988, sections 110B.28; 110B.30; 112.42, subdivision 3; 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 32, strike “, or if”

Page 2, line 33, strike everything before the comma

Page 3, line 1, delete "may" and insert "shall"

Pages 4 to 9, delete section 5

Page 21, line 9, delete "15" and insert "14"

Page 22, delete lines 21 to 26

Page 24, line 23, delete "7" and insert "6"

Page 24, line 28, delete "7 to 29" and insert "6 to 28"

Page 24, after line 32, insert:

"Sec 31. [EFFECTIVE DATE.]

Section 9, subdivisions 2 and 4, and section 19, are effective July 1, 1992."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 9, delete everything after the semicolon

Page 1, delete line 10

Page 1, line 11, delete everything before "clarifying"

Page 1, line 23, delete everything after the semicolon

Page 1, line 24, delete "district in certain areas;"

Page 1, line 29, after "4," insert "6,"

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.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

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.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“ARTICLE 1

Section 1. [47.80] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 1 to 8, the terms defined in this section have the meanings given them.

Subd. 2. [FINANCIAL INSTITUTION.] “Financial institution” means banks, savings associations, savings banks, and trust companies with banking powers that are owned by an interstate holding company.

Subd. 3. [REINVESTMENT.] “Reinvestment” includes activities consistent with the purposes of the Community Reinvestment Act of 1977, United States Code, title 12, parts 2901 et. seq., and the reciprocal interstate banking act in sections 48.90 to 48.991.

Subd. 4. [INTERSTATE HOLDING COMPANY.] “Interstate holding company” means (a) an “interstate bank holding company” as defined in section 48.92, subdivision 9, clauses (a) and (b); and (b) a savings and loan holding company that has engaged in any of the transactions authorized in section 51A.58 and directly or indirectly owns an entity affected by or involved in such transaction.

Sec. 2. [47.81] [WRITTEN COMMUNITY REINVESTMENT EVALUATION REQUIRED.]

Subdivision 1. [EXAMINATION.] Upon the conclusion of each examination of a financial institution pursuant to section 46.04, the commissioner shall prepare a written evaluation of the financial institution’s record of meeting the needs of its entire community,

including low- and moderate-income neighborhoods and developmental loans and developmental investments.

Subd. 2. [PUBLIC AND CONFIDENTIAL SECTIONS.] Each written evaluation required under subdivision 1 must have a public section and a confidential section.

Sec. 3. [47.82] [EVALUATION RATING SYSTEM.]

The public section of the written evaluation required by section 2 must:

(1) state the commissioner's conclusions for each assessment factor;

(2) discuss the facts supporting the conclusions; and

(3) contain the financial institution's rating and a statement describing the basis for the rating.

Sec. 4. [47.83] [FOUR-TIERED DESCRIPTIVE RATING SYSTEM.]

Subdivision 1. [ASSIGNED RATING.] The financial institution's rating referred to in section 47.82, clause (3), must be one of the following:

(1) outstanding record of meeting community credit needs;

(2) satisfactory record of meeting community credit needs;

(3) needs to improve record of meeting community credit needs; or

(4) substantial noncompliance in meeting community credit needs.

Subd. 2. [PUBLIC RATING DISCLOSED.] The ratings based on examinations on and after July 1, 1990, must be disclosed to the public.

Sec. 5. [47.84] [CONFIDENTIAL SECTION OF WRITTEN EVALUATION REPORT.]

Subdivision 1. [PRIVACY OF NAMED INDIVIDUALS.] The confidential section of the written evaluation must contain all references that identify a customer of the financial institution, an employee or officer of the financial institution, or a person or organization that has provided information in confidence to a

federal depository institution's regulatory agency or the department of commerce.

Subd. 2. [TOPICS NOT SUITABLE FOR DISCLOSURE.] The confidential section must also contain all statements obtained or made by the federal depository institution's regulatory agency or department of commerce in the course of an examination which, in the judgment of the commissioner, are too sensitive or speculative in nature to be disclosed to the public.

Subd. 3. [DISCLOSURE TO FINANCIAL INSTITUTION.] The entire confidential section must be disclosed to the financial institution.

Subd. 4. [EXEMPTION.] Treatment of information as confidential or public for purposes of this section is exempt from section 46.07, subdivision 2, to the extent that section conflicts with this act.

Sec. 6. [APPLICATION TO RECIPROCAL INTERSTATE BANKING ACT.]

The system of evaluation and uniform rating of financial institutions provided for in this act supersedes the reporting and rating system required by section 48.97, subdivisions 2, 3, and 4.

Sec. 7. Minnesota Statutes 1988, section 48.93, subdivision 3, is amended to read:

Subd. 3. [CRITERIA FOR APPROVAL.] Except as otherwise provided by rule of the department, an application filed pursuant to subdivision 1 must contain the following information:

(1) the identity, personal history, business background, and experience of each person by whom or on whose behalf the acquisition is to be made, including the person's material business activities and affiliations during the past five years, and a description of any material pending legal or administrative proceedings in which the person is a party and any criminal indictment or conviction of that person by a state or federal court;

(2) a statement of the assets and liabilities of each person by whom or on whose behalf the acquisition is to be made, as of the end of the fiscal year for each of the five years immediately preceding the date of the notice, together with related statements of income, sources, and application of funds for each of the fiscal years then concluded, all prepared in accordance with generally accepted accounting principles consistently applied, and an interim statement of the assets and liabilities for each person, together with related statements of income, source, and application of funds as of a date not more than 90 days prior to the date of the filing of the notice;

(3) the terms and conditions of the proposed acquisition and the manner in which the acquisition is to be made;

(4) the identity, source, and amount of the funds or other consideration to be used in making the acquisition, and if any part of these funds or other consideration has been or is to be borrowed or otherwise obtained for the purpose of making the acquisition, a description of the transaction, the names of the parties, and any arrangements, agreements, or understandings with those persons;

(5) any plans or proposals which an acquiring party making the acquisition may have to liquidate the bank, to sell its assets or merge it, or make any other major change in its business or corporate structure or management;

(6) the identification of any person employed, retained, or to be compensated by the acquiring party, or by any person on the acquiring party's behalf, to make solicitations or recommendations to stockholders for the purpose of assisting in the acquisition, and a brief description of the terms of the employment, retainer, or arrangement for compensation;

(7) copies of all invitations, tenders, or advertisements making tender offers to stockholders for purchase of their stock to be used in connection with the proposed acquisition;

(8) a statement of how the acquisition will bring "net new funds" to Minnesota. The description of net new funds must be filed with the application and annually thereafter stating the amount of capital funds, including the increase in equity capital that will result from the acquisition or establishment of a bank. The level of total equity capital must exceed \$3,000,000 for a new chartered bank and \$1,000,000 for an acquired bank. The description must state the net increase in loanable funds expressed as an increase in the total loan to asset ratio of Minnesota loans and assets. The statement must also include a discussion of initial capital investments, loan policy, investment policy, dividend policy, and the general plan of business, including the full range of consumer and business services which will be offered; and

(9) any additional relevant information in the form the commissioner requires by rule or by specific request in connection with any particular notice.

Sec. 8. [APPLICATION.]

Sections 1 to 7 apply to examinations of financial institutions begun on and after July 1, 1990.

ARTICLE 2

Section 1. [46.047] [DEFINITIONS.]

Subdivision 1. [WORDS, TERMS, AND PHRASES.] For the purposes of sections 1 and 2, the terms defined in this section have the meanings given them, unless the language or context clearly indicates that a different meaning is intended.

Subd. 2. [BANKING INSTITUTION.] The term "banking institution" means a bank, trust company, bank and trust company, mutual savings bank, or thrift institution, that is organized under the laws of this state.

Sec. 2. [46.048] [NOTICE OF PROPOSED ACQUISITION.]

Subdivision 1. [REQUIREMENT.] Whenever a change in the outstanding voting stock of a banking institution will result in control or in a change in the control of the banking institution, the person acquiring control of the banking institution shall file notice of the proposed acquisition of control with the commissioner of commerce at least 60 days before the actual effective date of the change. As used in this section, the term "control" means the power to directly or indirectly direct or cause the direction of the management or policies of the banking institution. A change in ownership of capital stock that would result in direct or indirect ownership by a stockholder or an affiliated group of stockholders of less than 25 percent of the outstanding capital stock is not considered a change of control. If there is any doubt as to whether a change in the outstanding voting stock is sufficient to result in control or to effect a change in the control, the doubt shall be resolved in favor of reporting the facts to the commissioner. The commissioner shall use the criteria established by the Financial Institution Regulatory and Interest Rate Control Act of 1987, United States Code, title 12, section 1817(j), and the regulations adopted under it, when reviewing the acquisition.

Subd. 2. [CONTENTS.] The notice required by subdivision 1 must contain the following information to the extent that it is known by the person making the notice: (1) the number of shares involved; (2) the names of the sellers or transferors; (3) the names of the purchasers or transferees; (4) the names of the beneficial owners if the shares are registered in another name; and (5) the total number of shares owned by the sellers or transferors, the purchasers, or transferees, and the beneficial owners both immediately before and after the transaction. In addition, the notice must contain other information as may be available to inform the commissioner of the effect of the transaction upon control of the banking institution whose stock is involved.

Subd. 3. [BACKGROUND CHECKS.] In addition to any other

information the commissioner may be able to obtain pursuant to section 13.82, the Minnesota bureau of criminal apprehension shall, upon the commissioner's request, provide fingerprint and background checks on all persons named in the notice required by subdivision 2.

ARTICLE 3

Section 1. Minnesota Statutes 1988, section 47.61, is amended by adding a subdivision to read:

Subd. 4a. "Minnesota transmission facility" means (1) a transmission facility which is owned or controlled by financial institutions located in Minnesota; (2) a transmission facility owned or controlled by a bank holding company or savings and loan holding company if domiciled or headquartered in Minnesota; or (3) a transmission facility established in Minnesota and approved by the commissioner under section 47.65, subdivision 1, as of the effective date of this act.

Sec. 2. Minnesota Statutes 1988, section 47.65, is amended by adding a subdivision to read:

Subd. 1a. A Minnesota transmission facility which is used by, or made available to, any other Minnesota transmission facility must be made available on fair, equitable, and nondiscriminatory terms to all other Minnesota transmission facilities upon request of such Minnesota transmission facility. Such person requesting use of a Minnesota transmission facility shall be permitted its use only if the person conforms to reasonable technical operating standards which have been established by the Minnesota transmission facility.

The charges required to be paid to any Minnesota transmission facility shall be related to the costs of establishing, operating, and maintaining such facility plus a reasonable return on those costs to the owner of the facility and may provide for amortization of development costs and capital expenditures over a reasonable period of time; provided such charges as may be separately determined and established from time to time by each Minnesota transmission facility are fair, equitable, and nondiscriminatory."

Delete the title and insert:

"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 holding companies; providing uniformity with federal financial institutions regulatory practices; regulating public disclosure of uniform rating; requiring notice to the commissioner of proposed acquisitions of control; regulating Minnesota transmission facilities; allowing

equal access by other transmission facilities; amending Minnesota Statutes 1988, sections 47.61, by adding a subdivision; 47.65, by adding a subdivision; and 48.93, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 46 and 47."

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. 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.

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

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

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.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 471.991, subdivision 5, is amended to read:

Subd. 5. [EQUITABLE COMPENSATION RELATIONSHIP.] "Equitable compensation relationship" means that a primary consider-

ation 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. 2. 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. A primary consideration in negotiating, establishing, recommending, and approving compensation is comparable work value in relationship to other employee positions within the political subdivision.

Sec. 3. 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. 4. 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. 5. 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. 6. 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. 7. 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 5, 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. 8. 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. 9. 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. 10. 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. 11. [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; 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, 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; 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.

The report was adopted.

Long from the Committee on Rules and Legislative Administration to which was referred:

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; estab-

lishing 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 recommendation that the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2770 and 2786 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 354, 1874, 2012, 2433, 2493, 488 and 1937 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Lieder, Seaberg and Steensma introduced:

H. F. No. 2812, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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

Schafer, Girard, Redalen, Boo and Jacobs introduced:

H. F. No. 2813, A resolution memorializing the President and Congress of the United States to enact legislation to open the cable industry to more competition in the marketplace.

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

Himle introduced:

H. F. No. 2814, A bill for an act relating to taxation; collection in bankruptcy proceedings; proposing coding for new law in Minnesota Statutes, chapter 270.

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

Himle introduced:

H. F. No. 2815, A bill for an act relating to health; establishing an exception to the moratorium on licensing of nursing home beds; 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.

HOUSE ADVISORIES

The following House Advisory was introduced:

Tjornhom; McPherson; Henry; Nelson, K., and McEachern introduced:

H. A. No. 47, A proposal to study the documentation required of districts offering special education.

The advisory was referred to the Committee on Education.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the following change in the membership of the Conference Committee on H. F. No. 257:

The name of Mr. Taylor has been stricken, and the name of Mr. Frederickson, D. R., has been added.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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 Senate has appointed as such committee:

Messrs. Pogemiller and McGowan, Ms. Flynn, Mr. Belanger and Ms. Reichgott.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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 Senate has appointed as such committee:

Mr. Vickerman, Mrs. Adkins and Mr. Frederick.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Milbert moved that the House concur in the Senate amendments to H. F. No. 2393 and that the bill be repassed as amended by the Senate. The motion prevailed.

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 by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Carlson, L.	Gutknecht	Johnson, R.	Macklin
Anderson, G.	Carruthers	Hartle	Johnson, V.	Marsh
Anderson, R.	Clark	Hasskamp	Kahn	McDonald
Battaglia	Cooper	Haukoos	Kalis	McEachern
Bauerly	Dauner	Hausman	Kelly	McGuire
Beard	Dawkins	Heap	Kelso	McLaughlin
Begich	Dempsey	Henry	Kinkel	McPherson
Bennett	Dille	Himle	Knickerbocker	Milbert
Bertram	Dorn	Hugoson	Kostohryz	Miller
Bishop	Forsythe	Jacobs	Krueger	Morrison
Blatz	Frederick	Janezich	Lasley	Munger
Boo	Frerichs	Jaros	Lieder	Murphy
Brown	Girard	Jefferson	Limmer	Nelson, C.
Burger	Greenfield	Jennings	Long	Nelson, K.
Carlson, D.	Gruenes	Johnson, A.	Lynch	Neuenschwander

O'Connor	Pappas	Rice	Skoglund	Valento
Ogren	Pauly	Richter	Solberg	Vellenga
Olsen, S.	Pellow	Rodosovich	Sparby	Wagenius
Olson, E.	Pelowski	Rukavina	Stanius	Waltman
Olson, K.	Peterson	Runbeck	Steenasma	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	

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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 1985 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1985, A bill for an act relating to insurance; regulating cease and desist orders and communications with the department of commerce; providing for a waiver of the 30-day waiting period for purchasing insurance from certain associations; amending Minnesota Statutes 1988, sections 45.027, subdivision 5; 60A.17, by adding a subdivision; and 62A.31, subdivision 1a.

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 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	Jennings	McPherson	Pellow	Sparby
Dempsey	Johnson, A.	Milbert	Pelowski	Stanius
Dille	Johnson, R.	Miller	Peterson	Steensma
Dorn	Johnson, V.	Morrison	Poppenhagen	Svigum
Forsythe	Kahn	Munger	Price	Swenson
Frederick	Kalis	Murphy	Pugh	Tjornhom
Frerichs	Kelly	Nelson, C.	Quinn	Tompkins
Girard	Kelso	Nelson, K.	Redalen	Trimble
Greenfield	Kinkel	Neuenschwander	Reding	Tunheim
Gruenes	Knickerbocker	O'Connor	Rest	Uphus
Gutknecht	Kostohryz	Ogren	Rice	Valento
Hartle	Krueger	Olsen, S.	Richter	Vellenga
Hasskamp	Lasley	Olson, E.	Rukavina	Wagenius
Haukoos	Lieder	Olson, K.	Runbeck	Waltman
Hausman	Limmer	Omann	Sarna	Weaver
Heap	Long	Onnen	Schafer	Welle
Henry	Lynch	Orenstein	Scheid	Wenzel
Himle	Macklin	Osthoff	Schreiber	Williams
Hugoson	Marsh	Ostrom	Seaberg	Winter
Jacobs	McDonald	Otis	Segal	Spk. Vanasek
Janezich	McEachern	Ozment	Simoneau	
Jaros	McGuire	Pappas	Skoglund	
Jefferson	McLaughlin	Pauly	Solberg	

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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bertram moved that the House concur in the Senate amendments to H. F. No. 2124 and that the bill be repassed as amended by the Senate. The motion prevailed.

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; requiring a study and report; 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, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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	McLaughlin	Poppenhagen	Tompkins
Brown	Jacobs	McPherson	Price	Trimble
Burger	Janezich	Milbert	Pugh	Tunheim
Carlson, D.	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	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	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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bauerly moved that the House concur in the Senate amendments

to H. F. No. 2374 and that the bill be repassed as amended by the Senate. The motion prevailed.

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 third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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	McLaughlin	Poppenhagen	Tompkins
Brown	Jacobs	McPherson	Price	Trimble
Burger	Janezich	Milbert	Pugh	Tunheim
Carlson, D.	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	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	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 File, herewith transmitted:

S. F. No. 2618.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2618, A bill for an act relating to public administration; appropriating money or reducing appropriations to the higher education coordinating board, regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, with certain conditions; excepting notification of committee chairs on certain capital projects; establishing a community college at Cambridge; clarifying the duties and powers of the higher education coordinating board; authorizing tuition reciprocity agreements with contiguous Canadian provinces; establishing a state matching grant program to match private gifts to endowment funds; requiring administrative service plans for technical colleges under certain circumstances; changing permitted kinds of investments for the permanent university fund; permitting capital gains of the fund to be used to support endowed academic chairs; authorizing the purchase of a certain building by the state university board; requiring development of a consumer information system for occupational programs; regulating public post-secondary plans; requiring reports; adjusting contributions to state system retirement plans; amending Minnesota Statutes 1988, sections 136.60; 136.602; 136C.05, by adding a subdivision; 137.022, subdivisions 1 and 3; 352.92, subdivision 2; 352B.02, subdivision 1c; 353.27, subdivision 3a; and 354.42, subdivision 5; Minnesota Statutes 1989 Supplement, sections 16B.335, subdivision 2; 136A.04; 136A.08; 352.04, subdivisions 2 and 3; and 354B.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Minnesota Statutes 1988, section 353.27, subdivision 3.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Carlson, L., moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2618 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Carlson, L., moved that the Rules of the House be so far suspended that S. F. No. 2618 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2618 was read for the second time.

Carlson, L., moved to amend S. F. No. 2618, as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

Section 1. [APPROPRIATIONS FOR HIGHER EDUCATION.]

The dollar amounts in the columns under “APPROPRIATIONS” are added to (or, if shown in parentheses, are subtracted from) the appropriations in Laws 1989, chapter 293, to the specified agencies. The appropriations are from the general fund or other named fund and are available for the fiscal years indicated for each purpose. The figure 1990 or 1991 means that the addition to or subtraction from the appropriations listed under the figure are for the fiscal year ending June 30, 1990, or June 30, 1991, respectively. If only one figure is shown in the text for a specified purpose, the addition or subtraction is for 1991 unless the context intends another fiscal year.

SUMMARY BY FUND

	1990	1991	TOTAL
GENERAL	\$(9,783,400)	\$(9,400,600)	\$(19,184,000)

Summary by Agency—All Funds

Higher Education Coordinating Board	(9,783,400)	(3,554,200)	(13,337,600)
State Board of Vocational Technical Education		(1,387,700)	(1,387,700)
State Board for Community Colleges		(966,000)	(966,000)
State University Board		(1,729,300)	(1,729,300)
Regents of the University of Minnesota		(1,763,400)	(1,763,400)

APPROPRIATIONS
Available for the Fiscal Year
Ending June 30

	1990	1991
Sec. 2. HIGHER EDUCATION COORDINATING BOARD TOTAL	\$(9,783,400)	\$(3,554,200)
Subdivision 1. Agency Administration		

	1990	1991
	\$	\$
A general reduction to the agency administration budget.		

(17,100)

Of the biennial appropriation, \$46,300 is for affiliate membership in the Western Interstate Compact on Higher Education.

During the biennium, the higher education coordinating board shall provide data to legislative research offices as necessary for research projects and studies. As a condition of receiving the data, the legislative research offices must enter into an agreement with the board to ensure that the research offices will not disclose any data that identifies individuals.

Subd. 2. State Grants

(9,783,400) (5,033,400)

If an unencumbered balance is projected in the appropriation for the state grant program after October 1, 1990, the HECB may transfer up to \$500,000 to the appropriation for child care grants.

The HECB shall study ways to redefine the cost of living allowance to more accurately reflect actual costs of living. The board shall examine ways to develop cost of living categories to differentiate among students with different living arrangements and family responsibilities, including child care. The board shall examine whether other items involved in the cost of living should be used in determining categories. The board shall report its findings and recommendations to the education divisions of the house appropriations and senate finance committees by February 1, 1991.

The HECB shall examine the feasibility of using a student loan program,

1990

1991

\$

\$

including the SELF program, to assist students whose eligibility for child care grants has expired. The board shall report its findings and recommendations to the education divisions of the house appropriations and senate finance committees by February 1, 1991.

The HECB shall review the percentage of child care grant money authorized for administrative costs on campuses, report on its expenditures of this money, and make any recommendations for changing the percentage levels to the education divisions of the house appropriations and senate finance committees as part of its 1991 biennial budget request.

The HECB shall work with the Minnesota Association of Financial Aid Administrators to simplify the procedures and methods required to calculate child care grants. The HECB shall report on its progress towards simplification as part of its 1991 biennial budget request.

During the biennium, a campus, post-secondary system, or school district must not reallocate child care program administration money, unless the money is reallocated to child care grants.

During the biennium, the HECB shall amend its child care grant rules to include provisions for campuses that contract with counties for program administration. The rules shall make the campuses accountable for county decisions related to the program, and shall require the campuses to develop on-campus mechanisms for student appeals.

	\$ 1990	\$ 1991
Subd. 3. Interstate Tuition Reciprocity		

750,000		
---------	--	--

Subd. 4. Rural Health Programs		
--------------------------------	--	--

700,000		
---------	--	--

Of this amount, \$500,000 is for physicians' loans, \$100,000 is for nursing loans, and \$100,000 is for nursing grants.

Subd. 5. The higher education coordinating board may transfer unencumbered balances from the appropriations in this section to the state grant appropriation. Before the transfer, the higher education coordinating board shall consult with the chairs of the house appropriations and senate finance committees.

Sec. 3. STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION
TOTAL

(1,387,700)

Subdivision 1. General Reduction

(644,700)

The legislature requests that the state board reallocate additional money for the aviation mechanics programs from existing internal sources and from non-state sources.

Subd. 2. Teacher Retirement Plan Employers' Contribution

(793,000)

Subd. 3. State Council on Vocational Technical Education

50,000

Sec. 4. STATE BOARD FOR COMMUNITY COLLEGES TOTAL

(966,000)

	1990	1991
	\$	\$
Subdivision 1. General Reduction		
(356,000)		
Subd. 2. Teacher Retirement Plan Employers' Contribution		
(610,000)		
Sec. 5. STATE UNIVERSITY BOARD TOTAL		(1,729,300)
Subdivision 1. General Reduction		
(657,300)		
Subd. 2. Teacher Retirement Plan Employers' Contribution		
(1,072,000)		
Subd. 3. Authorized Transfer		
<p>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.</p>		
Sec. 6. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA TOTAL		(1,763,400)
Subdivision 1. General Reduction		
(1,709,400)		
Subd. 2. Teacher Retirement Plan Employers' Contribution		
(554,000)		
Subd. 3. Rural Physicians Associates Program		
500,000		

	1990	1991
	\$	\$

\$500,000 is to increase participation in the rural physicians associates program. The Minnesota Medical Association shall assist the university's effort by locating the preceptors for the program. The board of regents shall report, as part of their 1991 biennial budget request, on the feasibility of increasing the program to approximately 40 students per year, on the need to increase the subsidy per student, and on the cost implications of these increases.

Sec. 7. POST-SECONDARY SYSTEMS

The public post-secondary governing boards, the department of finance, and the department of administration shall develop jointly a set of detailed criteria to assist the legislature in making decisions on child care facility requests. The boards and departments shall submit a joint report to the education divisions of the house appropriations and senate finance committees by March 1, 1991.

ARTICLE 2

Section 1. [LEGISLATIVE INTENT.]

During the biennium, to ensure fiscal responsibility and to protect current levels of academic quality and funding, the legislature intends that greater oversight be given to the development and establishment of off-campus post-secondary centers, permanent sites, and other large-scale or long-term operations that are intended to provide academic programs, courses, or student services.

Sec. 2. Minnesota Statutes 1989 Supplement, section 135A.06, subdivision 3, is amended to read:

Subd. 3. [SYSTEM PLANS.] Each system shall develop a program plan for instruction, research, and public service. Each system shall consult with the higher education coordinating board and with the other systems throughout the planning process. The higher education coordinating board shall coordinate intersystem efforts in the

development of the program plans to achieve intersystem cooperation and differentiation.

Each planning report shall consider at least the following elements:

(1) a statement of program priorities for undergraduate, graduate, and professional education, including data about program cost and average class size within each institution;

(2) the effects of proposed programmatic and enrollment changes on other systems and campuses;

(3) a review of plans for adjusting the number of facilities, staff, and programs to projected level of demand, including consideration of campus and program mergers, campus and program closings, new governance structures, the relationship between fixed costs and projected enrollment changes, and consolidation of institutions, services, and programs that serve the same geographic area under different governing boards;

(4) a review of the current and projected use of community outreach and extension programs including information on all off-campus sites, including at least information for each site from the inventory established in section 9;

(5) enrollment projections for two, five, and ten years based on recent available projections produced by the higher education coordinating board or, if different projections are used, they shall be compared to those prepared by the higher education coordinating board, and the system shall identify the method and assumptions used to prepare its projections;

(6) estimated financial costs and savings of alternative plans for adjusting facilities, staff, and programs to changing enrollments and fiscal resources;

(7) opportunities for providing services cooperatively with other public and private institutions in the same geographic area; and

(8) differentiating and coordinating missions to reduce or eliminate duplication of services and offerings, to improve delivery of services, and to establish clear and distinct roles and priorities.

Sec. 3. Minnesota Statutes 1989 Supplement, section 135A.06, is amended by adding a subdivision to read:

Subd. 6. [SUBMISSION TO LEGISLATURE.] A public post-secondary governing board shall submit the information on off-campus sites required in subdivision 3, clause (4), to the legislature

with its biennial budget request in odd-numbered years, and shall update the information with its supplemental budget request in the even-numbered years. The board shall provide detailed information on the use of state appropriated funds in support of each site, including information on the effects on campuses of funding off-campus sites.

Sec. 4. Minnesota Statutes 1989 Supplement, section 136.03, is amended by adding a subdivision to read:

Subd. 3. The state board and the state universities must not establish any off-campus centers or other permanent sites located off state university campuses to provide academic programs, courses, or student services without authorizing legislation. For the purposes of this subdivision, the campus of Metropolitan State University is the seven-county metropolitan area.

Sec. 5. Minnesota Statutes 1988, section 136.62, is amended by adding a subdivision to read:

Subd. 8. The state board and the community colleges must not establish any off-campus centers or other permanent sites located off community college campuses to provide academic programs, courses, or student services without authorizing legislation.

Sec. 6. Minnesota Statutes 1989 Supplement, section 136A.04, subdivision 1, is amended to read:

Subdivision 1. The higher education coordinating board shall:

(1) continuously study and analyze all phases and aspects of higher education, both public and private, and develop necessary plans and programs to meet present and future needs of the people of the state;

(2) continuously engage in long-range planning for the needs of higher education and, if necessary, cooperatively engage in planning with neighboring states and agencies of the federal government;

(3) act as successor to any committee or commission previously authorized to engage in exercising any of the powers and duties prescribed by sections 136A.01 to 136A.07;

(4) review, approve or disapprove, make recommendations, and identify priorities with respect to all proposals for new or additional programs or large-scale or permanent sites of instruction or substantial changes in existing programs or large-scale or permanent sites to be established in or offered by, the University of Minnesota, the state universities, the community colleges, technical institutes, and private collegiate and noncollegiate post-secondary institutions.

The board shall forward its recommendations on sites to the house appropriations and senate finance committees. The board shall also periodically review existing programs and recommend discontinuing or modifying any existing program. When reviewing sites and new or existing programs, the board shall consider whether the program is unnecessary, a needless duplication of existing programs, beyond the capability of the system or institution considering its resources, or beyond the scope of the system or institutional mission;

(5) develop in cooperation with the post-secondary systems, house appropriations committee, senate finance committee, and the departments of administration and finance, a compatible budgetary reporting format designed to provide data of a nature to facilitate systematic review of the budget submissions of the University of Minnesota, the state university system, the community college system, and the technical institutes, which includes the relating of dollars to program output;

(6) review budget requests, including plans for construction or acquisition of facilities of the University of Minnesota, the state universities, the community colleges, and technical institutes for the purpose of relating present resources and higher educational programs to the state's present and long-range needs; and conduct a continuous analysis of the financing of post-secondary institutions and systems, including the assessments as to the extent to which the expenditures and accomplishments are consistent with legislative intent;

(7) obtain from private post-secondary institutions receiving state funds a report on their use of those funds;

(8) continuously monitor and study the transferability between Minnesota post-secondary and higher education institutions of credits earned for equal and relevant work at those institutions, the degree to which credits earned at one institution are accepted at full value by the other institutions, and the policies of these institutions concerning the placement of these transferred credits on transcripts; and

(9) prescribe policies, procedures, and rules necessary to administer the programs under its supervision.

Sec. 7. Minnesota Statutes 1988, section 136C.04, is amended by adding a subdivision to read:

Subd. 20. The state board and the technical colleges must not establish any off-campus centers or other permanent sites located off technical college campuses to provide academic programs, courses, or student services without authorizing legislation.

Sec. 8. [137.40] [OFF-CAMPUS SITES AND CENTERS.]

The board of regents and the university campuses are requested to not establish any off-campus centers or other permanent sites located off university campuses to provide academic programs, courses, or student services without authorizing legislation.

Sec. 9. [INVENTORY.]

Subdivision 1. [HECB.] By November 1, 1990, the higher education coordinating board shall compile an inventory of all existing off-campus sites and centers for each post-secondary system and institution that includes at least the following information: total full year equivalent and head count enrollment, number of course offerings in each field of study, degrees available and number awarded, location and type of facilities, leasing or other arrangements and cost, and the amount and sources of funding.

Subd. 2. [HEAC.] The higher education advisory council shall work with the higher education coordinating board to determine categories of off-campus sites and criteria to use in placing sites within categories.

Subd. 3. [HECB.] The higher education coordinating board, and the post-secondary governing boards, shall review the categories and criteria and the information included in the inventory to determine whether these are sufficient for incorporating into system planning activities and enhanced program review activities. As part of its review, the HECB shall examine the courses and programs offered to determine the amount of duplication among the systems and the level of their cooperative efforts. The HECB shall report its findings and recommendations to the appropriations and finance committees by January 15, 1991.

Sec. 10. [CONDITIONS.]

(a) The state university board, the state board for community colleges, the state board of vocational technical education, and their respective campuses must not enter into new long-term lease arrangements, significantly increase the course offerings at off-campus sites, or significantly increase staffing levels for off-campus sites between the effective date of this section and the end of the 1990-1991 academic year. A current long-term lease may be renewed if it expires during this period. The board of regents is requested to abide by these conditions until the end of the 1990-1991 academic year.

(b) This section does not apply to actions of Metropolitan State University that are part of its plan to consolidate its sites in the seven-county metropolitan area. The state university board shall

consult with the chairs of the house appropriations and senate finance committees in carrying out its plans.

Sec. 11. [EFFECTIVE DATES.]

Subdivision 1. Sections 1, 4, 5, and 7 to 10 are effective the day following final enactment.

Subd. 2. Section 6 is effective July 1, 1991.

ARTICLE 3

Section 1. [136A.135] [CITATION.]

Sections 136A.135 to 136A.1355 may be cited as the "education for new and continuing nurses act."

Sec. 2. [136A.1351] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] In sections 136A.135 to 136A.1355, the definitions in this section apply.

Subd. 2. "Advanced practice nurse" means a registered nurse who has graduated from a program of study designed to prepare the individual for advanced practice as a nurse practitioner, nurse midwife, clinical nurse specialist in psychiatric mental health, master's degree prepared public health nurse, or nurse anesthetist.

Subd. 3. A "designated rural area" means a Minnesota community outside a ten mile radius of a "Ranally" area which community (1) has more than 2,000 persons per physician, including seasonal variation; and (2) has requested assistance from the higher education coordinating board in finding a nurse for their community.

Subd. 4. A "Ranally area" means a central city or cities and any adjacent built-up areas, plus other communities not connected by continuously built-up areas if population density exceeds 60 persons per square mile and the work force of the communities significantly depends on the central city or cities.

Sec. 3. [136A.1352] [PRE-NURSING GRANTS.]

Subdivision 1. [ESTABLISHMENT.] The higher education coordinating board shall provide grants to students who are entering or enrolled in registered nurse or licensed practical nurse programs, who have no previous nursing training or education, and who agree to practice in a designated rural area.

Subd. 2. [ELIGIBILITY.] (a) To be eligible to receive a grant, a student must be:

- (1) a resident of the state of Minnesota;
- (2) enrolled in a Minnesota school or college or program of nursing to complete an educational program that would lead to the student's first licensure as a licensed practical nurse or as a registered nurse;
- (3) willing to agree to serve at least three of the first five years following licensure in a designated rural area; and
- (4) able to meet the financial need criteria established in section 136A.121 and board rules.

(b) The grant must be awarded for one academic year, but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent, but cannot continue after receipt of the nursing degree or certificate.

Subd. 3. [PRIORITY.] If insufficient funds are available to meet the needs of all eligible applicants, the board must give priority to applicants who reside in a designated rural area and applicants attending post-secondary institutions outside the seven-county metropolitan area.

Subd. 4. [DETERMINATION OF NEED; AMOUNT OF AWARD.] The determination of a student's need and the amount of a grant award must be based on the criteria established in section 136A.121 and related board rules.

Sec. 4. [136A.1353] [NURSING GRANT PROGRAM FOR LICENSED PRACTICAL NURSES.]

Subdivision 1. [ESTABLISHMENT.] A nursing grant program is established under the authority of the higher education coordinating board to provide grants to: (1) prospective nursing students to enter into an educational program that would lead to licensure as a licensed practical nurse; and (2) licensed practical nurses to enter into an educational program that would lead to licensure as a registered nurse.

Subd. 2. [ELIGIBILITY.] (a) To be eligible to receive a grant, a student must be:

- (1) a resident of the state of Minnesota;
- (2) enrolled in a Minnesota school or college of nursing to complete an educational program that would lead to licensure as a licensed practical nurse or be a licensed practical nurse enrolled in a

Minnesota school or college of nursing to complete an educational program that would lead to licensure as a registered nurse; and

(3) eligible under any additional criteria established by the school, college, or program of nursing education in which the student is enrolled.

(b) The grant must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent.

Subd. 3. [RESPONSIBILITY OF NURSING PROGRAMS.] Each nursing school, college, or program of nursing education that wishes to participate in the nursing grant program must apply to the higher education coordinating board for money, according to rules and policies established by the board. A nursing school, college, or program of nursing education must establish criteria to use in awarding the grants. The criteria must include consideration of the likelihood of a student's success in completing the nursing program and must give priority to: (1) students with the greatest financial need; and (2) students enrolling in educational programs leading to licensure as a licensed practical nurse. Grants must be for a minimum of \$500, but must not exceed \$2,500 per year. Each nursing school, college, or program of nursing education shall establish procedures for students to apply for and receive grants.

Subd. 4. [RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD.] The higher education coordinating board shall distribute funds each year to the nursing schools, colleges, or programs of nursing education applying to participate in the nursing grant program based on the last academic year's enrollment of students in educational programs that would lead to licensure as a licensed practical nurse. Money not used by a recipient nursing program must be returned to the higher education coordinating board for redistribution under this section. The board shall establish an application process for interested nursing schools, colleges, or programs of nursing education. Initial applications are due by January 1, 1991, and by January 1 of each later year. By March 1, 1991, and by March 1 of each later year, the board shall notify each applicant nursing school, college, or program of nursing education of its approximate allocation of funds in order to allow the program to determine the number of students that can be supported by the allocation. The board shall distribute funds to the nursing schools, colleges, or programs of nursing education by August 1, 1991, and by August 1 of each later year.

Subd. 5. [FUNDING.] The nursing grant program is funded as provided in the 1990 health and human services supplemental appropriations act.

Subd. 6. [REPORT.] The nursing schools, colleges, or programs of

nursing education participating in the nursing grant program shall report to the higher education coordinating board on their program activity as requested by the board.

Subd. 7. [SUNSET.] This section is repealed on June 30, 1995.

Sec. 5. [136A.1354] [NURSING GRANT PROGRAM FOR REGISTERED NURSES.]

Subdivision 1. [ESTABLISHMENT.] The higher education coordinating board shall provide grants to registered nurses seeking to complete baccalaureate or master's degrees in nursing or a program of advanced nursing education.

Subd. 2. [ELIGIBILITY.] To be eligible to receive a grant, a student must be:

(1) licensed as a registered nurse in Minnesota and have been employed as a nurse in the state for at least one year before re-enrolling in college;

(2) a resident of the state of Minnesota;

(3) enrolled in a Minnesota school or college of nursing to complete a baccalaureate or master's degree, or a program of advanced nursing education; and

(4) eligible under any additional criteria established by the school or college of nursing, or program of advanced nursing education, in which the student is enrolled.

The grant must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent.

Subd. 3. [RESPONSIBILITY OF NURSING PROGRAMS.] Each nursing school, college, or program of advanced nursing education that wishes to participate in the nursing grant program must apply to the higher education coordinating board for money, according to rules and policies established by the board. A nursing school, college, or program of advanced nursing education must establish criteria to use in awarding the grants. The criteria must include consideration of the likelihood of a student's success in completing the nursing program and must give priority to: (1) students with the greatest financial need; and (2) students enrolling to complete baccalaureate degrees. Grants must be for a minimum of \$500, but must not exceed \$2,500 per year. Each nursing school, college, or program of advanced nursing education shall establish procedures for students to apply for and receive grants.

Subd. 4. [RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD.] The higher education coordinating board shall distribute funds each year to the nursing schools, colleges, or programs of advanced nursing education applying to participate in the nursing grant program based on the last academic year's enrollment of registered nurses in schools or colleges of nursing, or programs of advanced nursing education. Money not used by a recipient nursing program must be returned to the higher education coordinating board for redistribution under this section. The board shall establish an application process for interested nursing schools, colleges, or programs of advanced nursing education. Initial applications are due by January 1, 1991, and by January 1 of each later year. By March 1, 1991, and by March 1 of each later year, the board shall notify each applicant nursing school, college, or program of advanced nursing education of its approximate allocation of money to allow the program to determine the number of students that can be supported by the allocation. The board shall distribute money to the nursing schools, colleges, or programs of advanced nursing education by August 1, 1991, and by March 1 of each later year.

Subd. 5. [FUNDING.] The nursing grant program is funded as provided in the health and human services 1990 supplemental appropriations act.

Subd. 6. [REPORT.] The nursing schools, colleges, or programs of advanced nursing education participating in the nursing grant program shall report to the higher education coordinating board on their program activity as requested by the board.

Subd. 7. [SUNSET.] This section is repealed on June 30, 1995.

Sec. 6. [136A.1355] [EDUCATION ACCOUNT FOR RURAL ADVANCED PRACTICE NURSES.]

Subdivision 1. [CREATION OF ACCOUNT; DEFINITION OF ADVANCED PRACTICE NURSE.] An education account for rural advanced practice nurses is established. Money from the account must be used by the higher education coordinating board to establish a loan forgiveness program for advanced practice nurses who agree to practice in designated rural areas.

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the program, a registered nurse planning to enroll in a program of study designed to prepare the individual to become an advanced practice nurse shall submit a letter of interest to the higher education coordinating board before enrolling in the program of advanced practice. Before completing the first year of advanced study a registered nurse shall sign a contract to agree to serve at least one of the first two years following completion of the program of advanced study in a designated rural area, as defined in section 2.

Subd. 3. [LOAN FORGIVENESS.] The loan forgiveness program may accept up to ten applicants per year. Applicants are responsible for securing their own loans. For each year of advanced study, for up to two years, applicants chosen to participate in the loan forgiveness program may designate an agreed amount, not to exceed \$5,000, as a qualified loan. For each year that a participant serves as an advanced practice nurse in a designated rural area, up to a maximum of two years, the higher education coordinating board shall annually pay an amount equal to one year of qualified loans and the interest accrued on these loans. Participants who move from one designated rural area to another, but continue to work as an advanced practice nurse, remain eligible for loan repayment.

Subd. 4. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the required one year minimum commitment of service in a designated rural area, the higher education coordinating board shall collect from the participant 100 percent of the qualified loans and interest paid, plus a penalty of 50 percent of the qualified loans and interest paid. The higher education coordinating board shall deposit the money collected in the education fund for rural advanced practice nurses. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the one year service commitment.

Sec. 7. [136A.136] [RURAL PHYSICIAN EDUCATION ACCOUNT.]

Subdivision 1. [CREATION OF ACCOUNT.] A rural physician education account is established. Money from the fund must be used by the higher education coordinating board to establish a loan forgiveness program for medical students agreeing to practice in designated rural areas.

Subd. 2. [DEFINITIONS.] (a) In this section, the definitions in this subdivision apply.

(b) A "designated rural area" means any Minnesota community outside a ten-mile radius of a "Ranally" area which: (1) has more than 2,000 persons per physician, including seasonal variation; and (2) has requested assistance from the higher education coordinating board in finding a physician for their community.

(c) A "Ranally area" means a central city or cities and any adjacent built-up areas, plus other communities not connected by continuously built-up areas if population density exceeds 60 persons per square mile and the work force of the community or communities significantly depends on the central city or cities.

Subd. 3. [ELIGIBILITY.] To be eligible to participate in the program, a prospective physician shall submit a letter of interest to the higher education coordinating board while attending medical

school. Before completing the first year of residency a student or resident shall sign a contract to agree to serve at least three of the first five years following residency in a designated rural area, as defined in this section.

Subd. 4. [LOAN FORGIVENESS.] The loan forgiveness program may accept up to ten applicants per year. Applicants are responsible for securing their own loans. For each year of medical school, for up to five years, applicants chosen to participate in the loan forgiveness program may designate an agreed amount, not to exceed \$10,000, as a qualified loan. For each year that a participant serves as a physician in a designated rural area, up to a maximum of five years, the higher education coordinating board shall annually pay an amount equal to one year of qualified loans and the interest accrued on these loans. Participants who move their practice from one designated rural area to another remain eligible for loan repayment.

Subd. 5. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the required three year minimum commitment of service in a designated rural area, the higher education coordinating board shall collect from the participant 100 percent of the qualified loans and interest paid, plus a penalty of 50 percent of the qualified loans and interest paid. The higher education coordinating board shall deposit the money collected in the rural physician education fund. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the three-year service commitment.

Sec. 8. [HECB EVALUATION.]

The higher education coordinating board shall evaluate the programs established in sections 1 to 7. The initial evaluation shall examine the progress in establishing the programs and shall be reported to the education divisions of the house appropriations and senate finance committees by February 1, 1991. Beginning in 1992, the HECB shall report to the divisions each February 1 on the operation of each program, including whether the program is achieving its goals, and the board shall make recommendations regarding whether the program shall be terminated or changed.

Sec. 9. [RULES.]

The higher education coordinating board shall develop rules, including emergency rules if necessary, to implement the programs in sections 1 to 7.

ARTICLE 4

Section 1. [299A.41] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions used in this section apply in this chapter.

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 the decedent's death.

Sec. 2. [299A.42] [PUBLIC SAFETY OFFICERS BENEFIT ACCOUNT.]

The public safety officers benefit account is created in the state treasury. Money in the account consists of money transferred and appropriated to that account.

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 according to sections 14.56 to 14.62 and is subject to appeal according to sections 14.63 to 14.68.

Sec. 4. [299A.44] [DEATH BENEFIT.]

On certification to the governor by the commissioner of public safety 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 account, 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 and the higher education coordinating board, 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 January 1, 1973, are eligible to receive educational benefits under this section. To qualify for an award, they must be enrolled in undergraduate degree or certificate programs after June 30, 1990, at a Minnesota public post-secondary institution or a private, residential, two-year or four-year, liberal arts, degree granting college or university located in Minnesota. Persons who have received a baccalaureate degree are no longer eligible.

Subd. 2. [AWARD AMOUNT.] (a) The amount of the award is:

(1) for public institutions, the actual tuition and fees charged by the institution, or

(2) for private institutions the lesser of (i) the actual tuition and fees charged by the institution or (ii) the highest tuition and fees charged by a public institution in Minnesota.

(b) An award under this subdivision must not affect a recipient's eligibility for a state grant under section 136A.121.

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. An institution must not request payment unless the student is enrolled in or has completed the term for which the payment is intended.

Subd. 4. [RENEWALS.] Each award must be given for one academic year and is renewable for a maximum of six semesters or nine quarters or their equivalent. An award must not be given after the recipient has obtained a baccalaureate degree or has been enrolled full-time or the equivalent for eight semesters or 12 quarters, whichever occurs first. An award must not be given to a dependent child who is 23 years of age or older on the first day of the academic year.

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, including emergency rules, to implement, coordinate, and administer section 5.

Sec. 7. [REPORTS.]

By February 1, 1991, the commissioner of public safety shall report to the house appropriations and senate finance committees on the use of the educational benefits provisions and on any recommendations to change these provisions. The higher education coordinating board shall report on its expenditures as part of its 1991 biennial budget request.

Sec. 8. [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. 9. [MONEY SET ASIDE.]

The higher education coordinating board shall set aside \$100,000 appropriated for the state grant program under Minnesota Statutes, section 136A.121 for the purpose of section 5.

Sec. 10. [EFFECTIVE DATES.]

Sections 1 to 4, 6, and 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 January 1, 1973.

ARTICLE 5

Section 1. [136A.0411] [COLLECTING FEES.]

The higher education coordinating board may charge fees for seminars, conferences, workshops, services, and materials. The money is annually appropriated to the board. As part of its biennial budget request, the board shall report the fees it has collected, the sources of the fees, and the manner in which the fees were spent.

Sec. 2. Minnesota Statutes 1989 Supplement, section 136A.08, is amended to read:

136A.08 [RECIPROCAL AGREEMENTS RELATING TO NON-RESIDENT TUITION WITH OTHER STATES OR PROVINCES.]

Subdivision 1. [AUTHORIZATION.] The Minnesota higher education coordinating board may enter into agreements, on subjects that include remission of nonresident tuition for designated categories of students at public post-secondary institutions, with appropriate state or provincial agencies and public post-secondary

institutions in other states or provinces. The agreements shall be for the purpose of the mutual improvement of educational advantages for residents of this state and other states or provinces with whom agreements are made.

Subd. 1a. [WISCONSIN.] A higher education reciprocity agreement with the state of Wisconsin may include provision for the transfer of funds between Minnesota and Wisconsin provided that an income tax reciprocity agreement between Minnesota and Wisconsin is in effect for the period of time included under the higher education reciprocity agreement. If this provision is included, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the board and a duly designated agency representing Wisconsin. The formula shall recognize differences in tuition rates between the two states and the number of students attending institutions in each state under the agreement. Any payments to Minnesota by Wisconsin shall be deposited by the board in the general fund of the state treasury. The amount required for the payments shall be certified by the executive director of the higher education coordinating board to the commissioner of finance annually.

Subd. 2. [NORTH DAKOTA; SOUTH DAKOTA.] A reciprocity agreement with North Dakota may include provision for the transfer of funds between Minnesota and North Dakota. If provision for transfer of funds between the two states is included, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the board and a duly designated agency representing North Dakota. In adopting a formula, the board shall consider tuition rates in the two states and the number of students attending institutions in each state under the agreement. Any payment to Minnesota by North Dakota shall be deposited by the board in the general fund. The amount required for the payments shall be certified by the executive director of the higher education coordinating board to the commissioner of finance annually. All provisions in this subdivision pertaining to North Dakota shall also be applied to South Dakota, and all authority and conditions granted for higher education reciprocity with North Dakota are also granted for higher education reciprocity with South Dakota.

Subd. 3. [FINANCIAL AID.] The board may enter into an agreement, with a state or province with which it has negotiated a reciprocity agreement for tuition, to permit students from both states to receive student aid awards from the student's state or province of residence for attending an eligible institution in the other state or province.

Subd. 4. [GOVERNING BOARD APPROVAL.] An agreement made by the board under this section is not valid as to a particular

institution without the approval of that institution's state or provincial governing board.

Sec. 3. Minnesota Statutes 1988, section 136C.08, subdivision 2, is amended to read:

Subd. 2. Any fee established by the board pursuant to under the authority granted in subdivision 1 shall not exceed \$1 per day per vehicle must be approved by the state board. Parking fees collected shall be deposited in the general or repair and betterment fund of the school district or joint school district.

Sec. 4. Minnesota Statutes 1988, section 137.022, subdivision 1, is amended to read:

Subdivision 1. [INVESTMENT.] The investment management of the permanent university fund shall be under the jurisdiction of the board of regents of the University of Minnesota, subject to any limitations imposed by the Constitution of the state of Minnesota, article XI, section 9. All securities and cash held in the state treasury credited to the permanent university fund that are unappropriated or unencumbered are transferred and appropriated to the board of regents of the University of Minnesota solely for the purpose of investment by them, with the restriction that all such investment transactions be handled through the supervision of investment counselors, bank trust departments, or insurance companies which are organized, licensed, or have registered offices within the state of Minnesota or have agreed in writing to conduct such securities transactions and investment counseling under Minnesota law and the rules established by the department of commerce. These. The investments shall be are restricted to those authorized as eligible for use in the Minnesota postretirement investment fund, section 11A.18, with the exception that corporate debt securities may be used to the extent of 80 percent of the portfolio the state board of investment may invest in under section 11A.24.

Sec. 5. Minnesota Statutes 1988, section 137.022, subdivision 3, is amended to read:

Subd. 3. [ENDOWED CHAIRS.] (a) The income from the permanent university fund must be used, and realized and unrealized capital gains of the fund may be used, to help endow provide endowment support for professorial chairs in academic disciplines. This income The endowment support for the chairs from the income and the capital gains must not total more than six percent per year of the 36-month trailing average market value of the fund, as computed quarterly or otherwise as directed by the regents. The endowment support from the income and the capital gains must not provide more than half the sum of the endowments endowment support for all chairs endowed, with nonstate sources providing the

remainder. The endowment support from the income and the capital gains may provide more than half the endowment support of an individual chair.

(b) If any portion of the annual appropriation that in subdivision 2 of the income is not used for this the purpose specified in paragraph (a), that portion lapses and must be added to the principal of the permanent university fund.

Sec. 6. Laws 1989, chapter 293, section 2, subdivision 2, is amended to read:

Subd. 2. Agency Administration

\$3,900,000 \$2,972,000

(a) The optometry and osteopathy contract program for students who were in the program in the 1986-1987 academic year must be discontinued on June 30, 1990. No new students may be admitted.

(b) As part of its 1991 biennial budget request, the HECB shall report its recommendations for improvements to the SELF program.

(c) Notwithstanding Laws 1987, chapter 401, section 33, the task force on post-secondary quality assessment may continue for the 1989-1991 biennium. The task force membership may be expanded to include public members appointed by the higher education advisory council from nominees submitted by the HECB.

(d) No further funding of the enterprise development centers shall be provided through the HECB. The Greater Minnesota Corporation may provide funding for the centers.

(e) \$150,000 for the biennium is for matching grants to post-secondary institutions that submit acceptable proposals for campus community service projects emphasizing students performing as tutors or mentors to their

younger peers. Campus community service projects attempt to instill in students the value of civic involvement and the belief that each student's community service can make a difference in the community. The HECB may award up to 20 grants. To receive a grant, a recipient must match the grant amount from any resources available to the institution. The state grant is for a staff person on each recipient's campus to coordinate student community service involvement. Up to \$25,000 of the appropriation may be used for HECB administration, coordination, training, consultation, and evaluation costs. The legislature intends the grant program to be phased out at the end of the biennium to be replaced by 100 percent funding by the recipient institutions from any resources available to the institution.

(f) The HECB shall undertake the second phase of the study of post-secondary needs in the state, as provided in Laws 1988, chapter 703, article 1, section 2, subdivision 3. This phase must concentrate on those parts of the state outside the St. Cloud to Rochester population corridor. The HECB may contract for portions of the study, as necessary, but is not subject to Minnesota Statutes, chapter 16B. Before proceeding with the request for proposals, the HECB shall consult with the post-secondary systems, institutions, and other relevant agencies to locate studies and market analyses that could be used in conducting phase 2. The study must focus on (1) an assessment of the current and future conditions and needs; (2) strategies to meet these needs; (3) costs associated with the strategies; and (4) effects of the strategies on existing institutions, state policies, quality of education, improvement of intersystem cooperation, reduction of duplication, and system and institutional missions.

The study should include consideration of at least the following concerns: the current and projected demographic and participation trends; current levels and types of services available; and needs of traditional and nontraditional students; the geographical accessibility of services needed by different types of students; uses of alternative delivery systems, instructional technology, cooperative efforts, and reciprocity agreements; relationships between post-secondary institutions and business; and the physical capacity of existing institutions. The study shall analyze attendance patterns and may include market surveys. The HECB shall report the findings of the study to the education and finance committees of the senate and the education and appropriations committees of the house by December 1, 1990. By January 1, 1991, the HECB shall review and comment on each of the strategies proposed in the study. In submitting the findings of phase 2, the board shall relate them to the results of phase 1 and their implications for statewide policy.

The study shall serve as the 1990 inter-system plan as required in Minnesota Statutes, section 135A.06, subdivision 2.

(g) The HECB shall analyze and make recommendations on plans submitted for providing undergraduate and practitioner-oriented graduate programs in the seven-county metropolitan area. By February 1, 1990, the HECB shall report on its recommendations to the education and finance committees of the senate and the education and appropriations committees of the house.

Sec. 7. Laws 1989, chapter 293, section 2, subdivision 3, is amended to read:

Subd. 3. State Scholarships and Grants

\$69,044,000

\$82,644,000

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

During the biennium, the higher education coordinating board may ask the commissioner of finance to loan general fund money to the scholarship and grant account to ease cash flow difficulties. The higher education coordinating board must first certify to the commissioner that there will be adequate refunds to the account to repay the loan. The commissioner shall use the refunds to make repayment to the general fund of the full amount loaned. Money necessary to meet cash flow difficulties in the state scholarship and grant program is appropriated to the commissioner of finance for loans to the higher education coordinating board.

This appropriation contains money for increasing living allowances for state scholarships and grants to \$3,170 for the first year and \$3,465 for the second year.

\$2,000,000 each year is for child care grants. For the biennium, the board may determine a reasonable percentage of the appropriation to be used for the administrative costs of the agency and the campuses.

The HECB shall report to the education divisions of the house appropriations and senate finance committees on the academic progress and persistence of state scholarship and grant program recipients by February 1, 1990.

The HECB shall examine and make recommendations on the use of post-secondary scholarships and other mechanisms to provide incentives to students to pursue International Baccalaureate degrees. In making its recommendations, the HECB shall include an analysis of the cost of a

scholarship program and whether these scholarships would be an appropriate use of state funds.

The HECB may use up to \$250,000 of the appropriation in each year to provide grants for Minnesota resident students participating in the Akita program. Grants must be awarded on the same basis as other state grants, except that the cost of attendance shall be adjusted to incorporate the state university tuition level and the travel, room and board, books, and fees associated with the Akita fee level program. An individual grant must not exceed the state grant maximum award for a student at a four-year private college. The HECB and the state university board shall report on these grants in the 1991 biennial budget document.

By February 15, 1990, the HECB shall report to the education divisions of the senate finance and the house appropriations committees on implementation of procedures to recover overpayment of state scholarship and grant awards. The report shall cover overpayments for the 1988-1989 academic year and shall include at least the following information for each case for which recovery of an overpayment is sought:

- (1) the reason for the overpayment;
- (2) the manner in which the overpayment was discovered;
- (3) the amount of the overpayment;
- (4) the recovery plan proposed by the HECB;
- (5) whether the case was brought to court and, if so,
 - (a) why the case was brought to court,

(b) the cost to the HECB of bringing the case to court, and

(c) whether the HECB recovered costs and attorney fees; and

(6) the disposition, including the amount of the overpayment recovered and the amount of time elapsed from the time the overpayment was discovered to the time a repayment agreement was reached.

The report shall not include any information identifying the students involved.

Sec. 8. [LEASE AGREEMENT.]

The state university board may enter into a lease agreement for use of Lourdes Hall, located on the campus of the former college of St. Teresa in Winona, to establish and operate a residential college program. The agreement must include an option to purchase. Notwithstanding Minnesota Statutes, section 16B.24, subdivision 6, the lease agreement may be for the number of years necessary, but not more than 20 years, for the operation of the program. Before entering into the agreement, the board shall consult with the chairs of the senate finance and house appropriations committees. The agreement is not valid unless it includes a clause reserving the exclusive right of the state to terminate by nonappropriation.

Sec. 9. [CONSUMER INFORMATION SYSTEM.]

The public post-secondary state governing boards, and private post-secondary colleges and occupational and technical institutions that enroll recipients of state grants, shall develop a consumer information system for occupational programs. The system must be based on student placement and must include all subbaccalaureate occupational programs and all programs that lead to an occupation requiring certification, licensure, or testing for entry. The first phase of the system must include all subbaccalaureate occupational programs. The higher education coordinating board must coordinate the development of the system and must report on it to the education divisions of the house appropriations and the senate finance committees by February 15, 1991.

Sec. 10. [SYSTEM PLANNING.]

Subdivision 1. [HECB.] As part of its role in coordinating the continuing work on MSPAN 1 and to reduce duplication and

improve the efficient delivery of quality services to students, the higher education coordinating board shall examine the current status of system governance and mission differentiation. It further shall examine whether courses and programs are offered currently in the appropriate system. The board shall recommend any change it deems necessary or advisable in governance, mission differentiation, and program location. The board shall consult with the post-secondary systems in its examination. It shall report its findings and recommendations as part of its reporting process in subdivision 2.

Subd. 2. [ALL SYSTEMS.] Notwithstanding Minnesota Statutes, section 135A.06, in place of system plans, the public post-secondary systems shall submit plans for providing undergraduate and practitioner-oriented graduate programs in the seven-county metropolitan area to the higher education coordinating board.

As one part of the planning process, each public post-secondary governing board shall review its current mission statement. Each board shall determine whether the statement accurately reflects its mission and the role of its system in the mission differentiation efforts, and recommend any changes its statement requires. The boards shall submit their mission statements and recommendations to the higher education coordinating board with their metropolitan area plans by December 1, 1990.

The higher education coordinating board shall review and comment on the plans and mission statements and report to the legislature and governor by February 15, 1991.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 and 4 to 10 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; appropriating money or reducing appropriations to the higher education coordinating board, regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, with certain conditions; expressing intent for greater oversight of off-campus post-secondary centers; clarifying the duties and powers of the higher education coordinating board; providing for financial aid for nurses and certain rural health personnel and dependents of certain public safety officers; authorizing rules; changing permitted kinds of investments for the permanent university fund; permitting capital gains of the fund to be used to support endowed academic chairs; authorizing the lease of a certain building by the state university board; requiring development of a consumer information system for occupational programs; adjusting contribu-

tions to certain state system retirement plans; requiring plans and reports; amending Minnesota Statutes 1988, sections 136.62, by adding a subdivision; 136C.04, by adding a subdivision; 136C.08, subdivision 2; and 137.022, subdivisions 1 and 3; Minnesota Statutes 1989 Supplement, sections 135A.06, subdivision 3, and by adding a subdivision; 136.03, by adding a subdivision; 136A.04, subdivision 1; and 136A.08; Laws 1989, chapter 293, section 2, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapters 136A; 137; and 299A; repealing Minnesota Statutes 1988, sections 176B.01, as amended; 176B.02; 176B.03; 176B.04; and 176B.05."

The motion prevailed and the amendment was adopted.

Lasley moved to amend S. F. No. 2618, as amended, as follows:

Page 32, after line 19, insert:

"ARTICLE 6

Section 1. Minnesota Statutes 1988, section 136.60, is amended to read:

136.60 [ESTABLISHMENT OF COMMUNITY COLLEGES, LOCATION.]

Subdivision 1. Not to exceed ~~18~~ 19 community colleges are established under the management, jurisdiction, and control of the state board for community colleges.

Subd. 3. The community colleges shall be located at Coon Rapids, Austin, Brainerd, Cambridge, Fergus Falls, Hibbing, Inver Grove Heights, Grand Rapids, White Bear Lake, Virginia, Minneapolis, Bloomington, Brooklyn Park, Thief River Falls, International Falls, Rochester, Ely, Willmar, and Worthington.

Sec. 2. Minnesota Statutes 1988, section 136.602, is amended to read:

136.602 [ADDITIONAL COMMUNITY COLLEGES.]

In addition to the community colleges authorized in section 136.60, two community colleges are established under the jurisdiction of the state board for community colleges, one of which shall be located at Fairmont and the other at a site to be designated by the state board for community colleges at one of the sites recommended by the higher education coordinating board; namely, Alexandria, Cambridge, Hutchinson, New Ulm and Owatonna. This direction

does not imply rejection of the remaining named sites, nor does it preclude legislative selection of alternative or additional sites.

Sec. 3. [REPORT TO LEGISLATURE.]

The state board of community colleges shall report in the 1991 biennial budget document, recommendations for the appropriate administrative structure for the Cambridge Community College established under section 9. In making its recommendations, the board shall review the combined administrative structure for the community colleges located in the Arrowhead and Clearwater regions of the state. Until these recommendations have been reviewed and approved by the legislature, the present administrative structure of the Cambridge center must be continued.

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Lasley amendment and the roll was called. There were 46 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Bauerly	Hasskamp	Kinkel	Olson, K.	Tjornhom
Beard	Henry	Knickerbocker	Onnen	Uphus
Bertram	Hugoson	Lasley	Peterson	Vellenga
Boo	Jacobs	Limmer	Quinn	Waltman
Carlson, D.	Jaros	Lynch	Rest	Weaver
Carruthers	Jefferson	McEachern	Rukavina	Wenzel
Clark	Jennings	Murphy	Runbeck	
Cooper	Johnson, A.	Nelson, C.	Scheid	
Dauner	Johnson, R.	Nelson, K.	Stanisus	
Greenfield	Kelso	Ogren	Swenson	

Those who voted in the negative were:

Abrams	Girard	Marsh	Pappas	Simoneau
Anderson, G.	Gruenes	McDonald	Pauly	Skoglund
Anderson, R.	Gutknecht	McGuire	Pellow	Solberg
Battaglia	Hartle	McLaughlin	Pelowski	Steensma
Begich	Haukoos	McPherson	Poppenhagen	Sviggum
Bennett	Heap	Miller	Price	Tompkins
Blatz	Himle	Morrison	Pugh	Trimble
Brown	Janezich	Neuenschwander	Redalen	Tunheim
Burger	Johnson, V.	O'Connor	Rice	Valento
Carlson, L.	Kahn	Olsen, S.	Richter	Wagenius
Dawkins	Kalis	Olson, E.	Rodosovich	Williams
Dempsey	Kostohryz	Omann	Sarna	Winter
Dorn	Krueger	Orenstein	Schafer	Spk. Vanasek
Forsythe	Lieder	Osthoff	Schreiber	
Frederick	Long	Ostrom	Seaberg	
Frerichs	Macklin	Otis	Segal	

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

Morrison moved to amend S. F. No. 2618, as amended, as follows:

Page 13, line 34, delete "and"

Page 13, line 36, before the period, insert "2 and (3) students who demonstrate a willingness to practice in designated rural areas"

Page 15, line 28, delete "and"

Page 15, line 29, before the period, insert "2 and (3) students who demonstrate a willingness to practice in designated rural areas"

A roll call was requested and properly seconded.

The question was taken on the Morrison amendment and the roll was called. There were 51 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Bennett	Gruenes	Limmer	Ozment	Swenson
Blatz	Gutknecht	Lynch	Pellow	Tjornhom
Boo	Hartle	Macklin	Poppenhagen	Tompkins
Burger	Hasskamp	Marsh	Redalen	Uphus
Carlson, D.	Haukoos	McDonald	Richter	Valento
Dempsey	Heap	McPherson	Runbeck	Waltman
Dille	Henry	Miller	Schafer	Weaver
Forsythe	Himle	Morrison	Schreiber	
Frederick	Hugoson	Olsen, S.	Seaberg	
Frerichs	Johnson, V.	Omann	Stanisus	
Girard	Knickerbocker	Onnen	Swiggum	

Those who voted in the negative were:

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

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

The Speaker called Rodosovich to the Chair.

Milbert, Osthoff, Begich, Quinn, Pugh and Stanius moved to amend S. F. No. 2618, as amended, as follows:

Page 24, line 11, after the period insert:

"Agreements may not be entered into under this subdivision to provide athletic scholarships to residents of Canadian provinces."

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

S. F. No. 2618, A bill for an act relating to public administration; appropriating money or reducing appropriations to the higher education coordinating board, regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, with certain conditions; excepting notification of committee chairs on certain capital projects; establishing a community college at Cambridge; clarifying the duties and powers of the higher education coordinating board; authorizing tuition reciprocity agreements with contiguous Canadian provinces; establishing a state matching grant program to match private gifts to endowment funds; requiring administrative service plans for technical colleges under certain circumstances; changing permitted kinds of investments for the permanent university fund; permitting capital gains of the fund to be used to support endowed academic chairs; authorizing the purchase of a certain building by the state university board; requiring development of a consumer information system for occupational programs; regulating public post-secondary plans; requiring reports; adjusting contributions to state system retirement plans; amending Minnesota Statutes 1988, sections 136.60; 136.602; 136C.05, by adding a subdivision; 137.022, subdivisions 1 and 3; 352.92, subdivision 2; 352B.02, subdivision 1c; 353.27, subdivision 3a; and 354.42, subdivision 5; Minnesota Statutes 1989 Supplement, sections 16B.335, subdivision 2; 136A.04; 136A.08; 352.04, subdivisions 2 and 3; and 354B.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Minnesota Statutes 1988, section 353.27, subdivision 3.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 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	Kelly	Murphy	Price	Steensma
Girard	Kelso	Nelson, C.	Pugh	Sviggum
Greenfield	Kinkel	Nelson, K.	Quinn	Swenson
Gruenes	Knickerbocker	Neuenschwander	Redalen	Tjornhom
Gutknecht	Kostohryz	O'Connor	Reding	Tompkins
Hartle	Krueger	Ogren	Rest	Trimble
Hasskamp	Lasley	Olsen, S.	Rice	Tunheim
Haukoos	Lieder	Olson, E.	Richter	Uphus
Hausman	Limmer	Olson, K.	Rodosovich	Valento
Heap	Long	Omann	Rukavina	Vellenga
Henry	Lynch	Onnen	Runbeck	Wagenius
Himle	Macklin	Orenstein	Sarna	Waltman
Hugoson	Marsh	Osthoff	Schafer	Weaver
Jacobs	McDonald	Ostrom	Scheid	Welle
Janezich	McEachern	Otis	Schreiber	Wenzel
Jefferson	McGuire	Ozment	Seaberg	Williams
Jennings	McLaughlin	Pappas	Segal	Winter
Johnson, A.	McPherson	Pauly	Simoneau	Spk. Vanasek
Johnson, R.	Milbert	Pellow	Skoglund	
Johnson, V.	Miller	Pelowski	Solberg	
Kahn	Morrison	Peterson	Sparby	
Kalis	Munger	Poppenhagen	Stanius	

The bill was passed, as amended, 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 Special Orders pending for today, Thursday, March 29, 1990:

H. F. Nos. 2545 and 1839.

SPECIAL ORDERS

H. F. No. 2545 was reported to the House.

Long moved that H. F. No. 2545 be continued on Special Orders. The motion prevailed.

H. F. No. 1839 was reported to the House.

Kelly moved to amend H. F. No. 1839, the first engrossment, as follows:

Page 1, after the enacting clause, insert:

"Section 1. Minnesota Statutes 1988, section 177.23, subdivision 7, is amended to read:

Subd. 7. "Employee" means any individual employed by an employer but does not include:

(1) two or fewer specified individuals employed at any given time in agriculture on a farming unit or operation who are paid a salary;

(2) any individual employed in agriculture on a farming unit or operation who is paid a salary greater than the individual would be paid if the individual worked 48 hours at the state minimum wage plus 17 hours at 1½ times the state minimum wage per week;

(3) an individual under 18 who is employed in agriculture on a farm to perform services other than corn detasseling or hand field work when one or both of that minor hand field worker's parents or physical custodians are also hand field workers;

(4) for purposes of section 177.24, an individual under 18 who is employed as a corn detasseler;

(5) any staff member employed on a seasonal basis by a an nonprofit organization for work in an organized children's resident or day camp operating under a permit issued under section 144.72;

(6) any individual employed in a bona fide executive, administrative, or professional capacity, or a salesperson who conducts no more than 20 percent of sales on the premises of the employer;

(7) any individual who renders service gratuitously for a nonprofit organization;

(8) any individual who serves as an elected official for a political subdivision or who serves on any governmental board, commission, committee or other similar body, or who renders service gratuitously for a political subdivision;

(9) any individual employed by a political subdivision to provide police or fire protection services or employed by an entity whose principal purpose is to provide police or fire protection services to a political subdivision;

(10) any individual employed by a political subdivision who is ineligible for membership in the public employees retirement association under section 353.01, subdivision 2b, clause (a), (b), (d), or (i);

(11) any driver employed by an employer engaged in the business of operating taxicabs;

(12) any individual engaged in babysitting as a sole practitioner;

(13) for the purpose of section 177.25, any individual employed on a seasonal basis in a carnival, circus, fair, or ski facility;

(14) any individual under 18 working less than 20 hours per workweek for a municipality as part of a recreational program;

(15) any individual employed by the state as a natural resource manager 1, 2, or 3 (conservation officer);

(16) any individual in a position for which the United States Department of Transportation has power to establish qualifications and maximum hours of service under United States Code, title 49, section 304;

(17) any individual employed as a seafarer. The term "seafarer" means a master of a vessel or any person subject to the authority, direction, and control of the master who is exempt from federal overtime standards under United States Code, title 29, section 213(b)(6), including but not limited to pilots, sailors, engineers, radio operators, firefighters, security guards, pursers, surgeons, cooks, and stewards;

(18) any individual employed by a county in a single family residence owned by a county home school as authorized under section 260.094 if the residence is an extension facility of that county home school, and if the individual as part of the employment duties resides at the residence for the purpose of supervising children as defined by section 260.015, subdivision 2; or

(19) nuns, monks, priests, lay brothers, lay sisters, ministers, deacons, and other members of religious orders who serve pursuant to their religious obligations in schools, hospitals, and other non-profit institutions operated by the church or religious order."

Page 1, line 6, delete "1" and insert "2"

Page 1, lines 17 and 22, delete "\$500,000" and insert "\$362,500"

Page 2, delete lines 1 to 2

Page 2, line 5, delete "adult"

Page 2, delete line 25, and insert "January 1, 1991."

Page 2, line 26, delete "\$5.45 an hour beginning January 1, 1993." and "large" and after "every" insert "small"

Page 2, line 27, delete "minor" and "\$3.80" and after "least" insert "\$4.00"

Page 2, line 28, delete everything after "1991" and insert a period

Page 2, delete lines 29 to 32

Page 2, after line 32, insert:

"(c) A large employer must pay each employee at a rate of at least the minimum wage set by this section or federal law without the reduction for training wage or full-time student status allowed under federal law.

Sec. 3. Minnesota Statutes 1988, section 177.24, is amended by adding a subdivision to read:

Subd. 1a. [PRESERVATION OF COVERAGE.] Any employer that was a federal covered employer on March 31, 1990 and that, because of the 1989 amendments to the federal fair labor standards act of 1938, as amended, (United States Code, title 29, chapter 201 et seq.) ceases to be a federal covered employer on April 1, 1990 shall pay its employees not less than the minimum wage in effect for such employees on March 31, 1990. This subdivision applies only until January 1, 1991.

Sec. 4. Minnesota Statutes 1988, section 177.24, subdivision 2, is amended to read:

Subd. 2. [GRATUITIES NOT APPLIED.] No employer may directly or indirectly credit, apply, or utilize gratuities towards payment of the minimum wages, wage set by this section or federal law except as provided under section 177.28."

Page 2, line 33, delete "2" and insert "5"

Page 2, line 34, delete "1 is" and insert "2, paragraphs (a) and (b) are" and after the period insert "Sections 1, 2, paragraph (c), 3 and 4 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, delete "section" and insert "sections 177.23, subdivision 7;"

Page 1, line 4, delete "subdivision 1" and insert "subdivisions 1 and 2 and by adding a subdivision"

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

CALL OF THE HOUSE

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

Abrams	Frerichs	Krueger	Onnen	Segal
Anderson, G.	Girard	Lasley	Orenstein	Simoneau
Anderson, R.	Gruenes	Lieder	Osthoff	Skoglund
Battaglia	Gutknecht	Limmer	Ostrom	Solberg
Beard	Hartle	Long	Ozment	Sparby
Begich	Hasskamp	Lynch	Pappas	Stanius
Bennett	Haukoos	Macklin	Pauly	Steensma
Bertram	Hausman	Marsh	Pellow	Sviggum
Bishop	Heap	McDonald	Pellowski	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	Jennings	Murphy	Rest	Wagenius
Cooper	Johnson, A.	Nelson, C.	Richter	Waltman
Dauner	Johnson, R.	Neuenschwander	Rodosovich	Weaver
Dawkins	Johnson, V.	O'Connor	Rukavina	Welle
Dempsey	Kalis	Ogren	Sarna	Wenzel
Dille	Kelly	Olsen, S.	Schafer	Williams
Dorn	Kinkel	Olson, E.	Scheid	Winter
Forsythe	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Frederick	Kostohryz	Omann	Seaberg	

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

Jaros moved to amend H. F. No. 1839, the first engrossment, as amended, as follows:

Page 1, after line 5, insert:

“ARTICLE 1”

Page 2, after line 34, insert:

“ARTICLE 2

Section 1. [HEALTH INSURANCE FOR EMPLOYEES; PROGRAM.]

The commissioners of the departments of health, commerce, and

human services shall cooperate and by using their existing budget and complement adopt a program requiring employers to provide basic health insurance to employees and their dependents. The program must require contributions from both employees and employers. The commissioners shall implement the program by September 1, 1990.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following its final enactment."

Amend the title as follows:

Page 1, line 2, after "wage;" insert "providing a program for health insurance for employees;"

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

Marsh moved to amend H. F. No. 1839, the first engrossment, as amended, as follows:

Page 2, after line 32, insert:

"Sec. 2. Minnesota Statutes 1988, section 177.42, subdivision 6, is amended to read:

Subd. 6. "Prevailing wage rate" means the hourly basic rate of pay plus the contribution for health and welfare benefits, vacation benefits, pension benefits, and any other economic benefit paid to the largest number of workers engaged in the same class of labor within the area and includes, for the purposes of section 177.44, rental rates for truck hire paid to those who own and operate the truck. The prevailing wage rate may not be less than a reasonable and living wage.

Sec. 3. Minnesota Statutes 1988, section 177.43, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] This section does not apply to wage rates and hours of employment of laborers or mechanics who process or manufacture materials or products or to the delivery of materials or products by or for commercial establishments which have a fixed place of business from which they regularly supply processed or manufactured materials or products. This section applies to laborers or mechanics who deliver mineral aggregate such as sand, gravel, or stone which is incorporated into the work under the contract by depositing the material substantially in place, directly or through spreaders, from the transporting vehicle.

Sec. 4. Minnesota Statutes 1988, section 177.44, subdivision 2, is amended to read:

Subd. 2. [APPLICABILITY.] This section does not apply to wage rates and hours of employment of laborers or mechanics engaged in the processing or manufacture of materials or products, or to the delivery of materials or products by or for commercial establishments which have a fixed place of business from which they regularly supply the processed or manufactured materials or products. This section applies to laborers or mechanics who deliver mineral aggregate such as sand, gravel, or stone which is incorporated into the work under the contract by depositing the material substantially in place, directly or through spreaders, from the transporting vehicle.

Sec. 5. Minnesota Statutes 1988, section 177.44, subdivision 3, is amended to read:

Subd. 3. [INVESTIGATIONS BY DEPARTMENT OF LABOR AND INDUSTRY.] The department of labor and industry shall conduct investigations and hold public hearings necessary to define classes of laborers and mechanics and to determine the hours of labor and wage rates prevailing in all areas of the state for all classes of labor and mechanics commonly employed in highway construction work, so as to determine prevailing hours of labor, prevailing wage rates, and hourly basic rates of pay.

The department shall determine the nature of the equipment furnished by truck drivers who own and operate trucks on contract work to determine minimum rates for the equipment, and shall establish by rule minimum rates to be computed into the prevailing wage rate."

Renumber the remaining section

Amend the title as follows:

Page 1, line 2, after "wage," insert "regulating prevailing wages on state projects;"

Page 1, line 3, delete "section" and insert "sections"

Page 1, line 4, after "1" insert "; 177.42, subdivision 6; 177.43, subdivision 2; and 177.44, subdivisions 2 and 3"

A roll call was requested and properly seconded.

The question was taken on the Marsh amendment and the roll was called.

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

There were 61 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Limmer	Omann	Sviggum
Bauerly	Girard	Lynch	Onnen	Swenson
Bennett	Gruenes	Macklin	Ozment	Tjornhom
Bertram	Gutknecht	Marsh	Pauly	Tompkins
Bishop	Hartle	McDonald	Poppenhagen	Uphus
Blatz	Haukoos	McEachern	Redalen	Valento
Boo	Heap	McGuire	Richter	Waltman
Burger	Henry	McPherson	Runbeck	Weaver
Carlson, D.	Himle	Miller	Schafer	Winter
Dempsey	Hugoson	Morrison	Schreiber	
Dille	Jennings	Neuenschwander	Seaberg	
Forsythe	Johnson, V.	Olsen, S.	Stanius	
Frederick	Knickerbocker	Olson, K.	Steensma	

Those who voted in the negative were:

Anderson, G.	Jacobs	Long	Pappas	Simoneau
Anderson, R.	Janezich	McLaughlin	Pellow	Skoglund
Battaglia	Jefferson	Milbert	Pelowski	Solberg
Beard	Johnson, A.	Munger	Peterson	Sparby
Begich	Johnson, R.	Murphy	Price	Trimble
Carlson, L.	Kahn	Nelson, C.	Pugh	Tunheim
Carruthers	Kalis	Nelson, K.	Quinn	Vellenga
Clark	Kelly	O'Connor	Rest	Wagenius
Cooper	Kelso	Ogren	Rice	Welle
Dawkins	Kinkel	Olson, E.	Rodosovich	Wenzel
Dorn	Kostohryz	Orenstein	Rukavina	Williams
Greenfield	Krueger	Osthoff	Sarna	Spk. Vanasek
Hasskamp	Lasley	Ostrom	Scheid	
Hausman	Lieder	Otis	Segal	

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

Frerichs and Sviggum moved to amend H. F. No. 1839, the first engrossment, as amended, as follows:

Page 2, after line 32, insert:

“(c) Notwithstanding paragraph (b) to the contrary, the minimum hourly wage for employees who receive an average of \$25 or more per week in gratuities in a pay period shall be as follows:

(1) every large employer must pay each such adult employee wages at a rate of at least \$3.95 an hour beginning April 1, 1991; and each such minor employee wages at a rate of at least \$3.56 an hour beginning April 1, 1991.

(2) every small employer must pay each such adult employee wages at a rate of at least \$3.80 an hour beginning April 1, 1991; and each such minor employee wages at a rate of at least \$3.42 an hour beginning April 1, 1991. This paragraph is effective until April 1, 1992."

A roll call was requested and properly seconded.

The question was taken on the Frerichs and Sviggum amendment and the roll was called.

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

There were 46 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Kinkel	Omann	Stanius
Bennett	Gruenes	Krueger	Omnem	Sviggum
Blatz	Gutknecht	Limmer	Pauly	Swenson
Boo	Hartle	Lynch	Pellow	Uphus
Burger	Hasskamp	Macklin	Popenhagen	Waltman
Dempsey	Haukoos	Marsh	Richter	Weaver
Dille	Heap	McDonald	Runbeck	
Forsythe	Himle	McPherson	Schafer	
Frederick	Hugoson	Miller	Schreiber	
Frerichs	Kelso	Morrison	Seaberg	

Those who voted in the negative were:

Anderson, G.	Hausman	McEachern	Otis	Simoneau
Anderson, R.	Henry	McGuire	Ozment	Skoglund
Battaglia	Jacobs	McLaughlin	Pappas	Solberg
Bauerly	Janezich	Milbert	Pelowski	Sparby
Beard	Jefferson	Munger	Peterson	Steensma
Begich	Jennings	Murphy	Price	Tjornhom
Bertram	Johnson, A.	Nelson, C.	Pugh	Tompkins
Brown	Johnson, R.	Nelson, K.	Quinn	Trimble
Carlson, D.	Johnson, V.	Neuenschwander	Redalen	Tunheim
Carlson, L.	Kahn	O'Connor	Reding	Vellenga
Carruthers	Kalis	Ogren	Rest	Wagenius
Clark	Kelly	Olsen, S.	Rice	Welle
Cooper	Knickerbocker	Olson, E.	Rodosovich	Wenzel
Dauner	Kostohryz	Olson, K.	Rukavina	Williams
Dawkins	Lasley	Orenstein	Sarna	Winter
Dorn	Lieder	Osthoff	Scheid	Spk. Vanasek
Greenfield	Long	Ostrom	Segal	

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

H. F. No. 1839, A bill for an act relating to employment; raising the minimum wage; amending Minnesota Statutes 1988, sections 177.23, subdivision 7; 177.24, subdivisions 1 and 2 and by adding a subdivision.

The bill was read for the third time, as amended, and placed upon its final passage.

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

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

There were 118 yeas and 14 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Burger	Forsythe	Girard	McDonald	Schreiber
Dempsey	Frederick	Gutknecht	Miller	Tunheim
Dille	Frerichs	Hugoson	Richter	

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

CALL OF THE HOUSE LIFTED

Long moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

H. F. No. 2269 was reported to the House.

Carlson, L., moved that H. F. No. 2269 be returned to its author. The motion prevailed.

The Speaker called Quinn to the Chair.

S. F. No. 2421 was reported to the House.

Scheid moved to amend S. F. No. 2421, as follows:

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 not 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 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. 3. [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."

Delete the title and insert:

"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 10A.15, subdivision 3b; 204B.06, by adding a subdivision; and 204B.11, subdivision 2; Minnesota Statutes 1989 Supplement, sections 207A.01; 207A.02; 207A.03; 207A.04; and 207A.06; proposing coding for new law in Minnesota Statutes, chapter 207A; repealing Minnesota Statutes 1989 Supplement, section 207A.05."

The motion prevailed and the amendment was adopted.

Scheid and Abrams moved to amend S. F. No. 2421, as amended, as follows:

Page 1, delete lines 22 to 32, and insert:

"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 directed to that candidate or principal campaign committee 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 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. It is the responsibility of the treasurer of the political fund or committee to so advise the candidate or the candidate's principal campaign committee if the contribution or contributions are not from the political fund or the political committee's own funds. "Direct" as used in this section includes, but is not limited to, order, command, control, or instruct. A violation of this section is a violation of section 10A.29."

Page 2, delete lines 1 to 5

The motion prevailed and the amendment was adopted.

Bishop, Redalen, Solberg, Osthoff, Dempsey, Abrams, Boo and Knickerbocker moved to amend S. F. No. 2421, as amended, as follows:

Page 1, after line 19, insert:

"Section 1. Minnesota Statutes 1988, section 202A.12, subdivision 1, is amended to read:

Subdivision 1. [TIME OF CONVENTION.] The final authority over the affairs of each major political party is vested in the party's state convention to be held at least once every state general election year at the call of the state central committee. In no event shall a state convention for the purpose of endorsing candidates for office be held before the state primary in a state general election year.

Sec. 2. 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. In no event shall a convention be held in a congressional district or county or legislative district for the purpose of endorsing candidates for office before the state primary in a 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 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 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."

Page 3, after line 4, insert:

“Sec. 5. 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~~ third Tuesday after the ~~second~~ Monday in ~~September~~ May 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.”

Renumber sections accordingly

Correct internal references

Amend the title as follows:

Page 1, line 2, after “presidential” insert “and state”

Page 1, line 3, delete “date” and insert “dates”

Page 1, line 3, after the semicolon, insert “requiring that party endorsing conventions be held after the state primary;”

Page 1, lines 4, 5, and 8, before “primary” insert “presidential”

Page 1, line 9, after “of” insert “national”

Page 1, line 12, after “sections” insert “202A.12, subdivision 1;”

Page 1, line 13, before “Minnesota” insert “204D.03, subdivision 1;”

Page 1, line 14, after “sections” insert “202A.13;”

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 17 yeas and 109 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Knickerbocker	Pauly	Uphus
Bennett	Heap	Morrison	Redalen	
Bishop	Himle	Olsen, S.	Scheid	
Dille	Jennings	Osthoff	Solberg	

Those who voted in the negative were:

Anderson, G.	Bertram	Carlson, D.	Dauner	Girard
Battaglia	Blatz	Carlson, L.	Dawkins	Greenfield
Bauerly	Boo	Carruthers	Dorn	Gruenes
Beard	Brown	Clark	Forsythe	Gutknecht
Begich	Burger	Cooper	Frederick	Hartle

Hasskamp	Krueger	Neuenschwander	Quinn	Svigum
Haukoos	Lasley	O'Connor	Reding	Swenson
Hausman	Lieder	Ogren	Rest	Tjornhom
Henry	Limmer	Olson, E.	Rice	Tompkins
Hugoson	Lynch	Olson, K.	Richter	Trimble
Jacobs	Macklin	Omann	Rodosovich	Tunheim
Jaros	Marsh	Onnen	Rukavina	Valento
Jefferson	McDonald	Orenstein	Runbeck	Vellenga
Johnson, A.	McEachern	Ostrom	Sarna	Wagenius
Johnson, R.	McGuire	Otis	Schafer	Waltman
Johnson, V.	McLaughlin	Ozment	Seaberg	Weaver
Kahn	McPherson	Pappas	Segal	Welle
Kalis	Milbert	Pellow	Simoneau	Wenzel
Kelly	Miller	Pelowski	Skoglund	Williams
Kelso	Munger	Peterson	Sparby	Winter
Kinkel	Murphy	Poppenhagen	Stanius	Spk. Vanasek
Kostohryz	Nelson, K.	Pugh	Steenasma	

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

Onnen moved to amend S. F. No. 2421, as amended, as follows:

Page 5, line 21, delete everything after the period

Page 5, delete lines 22 to 24

Pages 7 and 8, delete section 9

Page 8, delete line 7

Renumber the clauses in sequence

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 Onnen amendment and the roll was called. There were 19 yeas and 111 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Jennings	Neuenschwander	Runbeck	Swenson
Carlson, D.	Limmer	Omann	Seaberg	Uphus
Gruenes	McDonald	Onnen	Stanius	Waltman
Haukoos	McPherson	Richter	Svigum	

Those who voted in the negative were:

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

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

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 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 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Bennett	Burger	Dawkins	Frerichs
Anderson, G.	Bertram	Carlson, L.	Dempsey	Girard
Battaglia	Bishop	Carruthers	Dille	Greenfield
Bauerly	Blatz	Clark	Dorn	Gruenes
Beard	Boo	Cooper	Forsythe	Gutknecht
Begich	Brown	Dauner	Frederick	Hartle

Hasskamp	Krueger	Neuenschwander	Quinn	Steensma
Haukoos	Lasley	O'Connor	Redalen	Sviggunn
Hausman	Lieder	Ogren	Reding	Swenson
Heap	Limmer	Olsen, S.	Rest	Tjornhom
Henry	Long	Olson, E.	Rice	Tompkins
Himle	Lynch	Olson, K.	Richter	Trimble
Hugoson	Macklin	Omann	Rodosovich	Tunheim
Jacobs	Marsh	Orenstein	Rukavina	Uphus
Janezich	McDonald	Osthoff	Runbeck	Valento
Jaros	McEachern	Ostrom	Sarna	Vellenga
Jefferson	McGuire	Otis	Schafer	Waltman
Johnson, R.	McLaughlin	Ozment	Scheid	Weaver
Johnson, V.	McPherson	Pappas	Schreiber	Welle
Kahn	Milbert	Pauly	Seaberg	Wenzel
Kalis	Miller	Pellow	Segal	Williams
Kelly	Morrison	Pelowski	Simoneau	Winter
Kelso	Munger	Peterson	Skoglund	Spk. Vanasek
Kinkel	Murphy	Poppenhagen	Solberg	
Knickerbocker	Nelson, C.	Price	Sparby	
Kostohryz	Nelson, K.	Pugh	Stanius	

Those who voted in the negative were:

Anderson, R. Carlson, D. Onnen

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

H. F. No. 2666 was reported to the House.

Scheid moved that H. F. No. 2666 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 2299 was reported to the House.

Clark moved to amend S. F. No. 2299, as follows:

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, neces-

sary 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 no more than 15 members to 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.

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."

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."

The motion prevailed and the amendment was adopted.

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 third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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
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	Rumbeck	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	

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

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 third 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	Blatz	Dawkins	Gutknecht	Janezich
Anderson, G.	Boo	Dempsey	Hartle	Jaros
Anderson, R.	Brown	Dille	Hasskamp	Jefferson
Battaglia	Burger	Dorn	Haukoos	Jennings
Bauerly	Carlson, D.	Forsythe	Hausman	Johnson, A.
Beard	Carlson, L.	Frederick	Heap	Johnson, R.
Begich	Carruthers	Frerichs	Henry	Johnson, V.
Bennett	Clark	Girard	Himle	Kahn
Bertram	Cooper	Greenfield	Hugoson	Kalis
Bishop	Dauner	Gruenes	Jacobs	Kelly

Kelso	Milbert	Ostrom	Rodosovich	Tjornhom
Kinkel	Miller	Otis	Rukavina	Tompkins
Knickerbocker	Morrison	Ozment	Runbeck	Trimble
Kostohryz	Munger	Pappas	Sarna	Tunheim
Krueger	Murphy	Pauly	Schafer	Uphus
Lasley	Nelson, C.	Pellow	Scheid	Valento
Lieder	Nelson, K.	Pelowski	Schreiber	Vellenga
Limmer	Neuenschwander	Peterson	Seaberg	Wagenius
Long	O'Connor	Poppenhagen	Segal	Waltman
Lynch	Ogren	Price	Simoneau	Weaver
Macklin	Olsen, S.	Pugh	Skoglund	Welle
Marsh	Olson, E.	Quinn	Solberg	Wenzel
McDonald	Olson, K.	Redalen	Sparby	Williams
McEachern	Omann	Reding	Stanius	Winter
McGuire	Onnen	Rest	Stensma	Spk. Vanasek
McLaughlin	Orenstein	Rice	Sviggum	
McPherson	Osthoff	Richter	Swenson	

The bill was passed and its title agreed to.

H. F. No. 2365 was reported to the House.

Pugh moved to amend H. F. No. 2365, the first engrossment, as follows:

Page 3, after line 14, insert:

"Sec. 3. Minnesota Statutes 1988, section 13.41, subdivision 2, is amended to read:

Subd. 2. [PRIVATE DATA.] The following data collected, created or maintained by any licensing agency are classified as private, pursuant to section 13.02; subdivision 12: data, other than their names and addresses, submitted by applicants for licenses; the identity of complainants who have made reports concerning licensees or applicants which appear in inactive complaint data unless the complainant consents to the disclosure; the nature or content of unsubstantiated complaints when the information is not maintained in anticipation of legal action; the identity of patients whose medical records are received by any health licensing agency for purposes of review or in anticipation of a contested matter; inactive investigative data relating to violations of statutes or rules; and the record of any disciplinary proceeding except as limited by subdivision 4. Home addresses of applicants for licensure and licensees, collected by the Board of Peace Officers Standards and Training, are private data. Data collected by Board of Peace Officer Standards and Training that identifies the state agency, statewide system, or political subdivision that employs a licensed peace officer, are private data. The Board of Peace Officer Standards and Training may disseminate private data on applicants and licensees as is necessary to administer law enforcement licensure."

Renumber the following sections

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Marsh, Hugoson, Bertram, Bauerly, Uphus, Onnen, Pugh, Peterson and Gruenes moved to amend H. F. No. 2365, the first engrossment, as amended, as follows:

Page 8, after line 20, insert:

“Sec. 15. Minnesota Statutes 1989 Supplement, section 13.84, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC BENEFIT DATA.] The responsible authority or its designee of a parole or probation authority or correctional agency may release private or confidential court services data related to: (1) criminal acts to any law enforcement agency, if necessary for law enforcement purposes; and (2) criminal acts or delinquent acts to the victims of criminal or delinquent acts to the extent that the data are necessary for the victim to assert the victim's legal right to restitution. In the case of alleged criminal acts by individuals who are the subjects of data maintained by a parole or probation authority, a correctional agency, or agencies that provide correctional services under contract to a correctional agency, the data that may be released include, but are not limited to, current address, dates of entrance to and departure from agency programs, dates and times of any absences, both authorized and unauthorized, from a correctional program, and any other information that may be helpful to the law enforcement agency in completing its investigation. In the case of delinquent acts, the data that may be released include only the juvenile's name, address, date of birth, and place of employment; the name and address of the juvenile's parents or guardians; and the factual part of police reports related to the investigation of the delinquent act.

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Bishop and Pugh moved to amend H. F. No. 2365, the first engrossment, as amended, as follows:

Page 2, line 11, after "is" insert "a substantial and discrete portion of or"

The motion prevailed and the amendment was adopted.

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; amending Minnesota Statutes 1988, sections 13.03, subdivision 3; 13.10, subdivision 3; 13.41, subdivision 2; 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; 13.84, subdivision 5a; 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.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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	Stanis
Bennett	Hausman	Marsh	Pauly	Stensma
Bertram	Heap	McDonald	Pellow	Sviggum
Bishop	Henry	McEachern	Pelowski	Swenson
Blatz	Himle	McGuire	Peterson	Tjornhom
Boo	Hugoson	McLaughlin	Poppenhagen	Tompkins
Brown	Jacobs	McPherson	Price	Trimble
Burger	Janezich	Milbert	Pugh	Tunheim
Carlson, D.	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	Neuenschwander	Rodosovitch	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	Schreiber	

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

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 third 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	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	Miller	Quinn	Uphus
Carlson, D.	Jaros	Morrison	Redalen	Valento
Carlson, L.	Jefferson	Munger	Reding	Vellenga
Carruthers	Jennings	Murphy	Rest	Wagenius
Clark	Johnson, A.	Nelson, C.	Rice	Waltman
Cooper	Johnson, R.	Nelson, K.	Richter	Weaver
Dauner	Johnson, V.	Neuenschwander	Rodosovich	Welle
Dawkins	Kalis	O'Connor	Rukavina	Wenzel
Dempsey	Kelly	Ogren	Runbeck	Williams
Dille	Kelso	Olsen, S.	Sarna	Winter
Dorn	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Forsythe	Knickerbocker	Olson, K.	Scheid	
Frederick	Kostohryz	Omann	Schreiber	
Frerichs	Krueger	Onnen	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 2666 which was temporarily laid over earlier today was again reported to the House.

Scheid moved to amend H. F. No. 2666, the second engrossment, as follows:

Page 15, line 21, after "limits" insert "including those in section 11, subdivision 1,"

The motion prevailed and the amendment was adopted.

Schreiber moved to amend H. F. No. 2666, the second engrossment, as amended, as follows:

Pages 19 and 20, delete section 12

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 Schreiber amendment and the roll was called. There were 49 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Bishop	Girard	Lasley	Onnen	Stanius
Blatz	Gruenes	Lynch	Ozment	Sviggum
Burger	Hartle	Macklin	Pauly	Swenson
Carlson, D.	Hasskamp	Marsh	Pellow	Tjornhom
Dauner	Haukoos	McDonald	Poppenhagen	Tompkins
Dempsey	Heap	McPherson	Redalen	Uphus
Dorn	Henry	Miller	Richter	Valento
Forsythe	Himle	Morrison	Schafer	Waltman
Frederick	Hugoson	Olson, K.	Schreiber	Weaver
Frerichs	Johnson, V.	Omann	Seaberg	

Those who voted in the negative were:

Abrams	Hausman	Limmer	Ostrom	Simoneau
Anderson, G.	Jacobs	Long	Otis	Skoglund
Battaglia	Janezich	McEachern	Pappas	Solberg
Bauerly	Jaros	McGuire	Pelowski	Sparby
Beard	Jefferson	McLaughlin	Peterson	Steensma
Begich	Jennings	Milbert	Price	Trimble
Bennett	Johnson, A.	Munger	Pugh	Tunheim
Bertram	Johnson, R.	Murphy	Quinn	Vellenga
Boo	Kahn	Nelson, C.	Reding	Wagenius
Brown	Kalis	Nelson, K.	Rest	Welle
Carlson, L.	Kelly	Neuenschwander	Rice	Wenzel
Carruthers	Kelso	O'Connor	Rodosovich	Williams
Clark	Kinkel	Ogren	Rukavina	Winter
Cooper	Knickerbocker	Olsen, S.	Runbeck	Spk. Vanasek
Dawkins	Kostohryz	Olson, E.	Sarna	
Greenfield	Krueger	Orenstein	Scheid	
Gutknecht	Lieder	Osthoff	Segal	

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

Speaker pro tempore Quinn called Rodosovich to the Chair.

Knickerbocker moved to amend H. F. No. 2666, the second engrossment, as amended, as follows:

Pages 22 to 29, delete Article 3

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Knickerbocker amendment and the roll was called. There were 42 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Limmer	Pauly	Tjornhom
Anderson, R.	Gruenes	Marsh	Pellow	Tompkins
Bennett	Gutknecht	McPherson	Poppenhagen	Uphus
Bishop	Haukoos	Miller	Redalen	Valento
Boo	Heap	Morrison	Schafer	Waltman
Burger	Himle	Neuenschwander	Schreiber	Weaver
Dille	Hugoson	Olsen, S.	Seaberg	
Frederick	Jacobs	Omann	Sviggum	
Frerichs	Knickerbocker	Onnen	Swenson	

Those who voted in the negative were:

Anderson, G.	Janezich	Macklin	Otis	Skoglund
Battaglia	Jaros	McDonald	Pappas	Solberg
Bauerly	Jefferson	McEachern	Pelowski	Sparby
Beard	Johnson, A.	McGuire	Peterson	Stanius
Begich	Johnson, R.	McLaughlin	Price	Trimble
Bertram	Johnson, V.	Milbert	Pugh	Tunheim
Blatz	Kahn	Munger	Quinn	Vellenga
Brown	Kalis	Murphy	Reding	Wagenius
Carlson, L.	Kelly	Nelson, C.	Rest	Welle
Carruthers	Kelso	Nelson, K.	Rice	Wenzel
Clark	Kinkel	O'Connor	Rodosovich	Williams
Cooper	Kostohryz	Ogren	Rukavina	Winter
Dauner	Krueger	Olson, E.	Runbeck	Spk. Vanasek
Dawkins	Lasley	Olson, K.	Sarna	
Dorn	Lieder	Orenstein	Scheid	
Greenfield	Long	Osthoff	Segal	
Hausman	Lynch	Ostrom	Simoneau	

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

Speaker pro tempore Rodosovich called Quinn to the Chair.

Abrams moved to amend H. F. No. 2666, the second engrossment, as amended, as follows:

Page 29, after line 29, insert:

“Sec. 13. [ATTORNEYS’ FEES, COSTS, AND DISBURSEMENTS.]

If a provision of this article is found to be unconstitutional and void, the state shall pay the prevailing party’s attorneys’ fees, costs, and disbursements related to the action in which the provision is ruled unconstitutional and void.”

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 Abrams amendment and the roll was called. There were 56 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Abrams	Frichs	Knickerbocker	Ozment	Swenson
Anderson, R.	Girard	Limmer	Pauly	Tjornhom
Bennett	Gruenes	Lynch	Pellow	Tompkins
Bishop	Gutknecht	Macklin	Poppenhagen	Uphus
Blatz	Hartle	Marsh	Redalen	Valento
Boo	Hasskamp	McDonald	Richter	Waltman
Burger	Haukoos	McPherson	Runbeck	Weaver
Carlson, D.	Heap	Miller	Schafer	Wenzel
Dempsey	Henry	Morrison	Schreiber	
Dille	Himle	Olsen, S.	Seaberg	
Forsythe	Hugoson	Omamm	Stanisus	
Frederick	Johnson, V.	Onnen	Sviggum	

Those who voted in the negative were:

Anderson, G.	Hausman	McEachern	Otis	Solberg
Battaglia	Janezich	McGuire	Pappas	Sparby
Bauerly	Jefferson	McLaughlin	Pelowski	Steensma
Beard	Jennings	Milbert	Peterson	Trimble
Begich	Johnson, A.	Munger	Price	Tunheim
Bertram	Johnson, R.	Murphy	Pugh	Vellenga
Brown	Kahn	Nelson, C.	Quinn	Wagenius
Carlson, L.	Kalis	Nelson, K.	Reding	Welle
Carruthers	Kelso	Neuenschwander	Rest	Williams
Clark	Kinkel	Ogren	Rice	Winter
Cooper	Kostohryz	Olson, E.	Rodosovich	Spk. Vanasek
Dauner	Krueger	Olson, K.	Scheid	
Dawkins	Lasley	Orenstein	Segal	
Dorn	Lieder	Osthoff	Simoneau	
Greenfield	Long	Ostrom	Skoglund	

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

Schreiber moved to amend H. F. No. 2666, the second engrossment, as amended, as follows:

Page 13, line 21, delete "1992" and insert "1990".

A roll call was requested and properly seconded.

The question was taken on the Schreiber amendment and the roll was called. There were 51 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frerichs	Knickerbocker	Ozment	Sviggun
Bennett	Girard	Limmer	Pauly	Swenson
Bishop	Gruenes	Lynch	Pellow	Tjornhom
Blatz	Gutknecht	Macklin	Poppenhagen	Tompkins
Boo	Hartle	Marsh	Redalen	Valento
Burger	Haukoos	McDonald	Richter	Waltman
Carlson, D.	Heap	McPherson	Runbeck	Weaver
Dempsey	Henry	Miller	Schafer	
Dille	Himle	Morrison	Schreiber	
Forsythe	Hugoson	Omann	Seaberg	
Frederick	Johnson, V.	Onnen	Stanius	

Those who voted in the negative were:

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

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

Bishop and Otis moved to amend H. F. No. 2666, the second engrossment, as amended, as follows:

Page 29, after line 29, insert:

"Sec. 13. 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 Monday in ~~September~~ July

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.”

Renumber sections accordingly

Correct internal references

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

Sviggum moved to amend H. F. No. 2666, the second engrossment, as amended, as follows:

Page 29, after line 25, insert:

“Sec. 12. [10A.52] [CONTRIBUTION LIMITATIONS.]

A congressional candidate may receive no more than 40 percent of the candidate's campaign contributions from political committees as defined in United States Code, title 2, section 431, paragraph (4)(A) or (B).”

Renumber the remaining sections

Amend the title as follows:

Page 1, line 4, after the semicolon, insert “limiting certain contribution receipts by congressional candidates;”

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 124 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carruthers	Gruenes	Jefferson	Limmer
Anderson, R.	Clark	Gutknecht	Jennings	Long
Battaglia	Cooper	Hartle	Johnson, A.	Lynch
Bauerly	Dauner	Hasskamp	Johnson, R.	Macklin
Beard	Dawkins	Haukoos	Johnson, V.	Marsh
Begich	Dempsey	Hausman	Kahn	McDonald
Bertram	Dille	Heap	Kalis	McEachern
Bishop	Dorn	Henry	Kelso	McGuire
Blatz	Forsythe	Himle	Kinkel	McLaughlin
Boo	Frederick	Hugoson	Kostohryz	McPherson
Brown	Frerichs	Jacobs	Krueger	Milbert
Carlson, D.	Girard	Janezich	Lasley	Miller
Carlson, L.	Greenfield	Jaros	Lieder	Morrison

Munger	Ostrom	Redalen	Simoneau	Uphus
Murphy	Otis	Reding	Skoglund	Valento
Nelson, C.	Ozment	Rest	Solberg	Vellenga
Nelson, K.	Pappas	Rice	Sparby	Wagenius
Neuenschwander	Pauly	Richter	Stanius	Waltman
O'Connor	Pellow	Rodosovich	Steenmsa	Weaver
Ogren	Pelowski	Rukavina	Svigum	Welle
Olson, E.	Peterson	Runbeck	Swenson	Wenzel
Olson, K.	Poppenhagen	Sarna	Tjornhom	Williams
Omann	Price	Schafer	Tompkins	Winter
Onnen	Pugh	Schreiber	Trimble	Spk. Vanasek
Orenstein	Quinn	Segal	Tunheim	

Those who voted in the negative were:

Abrams	Knickerbocker	Scheid
Bennett	Osthoff	Seaberg

The motion prevailed and the amendment was adopted.

Knickerbocker moved to amend H. F. No. 2666, the second engrossment, as amended, as follows:

Page 4, line 4, delete: "for the legislature"

A roll call was requested and properly seconded.

The question was taken on the Knickerbocker amendment and the roll was called. There were 127 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Brown Dille Jaros Ostrom Otis

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Gutknecht; Abrams; Weaver; Olsen, S.; Miller; Girard; McPherson; Stanius and Haukoos moved to amend H. F. No. 2666, the second engrossment, as amended, as follows:

Page 4, after line 35, insert:

“Sec. 6. [10A.175] [TRANSFERS BY LEGISLATORS.]

No member of the legislature may transfer money to a candidate or any campaign committee of the candidate from more than one committee or fund containing that member's name, legislative office, or legislative position or set up by that member to elect or defeat a candidate.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Lasley moved to amend the Gutknecht et al amendment to H. F. No. 2666, the second engrossment, as amended, as follows:

Page 1, line 4, delete “LEGISLATORS” and insert “MEMBERS OF THE UNITED STATES CONGRESS”.

Page 1, line 5, delete “legislature” and insert “United States congress”

Page 1, line 6, after the first “candidate” insert “for the legislature or other state office” and delete “more”

Page 1, line 7, delete “than one” and insert “any”

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 81 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Henry	Marsh	Ozment	Skoglund
Battaglia	Jacobs	McEachern	Pappas	Solberg
Bauerly	Janezich	McGuire	Pauly	Sparby
Beard	Jaros	McLaughlin	Pelowski	Steenasma
Begich	Jefferson	Milbert	Peterson	Trimble
Bertram	Jennings	Munger	Price	Uphus
Brown	Johnson, A.	Murphy	Pugh	Vellenga
Carlson, L.	Johnson, R.	Nelson, C.	Quinn	Wagenius
Carruthers	Kahn	Nelson, K.	Redalen	Welle
Clark	Kalis	Neuenschwander	Rest	Wenzel
Cooper	Kelso	O'Connor	Rice	Williams
Dauner	Kinkel	Ogren	Rodosovich	Winter
Dawkins	Kostohryz	Olson, E.	Rukavina	Spk. Vanasek
Dorn	Krueger	Olson, K.	Sarna	
Greenfield	Lasley	Orenstein	Scheid	
Hasskamp	Lieder	Ostrom	Segal	
Hausman	Long	Otis	Simoneau	

Those who voted in the negative were:

Abrams	Forsythe	Hugoson	Olsen, S.	Seaberg
Anderson, R.	Frederick	Johnson, V.	Omann	Stanius
Bennett	Ferichs	Knickerbocker	Onnen	Swiggum
Bishop	Girard	Limmer	Osthoff	Swenson
Blatz	Gruenes	Lynch	Pellow	Tjornhom
Boo	Gutknecht	Macklin	Poppenhagen	Tompkins
Burger	Hartle	McDonald	Richter	Tunheim
Carlson, D.	Haukoos	McPherson	Runbeck	Valento
Dempsey	Heap	Miller	Schafer	Waltman
Dille	Himle	Morrison	Schreiber	Weaver

The motion prevailed and the amendment to the amendment was adopted.

Abrams moved to amend the Gutknecht et al amendment, as amended, to H. F. No. 2666, the second engrossment, as amended, as follows:

Page 1, line 4, after "MEMBERS OF THE UNITED STATES CONGRESS" insert "OR LEGISLATORS"

Page 1, line 5, after "United States congress" insert "or legisla-
ture."

A roll call was requested and properly seconded.

Gutknecht incorporated the Abrams amendment to the Gutknecht et al amendment, as amended.

Long moved to amend the Gutknecht et al amendment, as amended, to H. F. No. 2666, the second engrossment, as amended, as follows:

Page 1, line 4, after "MEMBERS OF THE UNITED STATES CONGRESS" strike "OR LEGISLATORS"

Page 1, line 5, after "United States congress" delete "or legisla-
ture"

A roll call was requested and properly seconded.

POINT OF ORDER

Olsen, S., raised a point of order pursuant to section 398, paragraph 1, of "Mason's Manual of Legislative Procedure" relating to decisions on amendments as final. The Speaker ruled the point of order not well taken.

POINT OF ORDER

Olsen, S., raised a point of order pursuant to section 401, paragraph 4, of "Mason's Manual of Legislative Procedure" relating to frivolous and improper amendments. The Speaker ruled the point of order not well taken.

POINT OF ORDER

Schreiber raised a point of order pursuant to rule 3.1 relating to amendments and other motions. The Speaker ruled the point of order not well taken.

POINT OF ORDER

Himle raised a point of order pursuant to rule 3.8 relating to amendments to amendments. The Speaker ruled the point of order not well taken.

Long withdrew her amendment to the Gutknecht et al amendment, as amended.

Gutknecht withdrew the Gutknecht et al amendment, as amended, to H. F. No. 2666, the second engrossment, as amended.

Gutknecht; Abrams; Weaver; Olsen, S.; Miller; Girard; McPherson; Stanius and Haukoos moved to amend H. F. No. 2666, the second engrossment, as amended, as follows:

Page 4, after line 35, insert:

"Sec. 6. [10A.175] [TRANSFERS BY LEGISLATORS.]

No member of the legislature may transfer money to a candidate or any campaign committee of the candidate from more than one committee or fund containing that member's name, legislative office, or legislative position or set up by that member to elect or defeat a candidate."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

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; limiting certain contribution receipts by congressional candidates; 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.02, subdivision 1; 10A.04, subdivisions 2, 4, and 4a; 10A.05; 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.

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 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams Knickerbocker Onnen

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 remaining 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

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2419, A bill for an act relating to finance; appropriating money to the Mississippi headwaters board.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

STATE DEPARTMENTS

Section 1. [STATE DEPARTMENTS; APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are added to, or if shown in parentheses, are subtracted from the appropriations in Laws 1989, chapter 335, to the specified agencies and for the purposes specified in this act. The figures "1990," and "1991," where used in this act, mean that the appropriations or reductions listed under them are available for the year ending June 30, 1990, or June 30, 1991, respectively.

SUMMARY BY FUND

	1990	1991	TOTAL
General	\$(2,213,000)	\$(18,450,000)	\$(20,063,000)
Special Revenue	0	422,000	422,000
Game and Fish	0	(837,000)	(837,000)
Trunk Highway	0	(15,000)	(15,000)
Highway User	0	(37,000)	(37,000)
Workers' Comp.	0	(292,000)	(292,000)
Metro Landfill Abatement	0	(33,000)	(33,000)
Metro Landfill Contingency	0	(16,000)	(16,000)
Minnesota Resources	0	(215,000)	(215,000)
Motor Vehicle Transfer	0	(75,000)	(75,000)
Petroleum Cleanup	0	(33,000)	(33,000)
TOTAL	\$(2,213,000)	\$(19,581,000)	\$(21,794,000)

APPROPRIATIONS
Available for the Year
Ending June 30

1990 1991

Sec. 2. LEGISLATURE

Subdivision 1. Senate (440,000)

Subd. 2. House of Representatives (560,000)

Subd. 3. Legislative Coordinating Commission

This reduction is from the legislative commission on pensions and retirement. (300,000)

This reduction is from the amount appropriated to the legislative commission on fiscal policy in Laws 1989, article 1, section 2, for the biennium and is transferred to the house of representatives.

Elimination of the water commission (87,000)

Notwithstanding any other law to the contrary, any unencumbered balance at the end of the fiscal year appropriated to the public education commission in Laws 1989, chapter 329, article 11, section 15, subdivision 7, shall cancel to the general fund and the public education commission is abolished.

This appropriation is to the revisor of statutes for costs associated with additional printing of special session and supplemental statutes and expansion of the computer room.

105,000 85,000

This appropriation and the amount appropriated by Laws 1989, chapter 335, article 1, section 2, subdivision 4, paragraph (k), for the subcommittee on redistricting are available until June 30, 1993.

500,000

	1990	1991
	\$	\$
This appropriation is to the legislative coordinating commission contingent account for litigation expenses to affirm constitutional budgetary processes.		100,000

The legislative auditor shall conduct a program audit of the reinvest in Minnesota program during fiscal year 1991.

The commissioner of finance, upon recommendation of the legislative commission on Minnesota resources, shall reduce the appropriations for the projects funded in Laws 1989, chapter 335, article 1, section 29, by \$215,000.	(215,000)
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The appropriation in Laws 1989, chapter 335, article 1, section 29, subdivision 11, paragraph (j), from the legislative commission on Minnesota resources for a study of wetland plant communities, is available until December 31, 1991.

Sec. 3. SUPREME COURT

(a) This appropriation is to the state court administrator and is a one-time grant to match a federal Department of Justice grant to train judges in the extent of drug use and drug laws.	5,000
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This appropriation is contingent on the court receiving the federal grant.

(b) This appropriation is to the state court administrator and is a one-time grant to match a federal Department of Justice grant for development and implementation of court case management strategies. This appropriation is contingent on the court receiving the federal grant.	150,000
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Sec. 4. COURT OF APPEALS	(353,000)
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	1990	1991
	\$	\$

The complement is reduced by eight positions for fiscal year 1991.

Sec. 5. TRIAL COURTS

Subdivision 1. Agency Supplemental Appropriations

(a) \$750,000 is for fiscal year 1991 for funding of the eighth district court financing project including court costs and public defense costs.

750,000

(b) Funding for the eighth district court financing project beyond July 1, 1991, shall be continued as part of the base budget for the supreme court. The pilot project shall be treated as a separate program in the court budget.

(c) This is a one-time appropriation to the supreme court in consultation with the judges of the seventh judicial district for development and implementation of a pilot project for a mediation service program to resolve contested issues of child custody and visitation in Clay county. The appropriation does not cancel. The pilot project shall run from July 1, 1990, through June 30, 1992. The supreme court shall report on the results of the project to the 1993 legislature.

100,000

Subd. 2. Agency Reductions

(333,000)

The complement is reduced by four positions in fiscal year 1991.

Sec. 6. BOARD OF PUBLIC DEFENSE

(a) Hennepin county shall continue to provide suitable office space and associated costs, including space and costs for the office of public defender in the Hennepin county government center. Payments of rent for office space by the state board of public defense for district

	1990	1991
	\$	\$
public defenders in the second and fourth judicial districts is limited to the amount included for such purposes in the appropriations for state takeover of public defense costs in Laws 1989, chapter 335, article 1, section 7. Any changes in office space must be done only after consultation with the state board of public defense.		

(b) Reduction in attorney increases	(68,000)
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Sec. 7. GOVERNOR AND LIEUTENANT GOVERNOR

(a) \$765,000 and 11.5 positions in the general fund and \$475,000 and 4.5 positions in the special revenue fund for the environmental quality board and the Washington office are transferred to the office of the governor. This transfer is contingent upon passage of article 5.

(b) General Reduction	(130,000)
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Sec. 8. SECRETARY OF STATE

The secretary of state shall provide walk-up counter service during regular business hours. The secretary of state may transfer funds from other programs to fund walk-up service.

Sec. 9. STATE TREASURER	(57,000)
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The position of deputy treasurer is abolished.

Sec. 10. ATTORNEY GENERAL

Subdivision 1. Supplemental Appropriations

	1990	1991
	\$	\$
(a) This is a one-time appropriation to match a federal Department of Justice grant to prosecute drug-related cases. This appropriation is contingent on the office receiving the federal matching money. The complement of the office is increased by two positions.		49,000
(b) This appropriation is for prosecution of lawful gambling cases and criminal tax cases referred from the department of revenue. The complement of the office is increased by one position.		70,000
Subd. 2. Agency Reductions Unanticipated legal costs account		(50,000)
Sec. 11. ADMINISTRATIVE HEARINGS		(70,000)

The complement of the office is reduced by one administrative law judge position. This reduction is from the workers' compensation special fund.

Sec. 12. ADMINISTRATION

Subdivision 1. Special Revenue Reduction	(151,000)
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This reduction shall include reduction of three complement positions.

Subd. 2. Agency General Fund Budget Reduction	(128,000)
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This reduction is to be distributed as follows:

(1) \$100,000 of this reduction is from public broadcasting equipment grants.

(2) Reduction of the general fund appropriation for SCORE by \$28,000.

Subd. 3. Agency Supplemental Adjustment

	1990	1991
	\$	\$
(a) The following additions are made to the agency's budget:		
(1) For legal fees incurred by use of private counsel for an asbestos removal lawsuit from which the state shall receive \$400,000 in settlement fees.		133,000
(2) For a construction grant to Minnesota Public Radio for ongoing construction at the Duluth station.		30,000
(b) \$1,393,000 in general fund and 24 general fund complement positions are transferred from the state planning land management information center and the state demographer's office. In addition, 22 special revenue fund positions are transferred from the state planning agency. This appropriation is contingent upon passage of article 4.		1,393,000
(c) \$400,000 shall be transferred from the computer services revolving fund to the STARS revolving fund to be used for STARS planning. In addition, the commissioner shall have the authority to consider service charges for operation of STARS in calculating service rates for the computer services revolving fund. Notwithstanding any other law to the contrary, any telecommunications network established for the state operated lottery, shall be planned in conjunction with STARS.		
(d) Notwithstanding any law to the contrary, no further geographic information systems projects shall be undertaken until the information policy office has completed an architectural standard for geographic information systems and current planning projects for geographic information systems are completed.		

	1990	1991
	\$	\$

(e) The division of property management shall complete a statewide building inventory by January 1, 1992.

(f) Notwithstanding any law to the contrary, all metered parking on Aurora Avenue between Cedar Street and Constitution Avenue must be made available to the public at all times.

(g) The commissioner, in cooperation with the commissioner of finance, shall study and report to the legislature by January 1, 1991, alternatives for providing building maintenance and repair services to state-owned buildings. This study shall focus on alternatives that will make minor repairs less dependent on capital budget appropriations than the current system.

(h) Notwithstanding any law to the contrary, the commissioner shall not enter into any lease agreement for state offices that involve rental increases until an appropriation for increased rental has been made by the legislature for the specific relocation involved.

Sec. 13. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

This reduction is for consultant services related to promoting capitol mall events.

(13,000)

Sec. 14. FINANCE

(a) The agency budget reduction is to be distributed as follows:

(78,000)

Elimination of the deputy commissioner of finance.

(b) The commissioner shall reduce the budget base for the agency by five percent as part of the 1992-1993 biennial

	1990	1991
	\$	\$

budget and present a plan for implementation of that reduction as part of the budget document submitted in January 1991.

(c) If the appropriation for increased costs of operation of the biennial budget system made in Laws 1989, chapter 335, section 17, is insufficient for either year of the biennium, the appropriation for the other is available.

(d) The commissioner of finance shall submit to the chairs of the house appropriations and senate finance committees quarterly updates of the annual financial report submitted in accordance with Minnesota Statutes, chapter 16A.

Sec. 15. EMPLOYEE RELATIONS

(a) The commissioner shall have sole responsibility for the classification, reclassification, and position descriptions for civil service attorneys and the attorney series in executive branch agencies. The commissioner may not delegate this authority to any other agency or office.

(b) Notwithstanding any law to the contrary, the commissioner shall have authority over the position descriptions and hiring of attorney positions in the constitutional offices.

(c) Funding for the career development grants program may be expended in either year of the biennium.

(d) Funding for the pilot project on education and retraining appropriated in Laws 1989, chapter 335, article 1, section 18, subdivision 5, is available either year of the biennium.

	1990	1991
	\$	\$
(e) For costs related to streamlining and reducing the size of state government.		100,000

Sec. 16. REVENUE

Subdivision 1. Agency Reductions (1,550,000)

The agency budget reduction is to be distributed as follows:

- (1) For the closing of the two remaining metropolitan offices, for elimination of the duplicate certificate of rent paid, for elimination of part-time assessor training, for elimination of the tax abatement processing function, for the reduction of the appropriation in Laws 1989, chapter 277, article 2, section 34, and a base level reduction. The complement of the department is reduced by four positions. The reduction may be taken in either year of the biennium.
- (2) This reduction is in the highway user tax fund appropriation. The complement is reduced by one position. (37,000)
- (3) \$200,000 of the appropriation for the taxpayer accounts system in Laws 1989, chapter 335, article 1, section 19, is available the second year of the biennium for the document processing systems.
- (4) The department shall develop a method of accurately accounting for sales tax receipts from solid waste collection and disposal services. This must include the ability to provide monthly reports on the actual amount of revenue collected from the sales tax on solid waste collection and disposal services.
- (5) Any sales tax processing module developed by the department shall have the capability to provide various rate changes and identify the type of business or entity submitting the sales tax.

	1990	1991
	\$	\$
Subd. 2. Supplemental Appropriations		
(a) This appropriation is for implementation of the portions of the 1989 tax bill related to the unrelated business income tax. The complement of the department is increased by one position.		65,000
(b) Of this appropriation, \$50,000 is for fiscal year 1990 and \$350,000 for fiscal year 1991. Five investigators and two support staff are added to the department of revenue criminal division. The investigators shall be in the unclassified service. The commissioner shall establish a separate unit within the criminal investigation division to investigate violations related to all aspects of lawful gambling. The commissioner shall give a priority within the division to cases that involve violations of the laws governing lawful gambling and shall provide the criminal division with the support resources necessary to carry out its responsibilities. Notwithstanding any law to the contrary, the criminal investigation unit shall use its existing authority to investigate any potential criminal activity related to lawful gambling. Upon completion of the investigations, the division may refer them to the attorney general for prosecution. The commissioner of revenue shall report to the legislature no later than January 31, 1992, on the results of the division's investigations.		400,000
(c) 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. 17. NATURAL RESOURCES

Subdivision 1. Agency Budget Reduction

	\$ 1990	\$ 1991
SUMMARY BY FUND		
	1990	1991
General	(50,000)	(800,000)
Forest		(138,000)
Con. Con.		(5,000)
Nongame		(29,000)
Water Recreation		(201,000)
Game and Fish		(987,000)

The commissioner shall reduce the full-time equivalency positions assigned to the department by 34 in addition to the reductions identified below for a total reduction of 42.

This general fund reduction is to be distributed as follows:

- (1) Elimination of the director of fish and wildlife position and the creation of a division of fisheries and a division of wildlife.
- (2) The commissioner shall reassign the public access program and fishing pier program to the division of fisheries with the current personnel.
- (3) Reduction of the minerals diversification activity by \$200,000 in fiscal year 1991.
- (4) Reduction of the fiscal year 1991 shoreland management grants by \$200,000.
- (5) Reduction of the fiscal year 1991 groundwater program by \$300,000 and three full-time equivalency positions.
- (6) Reduction of the beaver dam control program by \$50,000.
- (7) Repeal of the wild rice grant given to Aitkin Growth, Inc. for \$50,000 each year.

	1990	1991
	\$	\$
(8) Five full-time equivalency position reductions from the appropriation made in Laws 1989, chapter 335, article 1, section 21, for reinvest in Minnesota management. In addition, the commissioner shall direct \$500,000 of the 1991 appropriation for RIM to wetland preservation, placing a priority on public lands.		
Subd. 2. Agency Supplemental Appropriations.		
(a) This appropriation is from the general fund in fiscal year 1991 for a grant to the forest resource center for a shiitake mushroom demonstration project. This grant is contingent upon receipt of matching funds at least equal to the amount of the grant.		138,000
(b) For a grant to the Mississippi Headwaters Board.		50,000
(c) For a tree planting for carbon dioxide absorption study.		25,000
(d) \$500,000 is appropriated in fiscal year 1991 from the snowmobile account for snowmobile grants-in-aid.		
(e) \$100,000 is appropriated in fiscal year 1990 from the nongame wildlife account and is to be used for administrative costs associated with implementation of the corporate nongame check-off. Eurasian watermilfoil control projects shall be eligible to receive nongame wildlife funding in preparing the 1992-1993 biennial budget requests. Any unencumbered balance at the end of the first fiscal year does not cancel and is available for the second year.		
(f) \$150,000 is appropriated in fiscal year 1991 from the game and fish fund for repair of the French River Hatchery Dam.		
(g) \$500,000 is appropriated from the all-terrain vehicle account and is to be		

1990

1991

\$

\$

used as grants-in-aid for trail maintenance on multiple use trails. Grants are to be issued to counties with all-terrain vehicle organizations and snowmobile organizations that have entered into multiple use agreements for trails that currently qualify for snowmobile grants-in-aid trails under Minnesota Statutes, section 84.83.

(h) Any unencumbered balance at the end of the first fiscal year that was appropriated by Laws 1989, chapter 335, section 21, subdivision 3, for shoreland management grants does not cancel and is available for the second year.

(i) Any unencumbered balance remaining in the appropriation for acquisition of Grand Portage state park in Laws 1989, chapter 259, section 9, subdivision 1, may be transferred to the appropriation in Laws 1989, chapter 259, section 9, subdivision 2, for acquisition in Sibley state park following completion of the Grand Portage acquisition.

(j) Notwithstanding any other law to the contrary, the commissioner shall have the authority to receive and expend \$150,000 in federal funds in fiscal year 1990 and \$275,000 in federal funds in fiscal year 1991 for oak wilt control and the state mine waste program.

(k) The commissioner shall conduct a study to identify criteria that could be used to develop a program for transferring control of certain state parks to local units of government. The study shall include an analysis of possible incentives for local units to assume management responsibility. The report shall be presented to the legislature by January 1, 1991.

(l) Notwithstanding any other law to the contrary, no political subdivision

\$ 1990 \$ 1991

shall condemn or remove any bridges on the Blue Ox Trail in Beltrami county that have not first been declared unsafe by the Minnesota department of transportation.

Sec. 18. ZOOLOGICAL BOARD

\$230,000

\$100,000 is for the operation and maintenance of the coral reef shark exhibit. \$130,000 is a one-time grant for installation, operation, and maintenance of a temporary animated exhibit for the entertainment and education of zoo visitors. The complement of the zoological garden is increased by two positions for the coral reef shark exhibit.

Sec. 19. POLLUTION CONTROL AGENCY

Subdivision 1. Agency Budget Reduction

SUMMARY BY FUND

	1990	1991	POSITIONS
General		(2,259,000)	(20)
Special Revenue		(93,000)	(2)
Environmental		(82,000)	(2)
Metro Landfill Abatement		(33,000)	
Metro Landfill Contingent		(16,000)	
Petro Cleanup		(33,000)	(1)
Motor Vehicle Transfer		(70,000)	(1)

The agency general fund reduction is distributed as follows:

(1) \$459,000 of the money appropriated for fiscal year 1991 in Laws 1989, First Special Session chapter 1, article 24, section 1, is reduced.

(2) \$800,000 and 20 positions are reduced from the water pollution control program. In addition, the agency general fund budget base for the 1992-1993 biennium shall be reduced by an

	\$	1990	\$	1991
additional seven positions and \$280,000.				

(3) \$1,000,000 of the money appropriated from the general fund in Laws 1989, chapter 335, article 1, section 23, subdivision 4, for transfer to the environmental response compensation and compliance fund is reduced.

Subd. 2. Supplemental Appropriations

(a) The approved complement for the agency from the building fund is established at 23 for administration of the wastewater treatment grants program.

(b) Any unencumbered balance remaining at the end of the first year in the general fund appropriation in Laws 1989, chapter 335, section 23, subdivision 2, to the capital cost component program under Minnesota Statutes, section 116.18, subdivision 3b, is not canceled and is transferred to the individual on-site treatment under Minnesota Statutes, section 116.18, subdivision 3c.

(c) This appropriation for fiscal year 1991 is for distribution as grants in the individual on-site treatment program under Minnesota Statutes, section 116.18, subdivision 3c.

250,000

(d) \$80,000 in fiscal year 1991 is appropriated from the environmental fund for the site response property transfer program.

(e) The agency's federal fund complement is reduced by three and the special revenue complement is increased by three to reflect a change in the method used to account for federal indirect costs.

	1990	1991
	\$	\$
(f) The commissioner, in cooperation with the state auditor, the Minnesota Association of Counties, and representatives of county government shall study the status of county landfill abatement funds and present alternatives for possible consolidation of these funds for regional landfill abatement. The study shall also investigate the relationship between the county landfill abatement funds and the state funds available for landfill abatement. The study shall present alternatives and recommendations to the legislature for consideration during the 1991 legislative session.		

Sec. 20. OFFICE OF WASTE MANAGEMENT

Subdivision 1. Agency Budget Reduction

(200,000)	(2,734,000)
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This reduction is distributed as follows:

- (1) \$200,000 from the first year for salary savings.
- (2) \$500,000 in the general fund in fiscal year 1991 and 16 general fund complement positions are reduced from the appropriations made in Laws 1989, First Special Session chapter 1, article 23, section 1.
- (3) \$1,000,000 in the general fund in fiscal year 1991 is reduced from the appropriations made in Laws 1989, First Special Session chapter 1, article 24, section 2, subdivision 2. In addition, the agency shall have authority to transfer funds between the programs identified in Laws 1989, First Special Session chapter 1, article 24, section 2, subdivision 2.
- (4) \$1,234,000 reduction in the SCORE grants to counties as identified in Laws

1990

1991

\$

\$

1989, First Special Session chapter 1, article 24, section 2.

(5) The agency's authorized complement is increased by 4 positions for administration of the capital assistance program. These positions shall sunset on June 30, 1993.

(6) Notwithstanding any other law to the contrary, any outstanding obligations that may be held in St. Louis county for grants issued to the county for construction or operation of the Babbitt waste tire facility under Minnesota Statutes 1986, section 116M.07; Minnesota Statutes, sections 115A.54, subdivision 2a; or 298.22, shall be suspended until June 30, 1993.

Sec. 21. TRADE AND ECONOMIC DEVELOPMENT

Subdivision 1. Agency Supplemental Appropriations

(a) \$500,000 of the agricultural and economic development account established in Minnesota Statutes, section 41A.05, subdivision 1, is transferred to the capital access account in the special revenue fund created in Minnesota Statutes, section 116J.876, subdivision 4, for guaranteeing loans under the capital access program. Any remaining balance shall cancel to the general fund.

(b) This appropriation is a one time appropriation.

865,000

(1) \$500,000 is for the job skills partnership for aviation training. This amount is not subject to the grant limits under Minnesota Statutes, section 116L.04. This portion of the appropriation does not cancel and is available until expended.

	1990	1991
	\$	\$

(2) \$70,000 is for the job skills partnership for a training program for waste combustor operators.

(3) \$75,000 is for the office of tourism for promotion of hydroplane boating on Lake Pepin.

(4) \$80,000 is for the Minnesota trade office for awarding grants to nonprofit organizations to support cultural and educational exchange programs that may lead to long-term trading relations. Grants must be matched with at least \$3 of nonpublic funds for every dollar of state grant funds awarded under this provision.

(5) \$30,000 is for a grant to the region 1 development commission for international trade and promotion activities. The commission must cooperate with similar organizations in North Dakota and Manitoba.

(6) \$110,000 is for the purposes of planning, engineering, and acquisition of a public facilities authority in a tourism-intensive city.

(c) \$377,000 and one position are transferred from the state planning agency to the department of trade and economic development for regional development commissions. Funding for the regional development commissions sunsets on June 30, 1991, and shall not be a part of the base level funding for the department. This transfer is contingent on passage of article 4.

377,000

(d) Of the amount appropriated for operation and maintenance of the regional park system in fiscal year 1991, \$120,000 is for construction of floating fishing piers on the Mississippi river within the boundaries of the cities of the first class.

	1990	1991
	\$	\$

(e) Notwithstanding any law to the contrary, the city of St. Paul shall use all revenue derived from its clawback funding of sewer financing only for sewer separation projects that directly result in the elimination of combined sewer overflow.

Subd. 2. Agency Reductions

(a) The specific reductions include: (4,046,000)

(1) (\$1,075,000) in the economic recovery.

(2) (\$1,075,000) in the urban revitalization action program.

(3) (\$350,000) CAN-DO program. The complement of the department is reduced by three positions.

(4) (\$60,000) in the policy analysis, science and technology office. The complement of the department is reduced by two positions.

(5) (\$81,000) The department's management complement is reduced by two positions.

(6) (\$110,000) The commissioner shall merge the celebrate 1990, environmental resources office and developmental resources office and choose one director for the office. Two director positions are abolished.

(7) (\$145,000) The complement of the trade office is reduced by three management positions.

(8) (\$100,000) motion picture board grant.

(9) (\$250,000) The public facilities authority shall be administered only with federal dollars and complement. The

	1990	1991
	\$	\$
complement of the department is reduced by 5½ general fund positions. The federal complement of the department is increased by four positions.		

(10) (\$300,000) Elimination of the rural development board. The complement of the department is reduced by 6½ positions.

(11) (\$500,000) in fiscal year 1990 is reduced for the loan to the city of St. Paul for restoration of Union Depot.

(b) This reduction is from the motor vehicle transfer appropriation.	(5,000)
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(c) This reduction is from the trunk highway fund appropriation.	(15,000)
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Sec. 22. HOUSING FINANCE AGENCY

(a) Spending limit on cost of general administration of agency programs in fiscal year 1991 is reduced by (\$210,000).

(b) The position of executive assistant to the director is abolished. The complement is reduced by five additional positions.

(c) (\$2,115,000) is reduced from the home ownership assistance fund. (\$1,500,000) is reduced for the elimination of the housing preservation grants program.	(3,615,000)
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Sec. 23. STATE PLANNING AGENCY

Subdivision 1. Agency Budget Reduction

1990

1991

\$

\$

SUMMARY BY FUND

	1990	1991	POSITIONS
General	(1,000,000)	(6,030,000)	(80.5)
Special Revenue		(475,000)	(26.5)
Federal			(6.0)

(a) Pursuant to article 4, the state planning agency is eliminated and the functions identified in article 4 are to be transferred to the agencies indicated. Funding adjustments for these activities are identified where appropriate in other sections. Functions not identified in other articles or sections are not funded and are to be eliminated. Notwithstanding any other law to the contrary during the biennium, the commissioner of finance shall have the authority to transfer the directly appropriated and the statutorially appropriated funds and positions indicated herein to the agencies identified to accomplish the intent of the legislation.

(b) In addition, the appropriation to the state planning agency for the community resources program in Minnesota Statutes, chapter 466A, shall be transferred to the department of jobs and training except for the way to grow grants in Minnesota Statutes, section 466A.06, which shall be transferred to the department of education for administration. Notwithstanding any other laws to the contrary, \$1,000,000 of the community resources program shall cancel to the general fund at the end of the first fiscal year.

(c) The appropriation in Laws 1989, chapter 335, article 1, section 28, to the Great Lakes Protection Fund shall be reduced by \$500,000 for fiscal year 1991.

	1990	1991
	\$	\$

Sec. 24. LABOR AND INDUSTRY

(a) The complement in the employment agency regulation activity is reduced by one position. The complement in the apprenticeship regulation program is reduced by one position. Reductions shall occur through attrition.

(115,000)

(b) One position in administration and one position in the settlement staff area is abolished. The computer restructuring for the department is reduced by (\$110,000) and three positions. This reduction is from the workers' compensation special fund.

(190,000)

Sec. 25. IRON RANGE RESOURCES AND REHABILITATION BOARD

Notwithstanding any other law to the contrary, the Iron Range resources and rehabilitation board is authorized to designate Ironworld USA as a site for development of a museum in honor of the Civilian Conservation Corps.

Sec. 26. WORKERS' COMPENSATION COURT OF APPEALS

(32,000)

The approved complement of the court is reduced by one law clerk position from the workers' compensation special fund.

Sec. 27. MILITARY AFFAIRS

(a) The adjutant general shall use the 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

1990

1991

\$

\$

affairs building in or near the capitol complex.

(b) Notwithstanding any law to the contrary, the department of military affairs, with the assistance of the management analysis division of the department of administration, shall analyze the cost savings that may be obtained through multiple use, the time-sharing, consolidation, or closure of armories throughout the state. This analysis shall consider, among other factors, the forces allocated to the Minnesota Army National Guard by the Department of the Army and by the National Guard Bureau. These allocations specify the types, organization, and authorized strengths of units of the Minnesota Army National Guard. This analysis shall also include the requirements to train these units to standards established by the Department of the Army, the National Guard Bureau, and the state of Minnesota; the age, maintenance needs, costs, and personnel costs of existing armories. This action recognizes that proposed reductions in the United States defense budget may dictate changes in the organization of Minnesota National Guard units and that such structural changes will be made known by the National Guard Bureau. In the interim, caution shall be exercised to preclude the use of state funds for repair or replacement actions on any armory that may be selected as a candidate to actions contemplated in this analysis.

(c) Notwithstanding any other law, national guard tuition and bonus payments may only be paid to and used by members of the national guard.

Sec. 28. HUMAN RIGHTS

(60,000)

The deputy commissioner position is abolished. The funding for the mobile

	1990	1991
	\$	\$
unit sunsets on June 30, 1991. The complement of the department is reduced by three positions for the 1992-1993 biennium.		

Sec. 29. OFFICE ON DISABILITY AND DEVELOPMENTAL DISABILITY

270,000

Approved Complement - 6

Funding in this section does not include grants for arts organizations.

Sec. 30. COMMISSIONER OF FINANCE TO REDUCE AGENCY APPROPRIATIONS

(2,206,000)

With the exception of appropriations made to the University of Minnesota, the Community College System, the Technical College System, and the State University System, the Commissioner of Finance shall reduce each agency's fiscal year 1991 appropriation by an amount equal to the sum of:

- (1) 4.02 percent of the agency's fiscal year 1991 salaries paid to employees covered by the state patrol retirement plan established in Minnesota Statutes, section 352B.02.
- (2) .84 percent of the agency's fiscal year 1991 salaries paid to employees covered by the teacher's retirement plan established in Minnesota Statutes, chapter 354.
- (3) .22 percent of the agency's fiscal year 1991 salaries paid to employees covered by the general state employee retirement plan established in Minnesota Statutes, chapter 352.
- (4) 2.43 percent of the agency's fiscal year 1991 salaries paid to employees covered by the correctional employees

1990

1991

\$

\$

retirement plan established in Minnesota Statutes, chapter 352.

The appropriation reductions made pursuant to this section shall be permanent reductions to each agency's budget.

Sec. 31. [TRANSFERS.]

Subdivision 1. [GENERAL PROCEDURE.] If the appropriation in this act to an agency in the executive branch is specified by program, the agency may transfer unencumbered balances among the programs specified in that section after getting the approval of the commissioner of finance. The commissioner shall not approve a transfer unless the commissioner believes that it will carry out the intent of the legislature. The transfer must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives. If the appropriation in this act to an agency in the executive branch is specified by activity, the agency may transfer unencumbered balances among the activities specified in that section using the same procedure as for transfers among programs.

Subd. 2. [CONSTITUTIONAL OFFICERS.] A constitutional officer need not get the approval of the commissioner of finance but must notify the committee on finance of the senate and the committee on appropriations of the house of representatives before making a transfer under subdivision 1.

Subd. 3. [TRANSFER PROHIBITED.] If an amount is specified in this act for an item within an activity, that amount must not be transferred or used for any other purpose.

Sec. 32. 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 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 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~~ 51 judges;

5. Blue Earth, Watonwan, Lyon, Redwood, Brown, Nicollet, Lincoln, Cottonwood, Murray, Nobles, Pipestone, Rock, Faribault, Martin, and Jackson; five 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 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 judges; and permanent chambers shall be maintained in Morris, Montevideo, and Willmar;

9. Norman, Polk, Marshall, Kittson, Red Lake, Roseau, Mahanomen, Pennington, Aitkin, Itasca, Crow Wing, Hubbard, Beltrami, Lake of the Woods, Clearwater, Cass and Koochiching; six 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~~ 29 judges; and permanent chambers shall be maintained in Anoka, Stillwater, and other places designated by the chief judge of the district.

Sec. 33. Minnesota Statutes 1989 Supplement, section 3.30, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATION; TRANSFERS.] A general contingent appropriation for each year of the biennium is authorized in the amount the legislature deems sufficient. Additional special contingent appropriations as the legislature deems necessary are authorized. Transfers from the appropriations to the appropriations of the various departments and agencies may be made by the commissioner of finance subject to the following provisions:

(a) Transfers may be authorized by the commissioner of finance not exceeding \$5,000 for the same purpose for any quarterly period.

(b) Transfers exceeding \$5,000 but not exceeding \$10,000 may be authorized by the commissioner of finance with the approval of the governor.

(c) Transfers exceeding \$10,000 may be authorized by the governor but no transfer exceeding \$10,000 may be made until the governor has consulted the legislative advisory commission and it has made its recommendation on approved the transfer. Its recommendation is advisory only. Failure or refusal of the commission to make a recommendation is a negative recommendation.

The commissioner of finance shall return to the appropriate contingent account any funds transferred under this subdivision that the commissioner determines are not needed.

Sec. 34. Minnesota Statutes 1989 Supplement, section 3.30, subdivision 2, is amended to read:

Subd. 2. [MEMBERS; DUTIES.] The majority leader of the senate or a designee, the chair of the senate committee on finance, and the chair of the senate division of finance responsible for overseeing the items being considered by the commission, the speaker of the house of representatives or a designee, the chair of the house committee on appropriations, and the chair of the division of the house appropriations committee responsible for overseeing the items being considered by the commissioner constitute the legislative advisory commission. The division chair of the finance committee in the senate and the division chair of the appropriations committee in the house shall rotate according to the items being considered by the commission. If any of the members elect not to serve on the commission, the house of which they are members, if in session, shall select some other member for the vacancy. If the legislature is not in session, vacancies in the house membership of the commission shall be filled by the last speaker of the house or, if the speaker is not available, by the last chair of the house rules committee, and by the last senate committee on committees or other appointing authority designated by the senate rules in case of a senate vacancy. The commissioner of finance shall be secretary of the commission and keep a permanent record and minutes of its proceedings, which are public records. The commissioner of finance shall transmit, under section 3.195, a report to the next legislature of all actions of the commission. Members shall receive traveling and subsistence expenses incurred attending meetings of the commission. The commission shall meet from time to time upon the call of the governor or upon the call of the secretary at the request of two or more of its members. A recommendation of Approvals for expenditures granted by the commission must be made at a meeting of the commission unless a written recommendation is signed by all the members entitled to vote on the item, except that a recommendation under section 298.2213, subdivision 4, or 298.296, subdivision 1, may be a

written recommendation and need only be signed by a majority of the members entitled to vote on the item.

Sec. 35. Minnesota Statutes Second 1989 Supplement, section 3.885, subdivision 5, is amended to read:

Subd. 5. [DUTIES.] (a) The commission shall:

(1) provide the legislature with research and analysis of current and projected state revenue, state expenditures, and state tax expenditures;

(2) provide the legislature with a report analyzing the governor's proposed levels of revenue and expenditures for biennial budgets submitted under section 16A.11 as well as other supplemental budget submittals to the legislature by the governor;

(3) provide an analysis of the impact of the governor's proposed revenue and expenditure plans for the next biennium;

(4) conduct research on matters of economic and fiscal policy and report to the legislature on the result of the research;

(5) provide economic reports and studies on the state of the state's economy, including trends and forecasts for consideration by the legislature;

(6) conduct budget and tax studies and provide general fiscal and budgetary information;

(7) review and make recommendations on the operation of state programs in order to appraise the implementation of state laws regarding the expenditure of funds and to recommend means of improving their efficiency;

(8) recommend to the legislature changes in the mix of revenue sources for programs, in the percentage of state expenditures devoted to major programs, and in the role of the legislature in overseeing state government expenditures and revenue projections;

(9) make a continuing study and investigation of the building needs of the government of the state of Minnesota, including, but not limited to the following: the current and future requirements of new buildings, the maintenance of existing buildings, rehabilitating and remodeling of old buildings, the planning for administrative offices, and the exploring of methods of financing building and related costs; and

(10) conduct a continuing study of state-local finance, analyzing and making recommendations to the legislature on issues including

levels of state support for political subdivisions, basic levels of local need, balances of local revenues and options, relationship of local taxes to individuals' ability to pay, and financial reporting by political subdivisions. In conducting this study, the commission shall consult with the governor, the staff of executive branch agencies, and the governor's advisory commission on state-local intergovernmental relations created in section 15.90.

(b) In performing its duties under paragraph (a), the commission shall consider, among other things:

(1) the relative dependence on state tax revenues, federal funds, and user fees to support state-funded programs, and whether the existing mix of revenue sources is appropriate, given the purposes of the programs;

(2) the relative percentages of state expenditures that are devoted to major programs such as education, assistance to local government, aid to individuals, state agencies and institutions, and debt service; and

(3) the role of the legislature in overseeing state government expenditures, including legislative appropriation of money from the general fund, legislative appropriation of money from funds other than the general fund, state agency receipt of money into revolving and other dedicated funds and expenditure of money from these funds, and state agency expenditure of federal funds.

(c) The commission's recommendations must consider the long-term needs of the state. The recommendations must not duplicate work done by standing committees of the senate and house of representatives.

The commission shall report to the legislature on its activities and recommendations by January 15 of each odd-numbered year.

The commission shall provide the public with printed and electronic copies of reports and information for the legislature. Copies must be provided at the actual cost of furnishing each copy.

Sec. 36. Minnesota Statutes Second 1989 Supplement, section 3.885, subdivision 6, is amended to read:

Subd. 6. [MANDATE, STATE AID, AND STATE PROGRAM REVIEWS.] (a) The commission shall, after consultation with the governor, the advisory commission on intergovernmental relations created in section 15.90, and with the chairs of the standing committees of the legislature, select mandates and state programs for review. When selecting mandates, state aids, or state programs to

be reviewed, the commission shall give priority to those that involve state payments to local units of government.

(b) The governor is responsible for the performance of the reviews. Staff from affected agencies, staff from the department of finance and the state planning agency, and legislative staff shall participate in the reviews.

(c) At the direction of the commission, reviews of state programs shall include:

- (1) a precise and complete description of the program;
- (2) the need the program is intended to address;
- (3) the recommended goals and measurable objectives of the program to meet those needs;
- (4) program outcomes and measures which identify:
 - (i) results in meeting stated needs, goals, and objectives;
 - (ii) administrative efficiency, which, when appropriate, shall include number of program staff and clients served, timeliness in processing clients and rates and administrative cost as a percent of total program expenditures;
 - (iii) unanticipated program outcomes;
 - (iv) program expenditures compared with program appropriations;
 - (v) historical cost trends and projected program growth, including reasons for fiscal and program growth, for all levels of government involved in the program;
 - (vi) if rules or guidelines or instructions have been promulgated for a program, a review of their efficacy in helping to meet program goals and objectives and in administering the program in a cost-effective way; and
 - (vii) quality control monitoring and sanctions including a review of the level of training, experience, skill, and standards of staff;
- (5) recommended changes in the program that would lead to its policy objectives being achieved more efficiently or effectively, or at lower cost; and
- (6) additional issues requested by the commission.

(d) The following state aids and associated state mandates shall be reviewed:

(1) local aids and credits including local government aid, homestead and agricultural credit aid, disparity reduction aid, taconite homestead credit and aids, tax increment financing, and fiscal disparities;

(2) human services aids including community health services aids, correctional program aids, and social service program and administrative aids;

(3) elementary and secondary education aids including school district general fund aids and levies, school district capital expenditure fund aids and levies, school district debt service fund aids and levies, and school district community service fund aids and levies; and

(4) general government aids including natural resource aids, environmental protection aids, transportation aids, economic development aids, and general infrastructure aids.

(e) At the direction of the commission, the reviews of state aids and state mandates involving state financing of local government activities listed in paragraph (d) shall include:

(1) the employment status, wages, and benefits of persons employed in administering the programs;

(2) the desirable applicability of state procedural laws and rules;

(3) methods for increasing political subdivision options in providing their share, if any, of program costs;

(4) desirable redistributions of funding responsibilities for the program and the time period during which any recommended funding distribution should occur;

(5) opportunities for reducing program mandates and giving political subdivisions more flexibility in meeting program needs;

(6) comparability of treatment of similar units of government;

(7) the effect of the state aid or mandate on the distribution of tax burdens among individuals, based upon ability to pay;

(8) coordination of the payment or allocation formula with other state aid programs;

(9) incentives that have been created for local spending decisions, and whether the incentives should be changed;

(10) ways in which political subdivisions have changed their revenue-raising behavior since receiving these grants; and

(11) consideration of the program's consistency with the policies set forth in section 3.882.

(f) Each review shall also include an assessment of the accountability of all government agencies that participate in administration of the program.

(g) Each review that is intended to be considered in the development of the governor's budget recommendations for the following year shall be completed and submitted to the commission no later than November 15.

Sec. 37. Minnesota Statutes 1988, section 3C.035, subdivision 3, is amended to read:

Subd. 3. [RESTRICTIONS ON OUTSIDE DRAFTING.] A department or agency may not contract with an attorney, consultant, or other person either to provide drafting services to the department or agency or to advise on drafting unless the revisor determines that special expertise is required for the drafting and the expertise is not available from the revisor or the revisor's staff. ~~A department or agency may not request legislative staff, other than the revisor of statutes, to provide drafting services to the department or agency.~~

Sec. 38. Minnesota Statutes 1988, section 3C.11, subdivision 2, is amended to read:

Subd. 2. [PAMPHLETS.] The revisor's office shall compose, print, and deliver pamphlets containing parts of Minnesota Statutes, parts of Minnesota Rules, or combinations of parts of the statutes and rules as may be necessary for the use of public officers and departments. The revisor's office shall use a standard form for the pamphlets. The cost of composition, printing, and delivery of the pamphlets, ~~together with a reasonable fee for the revisor's services,~~ is to be borne by the office or department requesting them. The printing must be limited to actual needs as shown by experience or other competent proof. ~~Revenue from the revisor's fee must be deposited in the general fund.~~

Sec. 39. [6.77] [STATE HIGH SCHOOL LEAGUE.]

Notwithstanding any other law to the contrary, the state auditor shall continue to audit the Minnesota state high school league and review any private audits done for the league.

Sec. 40. Minnesota Statutes 1988, section 11A.07, subdivision 5, is amended to read:

Subd. 5. [APPORTIONMENT OF EXPENSES.] The executive director shall apportion the actual expenses incurred by the board on an accrual basis among the several funds whose assets are invested by the board based on the weighted average assets under management during each quarter. The charge to each retirement fund must be calculated, billed, and paid on a quarterly basis in accordance with procedures for interdepartmental payments established by the commissioner of finance. The amounts necessary to pay these charges are appropriated from the investment earnings of each retirement fund. Receipts must be credited to the general fund as nondedicated receipts. ~~Funds other than retirement funds must not be billed; their portion of the expenses will be borne by the general fund.~~

Sec. 41. Minnesota Statutes 1988, section 14.07, subdivision 1, is amended to read:

Subdivision 1. [RULE DRAFTING ASSISTANCE PROVIDED.]
(a) The revisor of statutes shall:

(1) maintain an agency rules drafting department to draft or aid in the drafting of rules or amendments to rules for any agency in accordance with subdivision 3 and the objective or other instructions which the agency shall give the revisor; and,

(2) prepare and publish an agency rules drafting guide which shall set out the form and method for drafting rules and amendments to rules, and to which all rules shall comply.

(b) ~~The revisor shall assess an agency for the actual cost of providing aid in drafting rules or amendments to rules. The agency shall pay the assessment using the procedures of section 3C.056. Each agency shall include in its budget money to pay the revisor's assessment. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.~~

(c) An agency may not contract with an attorney, consultant, or other person either to provide rule drafting services to the agency or to advise on drafting unless the revisor determines that special expertise is required for the drafting and the expertise is not available from the revisor or the revisor's staff.

Sec. 42. Minnesota Statutes 1988, section 14.07, subdivision 2, is amended to read:

Subd. 2. [APPROVAL OF FORM.] No agency decision to adopt a rule or emergency rule, including a decision to amend or modify a

proposed rule or proposed emergency rule, shall be effective unless the agency has presented the rule to the revisor of statutes and the revisor has certified that its form is approved. The revisor shall assess an agency for the actual cost of processing rules for consideration for approval of form. The assessments must include necessary costs to create or modify the computer data base of the text of a rule and the cost of putting the rule into the form established by the drafting guide provided for in subdivision 1. The agency shall pay the assessments using the procedures of section 3C.056. Each agency shall include in its budget money to pay revisor's assessments. Receipts from the assessments must be deposited in the state treasury and credited to the general fund.

Sec. 43. Minnesota Statutes 1988, section 14.08, is amended to read:

14.08 [REVISOR OF STATUTES APPROVAL OF RULE FORM.]

(a) Two copies of a rule adopted pursuant to the provisions of section 14.26 or 14.32 shall be submitted by the agency to the attorney general. The attorney general shall send one copy of the rule to the revisor on the same day as it is submitted by the agency under section 14.26 or 14.32. Within five days after receipt of the rule, excluding weekends and holidays, the revisor shall either return the rule with a certificate of approval of the form of the rule to the attorney general or notify the attorney general and the agency that the form of the rule will not be approved.

If the attorney general disapproves a rule, the agency may modify it and the agency shall submit two copies of the modified rule to the attorney general who shall send a copy to the revisor for approval as to form as described in this paragraph.

(b) One copy of a rule adopted after a public hearing shall be submitted by the agency to the revisor for approval of the form of the rule. Within five working days after receipt of the rule, the revisor shall either return the rule with a certificate of approval to the agency or notify the agency that the form of the rule will not be approved.

(c) If the revisor refuses to approve the form of the rule, the revisor's notice shall revise the rule so it is in the correct form.

(d) The attorney general and the revisor of statutes shall assess an agency for the actual cost of processing rules under this section. The agency shall pay the revisor's assessments using the procedures of section 3C.056. The agency shall pay the attorney general's assessments using the procedures of section 8.15. Each agency shall include in its budget money to pay the revisor's and the attorney general's assessments. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.

Sec. 44. Minnesota Statutes 1988, section 14.26, is amended to read:

14.26 [ADOPTION OF PROPOSED RULE; SUBMISSION TO ATTORNEY GENERAL.]

If no hearing is required, the agency shall submit to the attorney general the proposed rule and notice as published, the rule as proposed for adoption, any written comments received by the agency, and a statement of need and reasonableness for the rule. The agency shall give notice to all persons who requested to be informed that these materials have been submitted to the attorney general. This notice shall be given on the same day that the record is submitted. If the proposed rule has been modified, the notice shall state that fact, and shall state that a free copy of the proposed rule, as modified, is available upon request from the agency. The rule and these materials shall be submitted to the attorney general within 180 days of the day that the comment period for the rule is over or the rule is automatically withdrawn. The agency shall report its failure to adopt the rules and the reasons for that failure to the legislative commission to review administrative rules, other appropriate legislative committees, and the governor.

Even if the 180-day period expires while the attorney general reviews the rule, if the attorney general rejects the rule, the agency may resubmit it after taking corrective action. The resubmission must occur within 30 days of when the agency receives written notice of the disapproval. If the rule is again disapproved, the rule is withdrawn. An agency may resubmit at any time before the expiration of the 180-day period. If the agency withholds some of the proposed rule, it may not adopt the withheld portion without again following the procedures of sections 14.14 to 14.28, or 14.29 to 14.36.

The attorney general shall approve or disapprove the rule as to its legality and its form to the extent the form relates to legality, including the issue of substantial change, and determine whether the agency has the authority to adopt the rule and whether the record demonstrates a rational basis for the need for and reasonableness of the proposed rule within 14 days. If the rule is approved, the attorney general shall promptly file two copies of it in the office of the secretary of state. The secretary of state shall forward one copy of each rule to the revisor of statutes. If the rule is disapproved, the attorney general shall state in writing the reasons and make recommendations to overcome the deficiencies, and the rule shall not be filed in the office of the secretary of state, nor published until the deficiencies have been overcome. The attorney general shall send a statement of reasons for disapproval of the rule to the agency, the chief administrative law judge, the legislative commission to review administrative rules, and to the revisor of statutes.

The attorney general shall assess an agency for the actual cost of

processing rules under this section. The agency shall pay the attorney general's assessments using the procedures of section 8.15. Each agency shall include in its budget money to pay the attorney general's assessment. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.

Sec. 45. Minnesota Statutes 1988, section 14.53, is amended to read:

14.53 [COSTS ASSESSED.]

In consultation with the commissioner of administration the chief administrative law judge shall assess agencies the cost of services rendered to them in the conduct of hearings. All agencies shall include in their budgets provisions for such assessments.

Rates must be set to provide for a minimum of eight weeks' reserve plus an additional sum of \$200,000 in the administrative hearing account. \$100,000 shall be transferred on July 1 of each year to the legislative advisory commission and be made available only to general fund agencies or activities and only for contested case hearings for which they did not anticipate or budget and that the commission finds are unusually expensive.

Sec. 46. Minnesota Statutes 1988, section 15.054, is amended to read:

15.054 [PUBLIC EMPLOYEES NOT TO PURCHASE MERCHANDISE FROM GOVERNMENTAL AGENCIES; EXCEPTIONS; PENALTY.]

No officer or employee of the state or any of its political subdivisions shall sell or procure for sale or possess or control for sale to any other officer or employee of the state or the subdivision, as appropriate, any property or materials owned by the state or subdivision except pursuant to conditions provided in this section. Property or materials owned by the state or a subdivision, ~~except real property,~~ and not needed for public purposes, may be sold to an employee of the state or the subdivision after reasonable public notice at public auction or by sealed bid if the employee is the highest responsible bidder and is not directly involved in the auction or sealed bid process. Requirements for reasonable public notice may be prescribed by other law or ordinance so long as at least one week's published or posted notice is specified. A state employee may purchase no more than one motor vehicle from the state in any 12-month period. A person violating the provisions of this section is guilty of a misdemeanor. This section shall not apply to the sale of property or materials acquired or produced by the state or subdivision for sale to the general public in the ordinary course of business. Nothing in this section shall prohibit an employee of the state or a political subdivision from selling or possessing for sale public

property if the sale or possession for sale is in the normal course of the employee's duties.

Sec. 47. [15.081] [SETTLEMENTS BY STATE AGENCIES AND PUBLIC CORPORATIONS.]

A state agency or a public corporation created by statute must report to the chairs of the senate finance committee and the house appropriations committee the amount of any monetary payment agreed to be made by the state agency or public corporation to another party in settlement of a dispute arising from a complaint by the party. The amount must be reported within ten days of execution of the settlement agreement.

Sec. 48. [15.082] [OBLIGATIONS OF PUBLIC CORPORATIONS.]

Notwithstanding any other law, the state is not liable for obligations of a public corporation created by statute. Upon dissolution of the public corporation, its wholly-owned assets become state property. Partially owned assets become state property to the extent that state money was used to acquire them.

Sec. 49. Minnesota Statutes 1988, section 15.50, is amended by adding a subdivision to read:

Subd. 6a. [RIGHT OF FIRST REFUSAL.] The commissioner of administration has the right of first refusal on lands offered for public or private sale within the capitol area. Before completing a sale of land within the capitol area to a buyer other than the state, the owner of the land shall notify the commissioner of administration of the owner's intent to sell the land and shall inform the commissioner of the appraised value of the land if an appraisal has been performed and the amount of any bona fide written offers made to purchase the land. The commissioner may purchase the land by using an appraisal as the basis for the purchase price, by matching the highest written bona fide offer, or by negotiating a direct purchase with the owner. If a negotiated purchase price exceeds \$250,000, the commissioner shall first consult with the chairs of the senate finance committee and house of representatives appropriations committee in the manner provided in section 15.16, subdivision 5. The commissioner may not spend or obligate the state for an amount exceeding the amount appropriated to the commissioner for capitol area property acquisition. Sections 117.232, 117.52, and 117.521 do not govern purchases under this subdivision.

Sec. 50. Minnesota Statutes 1988, section 15.51, is amended to read:

15.51 [DECLARATION OF POLICY.]

The state of Minnesota recognizes that intergovernmental cooperation is an essential factor in resolving problems affecting this state and that the interchange of personnel between and among governmental agencies at the same or different levels of government is a significant factor in achieving such cooperation.

Sec. 51. Minnesota Statutes 1988, section 15.52, subdivision 2, is amended to read:

Subd. 2. "Sending agency" means any department, ~~political subdivision~~ or agency of the federal or state government ~~or a state government~~ which sends any employee thereof to another government agency under sections 15.51 to 15.57.

Sec. 52. Minnesota Statutes 1988, section 15.52, subdivision 3, is amended to read:

Subd. 3. "Receiving agency" means any department, ~~political subdivision~~ or agency of the federal or state government ~~or a state government~~ which receives an employee of another government agency under sections 15.51 to 15.57.

Sec. 53. Minnesota Statutes 1988, section 15.53, subdivision 1, is amended to read:

Subdivision 1. No department, agency, ~~political subdivision~~ or instrumentality of the state is authorized to participate in a program of interchange of employees with departments, agencies, or instrumentalities of the federal government, the state, or another state, as a sending or receiving agency except in accordance with sections 15.51 to 15.57.

Sec. 54. Minnesota Statutes 1988, section 15.56, subdivision 5, is amended to read:

Subd. 5. Sending and receiving agencies may contract for the services of interchanged employees and by contract arrange for the method and amount of payment for employees and other terms of their employment, so far as not governed by sections 15.51 to 15.57. Any interchange of employees contemplated by a department, or agency, ~~or instrumentality~~ of the state which is subject to the provisions of chapter 16, shall be submitted for review to the commissioner of administration before arrangements are entered into for such interchange.

Sec. 55. Minnesota Statutes 1988, section 15.59, is amended to read:

15.59 [EMPLOYEE INTERCHANGE BETWEEN STATE AND PRIVATE INDUSTRY.]

In addition to the interchange of government employees, any department, ~~political subdivision~~ or agency of state government and private industry may serve as sending and receiving agencies as provided in section 15.52, and interchange employees pursuant to the requirements of sections 15.53 to 15.57.

Sec. 56. [15.90] [ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS.]

Subdivision 1. [FINDINGS AND PURPOSE.] The legislature finds there is a need for a permanent intergovernmental body to study and report on:

(1) the current pattern of local governmental structure and its viability;

(2) the powers and functions of local governments, including their fiscal powers;

(3) the existing, necessary, and desirable relationships between and among local governments and the state;

(4) the existing, necessary, and desirable allocation of state and local fiscal resources;

(5) the existing, necessary, and desirable roles of the state as the creator of the local governmental systems;

(6) the special problems in interstate areas facing their general local governments, intrastate regional units, and areawide bodies; and

(7) any constitutional amendments and statutory enactments required to implement appropriate recommendations.

Subd. 2. [MEMBERSHIP.] The Minnesota advisory commission on intergovernmental relations shall consist of 20 members selected as follows:

(1) two members of the senate appointed by the committee on rules and legislation and one member of the senate appointed by the minority leader of the senate;

(2) two members of the house of representatives appointed by the speaker and one member of the house of representatives appointed by the minority leader of the house;

(3) four commissioners of state executive branch agencies appointed by the governor;

- (4) two members appointed by the League of Minnesota Cities;
- (5) two members appointed by the Association of Minnesota Counties;
- (6) two members appointed by the Minnesota School Boards Association;
- (7) two members appointed by the Association of Minnesota Townships;
- (8) one member appointed by the Minnesota Association of Regional Commissions; and
- (9) the chair of the metropolitan council.

Subd. 3. [COMPENSATION AND TERMS.] Members shall serve at the pleasure of their appointing authority. Legislative members shall be compensated in the same manner as for other legislative meetings. Other members shall be compensated as provided in section 15.059, subdivision 3.

Subd. 4. [DUTIES.] (a) The commission shall serve as a forum for the discussion and resolution of intergovernmental problems.

(b) The commission shall consider, on its own initiative, ways and means of fostering better relations among local governments and between local governments and the state government.

(c) The commission shall monitor local government affairs and state-local relationships, identify issues needing attention by the state, and make policy recommendations to the legislature and the state government.

(d) The commission shall hold hearings and conduct informal surveys to solicit local government positions on state-local issues.

(e) The commission shall review and comment on proposals submitted to it by the governor and the legislature.

(f) The commission shall review and comment on research reports and issue papers on local government issues.

Subd. 5. [ADMINISTRATION AND FINANCE.] (a) The legislative coordinating commission shall provide staff support and administrative services to the commission. Other state agencies and legislative research staff shall supply information upon request of the commission and shall in all ways cooperate with the commission in carrying out its duties.

(b) The commission may establish permanent or temporary committees or task forces. Membership must include at least one member of the commission. Only the commission may set policy or take official action.

(c) The commission may apply for grants and appropriations from state, federal, or local government and from other public and private sources. Political subdivisions of the state may appropriate funds to the commission.

Subd. 6. [REPORTS.] The commission shall issue reports of its findings and recommendations.

Sec. 57. Minnesota Statutes 1988, section 16A.10, is amended by adding a subdivision to read:

Subd. 4. [CHANGE LEVELS FOR DATA PROCESSING.] All data processing change level requests submitted in the governor's budget that have been reviewed by the information policy office must include a summary of the recommendations made by the information policy office on the change level request.

Sec. 58. Minnesota Statutes 1989 Supplement, section 16A.11, subdivision 3, is amended to read:

Subd. 3. [PART TWO: DETAILED BUDGET.] Part two of the budget, the detailed budget estimates both of expenditures and revenues, shall also include statements of the bonded indebtedness of the state, showing the actual amount of the debt service for at least the past two completed fiscal years, and the estimated amount for the current fiscal year and for the next two fiscal years, the debt authorized and unissued, the condition of the sinking funds, and the borrowing capacity. It shall also contain any statements on the financial plan which the governor believes desirable or which may be required by the legislature. The detailed estimates shall include the budget request of each agency arranged in tabular form so it may readily be compared with the governor's budget for each agency. They shall also include, as part of each agency's organization chart, a summary of the personnel employed by the agency, showing the complement approved by the legislature for the current biennium, additional complement positions authorized through the governor or the commissioner, positions transferred into or out of the agency, additional part-time and seasonal positions and the number of employees of all kinds employed by the agency on June 30 of the last complete fiscal year. The summary of the number of employees must list employees by employment status, including but not limited to full-time unlimited, part-time unlimited, full-time or part-time seasonal, intermittent, full-time or part-time temporary, full-time or part-time emergency, and other. The summary of personnel shall also be shown for each functional division of the agency, and for each fund and type of appropriation.

Any increase in complement with the exception of federal positions, approved by the commissioner of finance as temporary positions, shall be reflected in the governor's budget recommendations to the legislature as change request items. These positions are not permanent positions until the legislature has approved the change request items.

Sec. 59. Minnesota Statutes 1988, section 16A.127, subdivision 3, is amended to read:

Subd. 3. [REIMBURSEMENT.] (a) Under the plan, the commissioner shall make and record the reimbursement to the general fund of the statewide indirect costs attributable to an executive agency's nongeneral fund receipts for the last fiscal year. Unless the commissioner determines that agency indirect cost receipts are a reimbursement for general fund expenditures, the receipts are appropriated to the agency to pay administrative expenses. However, the commissioner may, ~~for reasons of sound financial management,~~ waive the reimbursement under this subdivision for certain nongeneral fund receipts: but only under the following circumstances:

(1) where regulations or law do not allow for the payment of indirect costs;

(2) where funds held by the state are held in trust funds other than pension trust funds, gift funds, endowment funds, debt service funds, and bond proceeds funds;

(3) where the funds are pass-through grant money;

(4) where receipts are collected for workshops, seminars, or conferences; or

(5) where the amount is less than \$500.

The commissioner shall report all waivers in the next statewide indirect cost plan.

(b) There is annually appropriated from all direct appropriated nongeneral funds an amount sufficient to reimburse the general fund for statewide indirect costs.

Sec. 60. Minnesota Statutes 1988, section 16A.127, subdivision 8, is amended to read:

Subd. 8. [EXEMPTION.] This section does not apply to the community college system, state universities, or the state board of vocational technical education. ~~Except for federal funds, this section does not apply to the department of natural resources for agency indirect costs.~~

Sec. 61. Minnesota Statutes 1989 Supplement, section 16A.133, subdivision 1, is amended to read:

Subdivision 1. [PAYROLL DIRECT DEPOSIT AND DEDUCTIONS.] An agency head in the executive, judicial, and legislative branch ~~may~~ shall, upon written request signed by an employee, directly deposit all or part of an employee's pay in any credit union or financial institution, as defined in section 47.015, designated by the employee. An agency head may, upon written request of an employee, deduct from the pay of the employee a requested amount to be paid to the Minnesota benefit association, or to any organization contemplated by section 179A.06, of which the employee is a member, or to a company that has contracted to insure the employee for the medical costs of cancer or intensive care. If an employee is a member of or has accounts with more than one credit union or financial institution or more than one organization under section 179A.06, or is insured by more than one company, only one credit union or financial institution and one organization and one company may be paid money by direct deposit or by payroll deduction from the employee's pay.

Sec. 62. [16A.79] [MATCHING FEDERAL APPROPRIATIONS.]

Specific appropriations that are made to match federal appropriations shall be considered change requests in the following biennial budget submission if, during the biennium, the federal funding has been reduced or eliminated.

Sec. 63. 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) [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 sub-

division 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 by the state of other land or premises for the same use.

(d) [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) (e) [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) (f) [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.

Sec. 64. Minnesota Statutes 1989 Supplement, 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 may 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. 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 by the state of other land 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 may 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 by the state 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.

(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.

(d) (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. 65. Minnesota Statutes 1988, section 16B.24, is amended by adding a subdivision to read:

Subd. 11. [WINDOW DESIGN.] For state office space that is leased, purchased, or substantially remodeled after July 1, 1990, the commissioner shall require that not less than ten percent of the exterior windows in the office area open to the outside to allow for fresh air in work areas.

Sec. 66. Minnesota Statutes 1988, section 16B.24, is amended by adding a subdivision to read:

Subd. 12. [USE OF BUILDING MATERIALS CONTAINING MERCURY.] Effective July 1, 1990, the commissioner shall not allow the use of paints or light switches containing mercury in any replacement or remodeling work accomplished in state-owned or leased facilities governed by this section. In the event that replacement or remodeling of state-owned or leased facilities is accomplished by the use of a nonstate contractor or developer, the contract or lease agreement shall prohibit the use of paints or light switches containing mercury within the state-owned or leased areas.

Sec. 67. Minnesota Statutes 1989 Supplement, section 16B.465, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] The statewide telecommunications access routing system provides voice, data, video, and other telecommunications transmission services to state agencies, educational institutions, including private colleges, public corporations, and state political subdivisions. It is not a telephone company for purposes of chapter 237. It shall not resell or sublease any services or facilities to nonpublic entities except it may serve private colleges. The commissioner has the responsibility for planning, development, and operations of a statewide telecommunications

access routing system in order to provide cost-effective telecommunications transmission services to system users.

Sec. 68. 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, except that the commissioner and the commissioner's agents do not have authority to require grasshopper control measures on land under the jurisdiction of the commissioner of natural resources under section 84.033 or land owned by a nonprofit scientific or educational organization and maintained in a natural state. After consultation and cooperation with the state 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) 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.

(c) The commissioner in consultation with the commissioner of natural resources, 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.

(d) 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 (c) and (d).

(e) Before any grasshopper control measures, including spraying or the deposit of pelletized controls, are applied on or to public waterways, streams, or lakes, the commissioner shall seek the review and approval of the commissioner of natural resources.

Sec. 69. [43A.48] [CAREER DEVELOPMENT GRANTS.]

Subdivision 1. [AUTHORITY.] The commissioner of employee relations may make career development grants to state employees in the executive, judicial, or legislative branch who have at least three years of state service.

Subd. 2. [PURPOSE OF GRANTS.] The grants may be used to fund projects that examine government practices in Minnesota, other states, the United States, and foreign countries. The projects must be short-term and designed to investigate new methods for delivering state services.

Subd. 3. [AMOUNT OF GRANT MATCHING.] The maximum grant amount is \$3,000. The grant must be matched by the agency employing the grantee.

Subd. 4. [GRANT APPLICATIONS.] The commissioner must publicize the grant program to eligible grant applicants. The commissioner shall develop and make available a grant application form. Only persons applying for grants on the application form are eligible for grants.

Subd. 5. [GRANT CRITERIA.] The commissioner shall award grants to those projects which the commissioner decides have the best prospects for improving delivery of state services. The decision of the commissioner is final with no right of appeal.

Subd. 6. [INELIGIBLE PERSONS.] Employees of higher education systems who are eligible for sabbatical leaves and commissioners or directors of state agencies are not eligible for career development grants.

Subd. 7. [REPORT TO LEGISLATURE.] The commissioner shall report on the grant program to the legislature by January 15 of each odd-numbered year.

Sec. 70. Minnesota Statutes 1989 Supplement, section 84.928, subdivision 2, is amended to read:

Subd. 2. [OPERATION GENERALLY.] A person may not drive or operate an all-terrain vehicle:

(1) at a rate of speed greater than reasonable or proper under the surrounding circumstances;

(2) in a careless, reckless, or negligent manner so as to endanger or to cause injury or damage to the person or property of another;

(3) without headlight and taillight lighted at all times if the vehicle is equipped with headlight and taillight;

(4) without a functioning stoplight if so equipped;

(5) in a tree nursery or planting in a manner that damages or destroys growing stock;

(6) without a brake operational by either hand or foot;

(7) with more persons on the vehicle than it was designed for;

(8) at a speed exceeding ten miles per hour on the frozen surface of public waters within 100 feet of a person not on an all-terrain vehicle or within 100 feet of a fishing shelter; or

(9) to transport a firearm unless the firearm meets the restrictions defined in section 97B.045; or

(10) in a manner that violates operation rules adopted by the commissioner.

Sec. 71. Minnesota Statutes 1988, section 84.943, is amended to read:

84.943 [MINNESOTA CRITICAL HABITAT PRIVATE SECTOR MATCHING ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota critical habitat ~~private sector~~ matching account is established as a separate account in the reinvest in Minnesota resources fund established under section 84.95. The account shall be administered by the commissioner of natural resources as provided in this section.

Subd. 2. [FUNDING SOURCES.] The critical habitat ~~private sector~~ matching account shall consist of contributions from ~~private~~ nonstate sources and appropriations.

Subd. 3. [APPROPRIATIONS MUST BE MATCHED BY PRIVATE NONSTATE FUNDS.] Appropriations transferred to the critical habitat ~~private sector~~ matching account may be expended only to the extent that they are matched equally with contributions to the account from ~~private~~ nonstate sources or by funds contributed to the nongame wildlife management account. The private contributions may be made in cash or in contributions of land or interests in land that are designated by the commissioner of natural resources as program acquisitions. Appropriations transferred to the account

that are not matched within three years from the date of the appropriation shall cancel to the source of the appropriation. For the purposes of this section, the private contributions of land or interests in land shall be valued in accordance with their appraised value.

Subd. 4. [MANAGEMENT.] The critical habitat private sector matching account shall be managed to earn the highest interest compatible with prudent investment, preservation of principal, and reasonable liquidity. Unless an appropriation to the account reverts to its original source under subdivision 3, the principal and interest in the account remain in the account until expended as provided in this section.

Subd. 5. [PLEDGES AND CONTRIBUTIONS.] The commissioner of natural resources may accept contributions and pledges to the critical habitat ~~private sector~~ matching account. A pledge that is made contingent on an appropriation is acceptable and shall be reported with other pledges as required in this section. In the budget request for each biennium, the commissioner shall report the balance of contributions in the account and the amount that has been pledged for payment in the succeeding two calendar years.

Money in the account is appropriated to the commissioner of natural resources only for the direct acquisition or improvement of land or interests in land as provided in section 84.944. To the extent of available appropriations other than bond proceeds, the money matched to the nongame wildlife management account may be used for the management of nongame wildlife projects as specified in section 290.431. Acquisition includes: (1) purchase of land or an interest in land by the commissioner; or (2) acceptance by the commissioner of gifts of land or interests in land as program projects.

Sec. 72. Minnesota Statutes 1988, section 92.67, subdivision 5, is amended to read:

Subd. 5. [TERMS OF SALE.] For the sale of the public lands under this section, the purchaser shall pay the state ten percent of the purchase price at the time of the sale. The balance must be paid in no more than 20 equal annual installments. The interest rate on the remaining balance shall be at the rate in effect used by the Federal Home Loan Bank Board at the time of the sale under section 549.09.

Sec. 73. Minnesota Statutes 1989 Supplement, section 97A.475, subdivision 2, is amended to read:

Subd. 2. [RESIDENT HUNTING.] Fees for the following licenses, to be issued to residents only, are:

- (1) for persons under age 65 to take small game, \$10;

- (2) for persons age 65 or over, \$5;
- (3) to take turkey, \$14;
- (4) to take deer with firearms, \$22;
- (5) family license to take deer with firearms, \$84;
- ~~(6)~~ to take deer by archery, \$22;
- ~~(7)~~ (6) to take moose, for a party of not more than four persons, \$275;
- ~~(8)~~ (7) to take bear, \$33; and
- ~~(9)~~ (8) to take elk, for a party of not more than two persons, \$220.

Sec. 74. 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 cents per 1,000 gallons until December 31, 1991;

~~(2)~~ 10.0 cents for per 1,000 gallons from January 1, 1992 1990, until December 31, 1996; and

~~(3)~~ (2) 15.0 cents per 1,000 gallons after beginning January 1, 1997.

(c) The fee is payable based on the amount of water permitted during the year and in no case may the fee be less than \$25.

(d) Failure to pay the fee is sufficient cause for revoking a permit.

Sec. 75. Minnesota Statutes 1989 Supplement, section 115A.54, subdivision 2a, is amended to read:

Subd. 2a. [SOLID WASTE MANAGEMENT PROJECTS.] (a) The board shall provide technical and financial assistance for the acquisition and betterment of solid waste management projects as provided in this subdivision and section 115A.52. Money appropriated for the purposes of this subdivision must be distributed as grants.

(b) Except as provided in paragraph (c), a project may receive grant assistance up to 25 percent of the capital cost of the project or \$2,000,000, whichever is less, except that projects constructed as a result of intercounty cooperative agreements may receive (1) grant assistance up to 25 percent of the capital cost of the project; or (2) \$2,000,000 times the number of participating counties, whichever is less.

(c) A recycling project or a project to compost or 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, except that projects completed as a result of intercounty cooperative agreements may receive (1) grant assistance up to 50 percent of the capital cost of the project; or (2) \$2,000,000 times the number of participating counties, whichever is less.

(d) Notwithstanding paragraph (e), the agency 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, 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 shall adopt rules for the program by July 1, 1985.

Sec. 76. Minnesota Statutes 1989 Supplement, section 115A.923, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF PROCEEDS.] ~~After reimbursement to the department of revenue for costs incurred in administering this section,~~ The proceeds of the fees imposed under this section, including interest and penalties, must be deposited as follows:

(1) three-quarters of the proceeds must be deposited in the greater Minnesota landfill maintenance fund; and

(2) one-quarter of the proceeds must be deposited in the greater Minnesota landfill contingency action fund.

Sec. 77. 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. 78. [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 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. [EIS REQUIRED.] The pollution control 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. 79. Minnesota Statutes 1988, section 116.65, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION.] Sufficient funds are appropriated from the vehicle emission inspection account to the agency for the reimbursement of obligations incurred by the inspection maintenance operator during the initial contract period for the contract entered into under section 116.62, subdivision 3. By the end of the initial contract entered by the agency under section 116.62, subdivision 3, the amounts appropriated from the motor vehicle transfer fund to the vehicle emission inspection account must be repaid to the transfer fund, and the amounts necessary for this repayment are appropriated from the vehicle emission inspection account.

Sec. 80. Minnesota Statutes 1989 Supplement, section 116.85, is amended to read:

116.85 [MONITORS REQUIRED FOR INCINERATORS.]

Subdivision 1. [EMISSION MONITORS.] Notwithstanding any other law to the contrary, an incinerator permit that contains emission limits for dioxin, cadmium, chromium, lead, or mercury must, as a condition of the permit, require the installation of an air emission monitoring system approved by the commissioner. The monitoring system must provide continuous measurements to ensure optimum combustion efficiency for the purpose of ensuring optimum dioxin destruction. The system shall also be capable of providing a permanent record of monitored emissions that will be available upon request to the commissioner and the general public. The commissioner shall provide periodic inspection of the monitoring system to determine its continued accuracy. The facility must conduct periodic stack testing for mercury at intervals not to exceed 90 days. Refuse-derived fuel facilities must conduct periodic stack testing for mercury at intervals not to exceed 15 months unless a previous test showed a permit exceedance after which the agency may require quarterly testing until permit requirements are satisfied.

Subd. 2. [CONTINUOUSLY MONITORED EMISSIONS.] Should, at any time after normal startup, the permitted facility's continuously monitored emissions exceed permit requirements, based on accurate and valid emissions data, the facility shall immediately report the exceedance to the commissioner and immediately either commence appropriate modifications to the facility to ensure its ability to meet permitted requirements or commence shutdown if the modifications cannot be completed within 72 hours. Compliance with permit requirements must then be demonstrated based on additional testing.

Subd. 3. [PERIODICALLY TESTED EMISSIONS.] Should, at any time after normal startup, the permitted facility's periodically tested emissions exceed permit requirements based on accurate and valid emissions data, the facility shall immediately report the exceedance to the commissioner, and the commissioner shall direct

the facility to commence appropriate modifications to the facility to ensure its ability to meet permitted requirements within 30 days, or to commence appropriate testing for a maximum period of 30 days to assure compliance with applicable permit limits. If the commissioner determines that compliance has not been achieved after 30 days, then the facility shall shut down until compliance with permit requirements is demonstrated based on additional testing. This section shall not be construed to limit the authority of the agency to regulate incinerator operations under any other law.

Sec. 81. [116.87] [CARBON DIOXIDE; LEGISLATIVE INTENT.]

The legislature recognizes that waste carbon dioxide emissions, primarily from transportation and industrial sources, are a primary component of the global greenhouse effect that warms the earth's atmosphere and will result in untold and irreparable damage to the agricultural, water, forest, and wildlife resources of the state. The legislature further recognizes that trees are a major factor in keeping the earth's carbon cycle balanced, and planting trees and perennial shrubs and vines recycles carbon downward from the atmosphere.

Sec. 82. Minnesota Statutes 1988, section 116D.04, subdivision 5a, is amended to read:

Subd. 5a. The board shall, by January 1, 1981, promulgate rules in conformity with this chapter and the provisions of chapter 15, establishing:

- (a) The governmental unit which shall be responsible for environmental review of a proposed action;
- (b) The form and content of environmental assessment worksheets;
- (c) A scoping process in conformance with subdivision 2a, clause (e);
- (d) A procedure for identifying during the scoping process the permits necessary for a proposed action and a process for coordinating review of appropriate permits with the preparation of the environmental impact statement;
- (e) A standard format for environmental impact statements;
- (f) Standards for determining the alternatives to be discussed in an environmental impact statement;
- (g) Alternative forms of environmental review which are acceptable pursuant to subdivision 4a;

(h) A model ordinance which may be adopted and implemented by local governmental units in lieu of the environmental impact statement process required by this section, providing for an alternative form of environmental review where an action does not require a state agency permit and is consistent with an applicable comprehensive plan. The model ordinance shall provide for adequate consideration of appropriate alternatives, and shall ensure that decisions are made in accordance with the policies and purposes of Laws 1980, chapter 447;

(i) Procedures to reduce paperwork and delay through intergovernmental cooperation and the elimination of unnecessary duplication of environmental reviews;

(j) Procedures for expediting the selection of consultants by the governmental unit responsible for the preparation of an environmental impact statement; and

(k) Any additional rules which are reasonably necessary to carry out the requirements of this section.

The legislature, by concurrent resolution, may request the board to order a generic environmental impact statement of a proposed action.

Sec. 83. Minnesota Statutes 1988, section 116D.04, subdivision 10, is amended to read:

Subd. 10. Decisions on the need for an environmental assessment worksheet, the need for an environmental impact statement and the adequacy of an environmental impact statement may be reviewed by a declaratory judgment action in the district court of the county wherein the proposed action, or any part thereof, would be undertaken, except that decisions by state agencies may be reviewed by the court of appeals under sections 14.63 to 14.69. Judicial review under this section shall be initiated within 30 days after the governmental unit makes the decision, and a bond may be required under section 562.02 unless at the time of hearing on the application for the bond the plaintiff has shown that the claim has sufficient possibility of success on the merits to sustain the burden required for the issuance of a temporary restraining order. Nothing in this section shall be construed to alter the requirements for a temporary restraining order or a preliminary injunction pursuant to the Minnesota rules of civil procedure for district courts. The board may initiate judicial review of decisions referred to herein and may intervene as of right in any proceeding brought under this subdivision.

Sec. 84. Minnesota Statutes 1988, section 116D.045, subdivision 3, is amended to read:

Subd. 3. The responsible governmental unit shall assess the project proposer for reasonable costs in preparing and distributing the environmental impact statement and the proposer shall pay the assessed cost to the responsible governmental unit. All money received pursuant to this subdivision shall be deposited in the general special revenue fund and is appropriated to responsible agencies for costs associated with environmental impact statements required under section 116D.04. Money received under this subdivision by a responsible governmental unit that is not a state agency may be retained by the unit for the same purposes.

Sec. 85. Minnesota Statutes 1989 Supplement, section 116J.01, subdivision 3, is amended to read:

Subd. 3. [DEPARTMENTAL ORGANIZATION.] The commissioner shall organize the department as provided in section 15.06. The department must be organized into four divisions, designated as the business promotion and marketing division, the community development division, the policy analysis and science and technology division, and the Minnesota trade division; ~~and; the office of tourism; and the amateur sports commission.~~ Each division ~~and,~~ office, ~~and~~ commission shall administer the duties and functions assigned to it by law. When the duties of the divisions ~~or,~~ office, ~~or~~ commission are not allocated by law, the commissioner may establish and revise the assignments of each division ~~and,~~ office, ~~or~~ commission. Each division is under the direction of a deputy commissioner in the unclassified service. The deputy commissioner of the Minnesota trade division must be experienced and knowledgeable in matters of international trade.

~~Each~~ The office is under the direction of a director in the unclassified service.

Sec. 86. Minnesota Statutes 1988, section 116J.971, is amended by adding a subdivision to read:

Subd. 1a. [DUTIES OF COMMISSIONER.] The commissioner shall have the following duties relating to science and technology:

(1) prepare and deliver to the legislature every January 15, a science and technology annual report that shall contain:

(i) a list of the scientifically and technologically related research and development projects and development activities funded by a grant or loan of state money;

(ii) guidelines that the legislature may use in allocating state grant or loan money for scientifically and technologically related research and development projects, to include assessments of emerg-

ing technologies and those technologies that provide significant promise for the development of job-creating businesses; and

(iii) an analysis of the efficacy and completeness of the decentralized research peer review processes mandated in subdivision 6, with special emphasis on whether or not scientifically and technologically related research and development projects in Minnesota are in conformance with the guidelines established in subdivision 6, and whether or not the scientifically and technologically related research and development projects have or will result in creating scientifically and technologically related jobs;

(2) keep a current roster of technology intensive businesses in the state; and

(3) collect and disseminate information on financial, technical, marketing, management, and other services available to technology intensive small and emerging businesses, including potential sources of debt and equity capital.

Sec. 87. Minnesota Statutes 1989 Supplement, section 116J.971, subdivision 6, is amended to read:

Subd. 6. [PEER REVIEW PLANS.] A state agency, board, commission, authority, institution or other entity, including the Greater Minnesota Corporation, that allocates state money by a grant, loan, or contract for scientifically and technologically related research shall establish a peer review system to evaluate the research. ~~The committee on policy analysis and science and technology research and development division shall recommend guidelines for establishing effective peer review. An agency, board, commission, authority, or institution that funds scientifically and technologically related research shall, at least biennially, present to the committee on office of policy analysis and science and technology research and development or to ad hoc committees division, as determined by the committee on science and technology research and development deputy commissioner, a review and evaluation of the peer review process used in that organization.~~

Sec. 88. Minnesota Statutes 1989 Supplement, section 116J.971, subdivision 7, is amended to read:

Subd. 7. [AUTHORITY TO PERFORM REQUESTED EVALUATIONS.] The governor, commissioner, speaker of the house of representatives, house of representatives minority leader, senate majority leader, senate minority leader, chair of the house of representatives appropriations committee, chair of the senate finance committee, or a member of the legislature considering the introduction or approval of legislation containing funding for scientifically and technologically related research and development, may request the ~~committee on policy analysis and science and technology research and devel-~~

opment division to evaluate a loan or grant made or to be made or the proposed legislation for funding scientifically and technologically related research and development to determine (1) whether it complies with the guidelines required by section 116J.970 subdivision 1a, clause (2) (1), item (ii); (2) whether it is technically feasible; and (3) for development proposals, whether the proposal appears to have the potential for economic development. Ad hoc committees may be appointed by the committee on science and technology research and development to perform these reviews.

Sec. 89. Minnesota Statutes 1989 Supplement, section 116J.971, subdivision 8, is amended to read:

Subd. 8. [AUTHORITY FOR REVIEW AND COMMENT UPON RESEARCH AND DEVELOPMENT PROGRAMS.] Each agency, board, commission, authority, institution or other entity, including the Greater Minnesota Corporation, that allocates state money by a grant, loan, or a contract for scientifically and technologically related research and development must notify the commissioner within 60 days of making a loan or grant for scientifically or technologically related research and development. The notice shall contain a summary of the nature of and significant objectives of the research and development project funded by a grant or loan. The notice must also include information on the size and timing of previous grants or loans and anticipated additional funding needs. The committee on science and technology research and development commissioner shall, at least once each biennium, review scientifically and technologically related research funded by a state agency, board, commission, authority, institution or other entity, including the Greater Minnesota Corporation, to assess whether or not the research and development is conducted in accordance with the guidelines required by section 116J.970 subdivision 1a, clause (2) (1), item (ii). The committee's commissioner's assessment shall be sent to the legislature on or before January 15 of every odd-numbered year.

Sec. 90. Minnesota Statutes 1988, section 116J.980, is amended to read:

116J.980 [COMMUNITY DEVELOPMENT DIVISION.]

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

(1) be responsible for administering all state community development and assistance programs, including the economic recovery fund, the outdoor recreation grant program, the rural development board programs, the community development corporation program, the urban revitalization program, the Minnesota public facilities

authority loan and grant programs, and the enterprise zone program;

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

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

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

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

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

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

Subd. 3. [REVIEW REQUIRED FOR HOUSING-RELATED GRANTS.] The commissioner may not award a housing-related grant under the small cities community development block grant program under section 116J.401 unless the grant application has been reviewed by the commissioner of the Minnesota housing finance agency.

Sec. 91. [116J.987] [CHALLENGE GRANT PROGRAMS.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section the following terms have the meaning given them:

(a) "Local governmental unit" means a home rule charter or statutory city when the project is located in an incorporated area, a county when the project is located in an unincorporated area, or an American Indian tribal council when the project is located within a federally recognized American Indian reservation or community.

(b) "Low income" means equal to or below the nonmetropolitan median household income.

(c) "Principally" means more than half.

(d) "Regional organization" or "organization" means an organization selected under subdivision 4.

(e) "Rural" means the area of Minnesota located outside of the metropolitan area as defined in section 473.121, subdivision 2.

Subd. 2. [ORGANIZATION.] The commissioner shall make challenge grants to regional organizations to encourage private investment, to provide jobs for low-income persons, and to promote economic development in the rural areas of the state.

Subd. 3. [FUNDING REGIONS.] The commissioner shall divide the state outside of the metropolitan area as defined in section 473.121, subdivision 2, into six regions. A region's boundaries must be coterminous with the boundaries of one or more of the development regions established under section 462.385. The board shall designate up to \$1,000,000 for each region, to be awarded over a period of three years. The money designated to each region must be used for revolving loans authorized in this section.

Subd. 4. [SELECTION OF ORGANIZATIONS TO RECEIVE CHALLENGE GRANTS.] The commissioner shall select at least one organization for each region to receive the challenge grants and shall enter into grant agreements with the organizations. An organization must be a nonprofit corporation and must demonstrate that:

(1) its board of directors includes citizens experienced in rural development, representatives of the regional development commissions, and representatives from all geographic areas in the region;

(2) it has the technical skills to analyze projects;

(3) it is familiar with other available public and private funding sources and economic development programs;

(4) it can initiate and implement economic development projects;
and

(5) it can establish and administer a revolving loan fund.

Subd. 5. [REVOLVING LOAN FUND.] A regional organization shall establish a revolving loan fund certified by the commissioner to provide loans to new and expanding businesses in rural Minnesota to promote economic development. Eligible business enter-

prises include technologically innovative industries, value-added manufacturing, agriprocessing, information industries, and agricultural marketing. Loan applications given preliminary approval by the organization must be forwarded to the commissioner for final approval. The amount of state money allocated for each loan is appropriated from the rural rehabilitation account established in section 116J.955 to the organization's regional revolving loan fund when the commissioner gives final approval for each loan. The amount of money appropriated from the rural rehabilitation account may not exceed 50 percent for each loan. The amount of nonpublic money must equal at least 50 percent for each loan.

Subd. 6. [LOAN CRITERIA.] The following criteria apply to loans made under the challenge grant program:

(1) loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the challenge grant program;

(2) a loan must be used for a project designed principally to benefit low-income persons through the creation of job opportunities for them. Among loan applicants, priority must be given on the basis of the number of permanent jobs created or retained by the project and the proportion of nonstate money leveraged by the revolving loan;

(3) the minimum loan is \$5,000 and the maximum loan is \$100,000;

(4) with the approval of the commissioner, a loan may be used to provide up to 50 percent of the private investment required to qualify for a grant from the economic recovery fund;

(5) a loan may not exceed 50 percent of the total cost of an individual project;

(6) a loan may not be used for a retail development project; and

(7) a business applying for a loan must be sponsored by a resolution of the governing body of the local governmental unit within whose jurisdiction the project is located.

Subd. 7. [REVOLVING FUND ADMINISTRATION.] (a) The commissioner shall establish a minimum interest rate for loans to ensure that necessary management costs are covered.

(b) Loan repayment amounts equal to one-half of the principal and interest must be deposited in the rural rehabilitation account for challenge grants to the region from which the money was originally designated. The remaining amount of the loan repayment may be deposited in the regional revolving loan fund for further distribution

by the regional organization, consistent with the loan criteria specified in subdivisions 5 and 6.

(c) The first \$1,000,000 of revolving loans for each region must be matched by nonstate sources. The matching requirement does not apply to loans made under subdivision 7, paragraph (b).

(d) Administrative expenses of each organization may be paid out of the interest earned on loans.

Subd. 8. [RULES.] The commissioner shall adopt rules to implement the duties specified in this section.

Subd. 9. [LOCAL GOVERNMENTAL UNIT LOANS.] A local governmental unit may receive a loan under this section if the local governmental unit has established a local revolving loan fund and can provide at least an equal match to the loan received from a regional organization. For the purpose of providing the match to establish the local revolving loan fund, the local governmental unit may use any unencumbered money in the general fund of the local government unit. Revenues from tax increments derived from a district located within the boundaries of the local governmental unit may be used to fund a second local revolving loan fund only if (1) those revenues are loaned in a manner authorized in the district's tax increment financing plan to a business located within the tax increment district, and (2) the revenues are deposited in a loan fund that is separate from the loan fund in which general fund money is established. The local governmental unit may deposit up to \$50,000 of local public money in each of the local revolving funds that may be established under this subdivision. The maximum loan available to a local governmental unit under this section is \$50,000. The money loaned to a local governmental unit by a regional organization must be matched by the local revolving loan fund and used to provide loans to businesses to promote local economic development. One-half of the money loaned to a local governmental unit under this section by a regional organization must be repaid to the rural rehabilitation account. One-half of the money may be retained by the local governmental unit's revolving loan fund for further distribution by the local governmental unit.

Subd. 10. [REGIONAL COOPERATION.] An organization that receives a challenge grant shall cooperate with other regional organizations, including regional development commissions, community development corporations, community action agencies, and the Minnesota small business development centers and satellites, in carrying out challenge grant program and technical assistance responsibilities.

Subd. 11. [REPORTING REQUIREMENTS.] An organization that receives a challenge grant shall:

(1) submit an annual report to the commissioner by February 15 of each year that includes a description of projects supported by the challenge grant program, an account of loans made during the calendar year, the source and amount of money collected and distributed by the challenge grant program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the commissioner.

Subd. 12. [ACCOUNT ALLOCATION.] The commissioner shall make a one-time allocation of \$6,000,000 from the rural rehabilitation account to be used for the challenge grant program.

Sec. 92. [116J.988] [RURAL REHABILITATION PILOT PROJECT PROGRAM.]

The commissioner shall establish a rural rehabilitation pilot project program to award up to \$500,000 from the rural rehabilitation account in grants to public, nonprofit, or private organizations to support farm-related pilot projects for rural development. Projects must be designed to principally benefit low-income persons. The commissioner shall adopt rules to implement the rural rehabilitation pilot project program.

Sec. 93. Minnesota Statutes 1989 Supplement, section 116L.03, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT.] The Minnesota job skills partnership board consists of: eight members appointed by the governor, the commissioner of trade and economic development, the commissioner of jobs and training, and the state director of vocational technical education executive director of the higher education coordinating board.

Sec. 94. Minnesota Statutes 1988, section 116L.03, is amended by adding a subdivision to read:

Subd. 8. [REIMBURSEMENT.] Citizen board members shall be reimbursed for expenses according to section 15.0575.

Sec. 95. Minnesota Statutes 1988, section 116P.11, is amended to read:

116P.11 [AVAILABILITY OF FUNDS FOR DISBURSEMENT.]

(a) The amount biennially available from the trust fund for the budget plan developed by the commission consists of the interest

earnings generated from the trust fund generated in the preceding two fiscal years ending on the even-numbered year.

(b) For funding projects through fiscal year 1997, the following additional amounts are available from the trust fund for the budget plans developed by the commission:

(1) for the 1991-1993 biennium, up to 25 percent of the revenue deposited in the trust fund in fiscal years ~~1989~~ 1990 and ~~1990~~ 1991;

(2) for the 1993-1995 biennium, up to 20 percent of the revenue deposited in the trust fund in fiscal year 1991 and up to 15 percent of the revenue deposited in the fund in fiscal year 1992; and

(3) for the 1995-1997 biennium, up to ten percent of the revenue deposited in the fund in fiscal year 1993 and up to five percent of the revenue deposited in the fund in fiscal year 1994.

(c) Any appropriated funds not encumbered in the biennium in which they are appropriated cancel and must be credited to the principal of the trust fund.

Sec. 96. [174.52] [OFFICE OF TOURISM.]

Notwithstanding any law to the contrary, the department of transportation shall provide space free of charge to the office of tourism for travel information centers. The department of transportation shall provide highway maps free of charge for use and distribution through the travel information centers. The department of transportation shall not charge the office of tourism for any regular expenses associated with the operation of the travel information centers.

Sec. 97. Minnesota Statutes 1988, section 184.33, subdivision 1, is amended to read:

Subdivision 1. The department shall issue a license as an employment agent, employment agency manager or counselor to any person who qualifies for such license under the terms of sections 184.21 to 184.40. The department may refuse to issue an employment agency license whenever, after due investigation, the department finds that the character of the applicant makes the applicant unfit to be an employment agent, or when the premises for conducting the business of an employment agent is found upon investigation to be unfit for such use. No agency license shall be issued to any person, firm, corporation or association that has, within the past three years, been convicted in any court of fraud or felony. No license shall be issued to any attorney whose license to practice law has been suspended or revoked, for a period of three years after the date of such suspension or revocation. The department may refuse to

issue a license to any person ~~or may suspend or revoke the license of~~ any employment agent, employment agency manager, or counselor when it finds that any of the following conditions exist:

(a) That the employment agent or counselor has violated any condition of the bond required by sections 184.21 to 184.40;

(b) That the person, employment agent or counselor has personally engaged in a fraudulent, deceptive, or dishonest practice;

(c) That the person, employment agent or counselor has violated any provisions of sections 184.21 to 184.40;

(d) That the person, employment agent or counselor has been legally adjudicated incompetent and has not been restored to capacity.

Sec. 98. Minnesota Statutes 1988, section 184.33, is amended by adding a subdivision to read:

Subd. 3. [REVOCATION.] A license is automatically revoked upon the license holder's second criminal conviction for a violation of sections 184.21 to 184.40 within any five year period.

Sec. 99. Minnesota Statutes 1988, section 184.35, is amended to read:

184.35 [APPEAL TO DISTRICT COURT.]

If the department refuses to grant a license, ~~or suspends or revokes a license that has been granted,~~ the applicant shall have the right of appeal to the district court of the county of the applicant's residence; and in the event the applicant is a nonresident of the state, then to the district court for Ramsey county. Such court shall advance such causes on their calendars for early disposition; and in counties having continuous sessions of court, the same shall be heard within 20 days after such appeal shall have been perfected. Such appeal shall be perfected by the service of a written notice of appeal upon the commissioner within 60 days after notice to the applicant of the department's action.

Sec. 100. Minnesota Statutes 1988, section 190.08, is amended by adding a subdivision to read:

Subd. 4a. [EXECUTIVE DIRECTOR.] The adjutant general may appoint an executive director of the department of military affairs. The executive director shall serve at the pleasure of the adjutant general.

Sec. 101. Minnesota Statutes 1989 Supplement, section 190.25, subdivision 3, is amended to read:

Subd. 3. The adjutant general is authorized to sell in the manner provided by law any or all

(1) land, and

(2) timber, growing crops, buildings, and other improvements, if any, situated upon the lands land,

acquired under the authority of subdivision 1 or which may hereafter comprise the Camp Ripley military field training center and not needed for military training purposes. The proceeds of any sales shall be deposited in the general fund. The adjutant general may use funds that are directly appropriated for the acquisition of land, the payment of expenses of forest management on land forming the Camp Ripley military reservation, and the provision of an enlisted person's service center.

Sec. 102. Minnesota Statutes 1988, section 240A.02, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP; COMPENSATION; CHAIR.] The Minnesota amateur sports commission consists of nine voting members, four of whom must be experienced in promoting amateur sports, appointed by the governor to three-year terms. Two legislators, one from each house appointed according to its rules, shall be nonvoting members including the commissioner of the department of trade and economic development or a designee and eight members appointed by the governor, at least four of whom must be experienced in promoting amateur sports. Terms, compensation, and removal of members and the filling of membership vacancies are as provided in section 15.0575, except that a member may be reappointed. The governor commission shall appoint the choose a chair and vice-chair of the commission after consideration of the commission's recommendation.

Sec. 103. Minnesota Statutes 1988, section 240A.02, subdivision 3, is amended to read:

Subd. 3. [STAFF] The commission shall appoint an executive director, who may hire other employees authorized by the commission recommend to the commissioner a list of three people, one of whom shall be appointed the executive director. The executive director and any other employees are in the shall serve in the unclassified service under section 43A.08.

Sec. 104. Minnesota Statutes 1988, section 240A.03, subdivision 13, is amended to read:

Subd. 13. [NONPROFIT CORPORATIONS AND FOUNDATIONS.] The commission, and any other state office, agency, or board owning or operating a sport facility designated as an official training center by the national governing body of that sport, may establish nonprofit corporations and charitable foundations. Members and employees of the commission may not serve on the governing board or accept a position of fiscal responsibility with a nonprofit corporation or foundation created by the commission. The commission shall establish formal written agreements with nonprofit corporations and foundations when exchanging services or offering support. The commission may not maintain accounts or collect receipts for nonprofit corporations or foundations.

Sec. 105. Minnesota Statutes 1988, section 240A.03, is amended by adding a subdivision to read:

Subd. 13a. [DEBTS.] The commission may not enter into an agreement which would obligate the state to pay any part of a debt incurred by a public or private facility, nonprofit corporation, foundation, organization, or attraction.

Sec. 106. [240A.08] [AGREEMENTS OBLIGATING STATE.]

The amateur sports commission may not enter into an agreement obligating it or the state to share in the operation of any amateur sports facility. The commission may not enter into any agreement that would commit the commission or the state into sharing in the profit or loss of any amateur sports facility. This section does not apply to the national sports center at Blaine.

Sec. 107. [256.4825] [OFFICE ON DISABILITY AND DEVELOPMENTAL DISABILITY.]

Subdivision 1. [ESTABLISHMENT OF OFFICE.] There is established the office on disability and developmental disability that shall consist of the council on disability and developmental disability. The office shall exercise those functions specified in this section and the duties previously performed by the technology council for people with disabilities and the state council on disabilities that are abolished. The council on disability and developmental disability shall consist of 21 members appointed by the governor. Members shall be appointed from the general public and from organizations that provide services for persons who have a disability. A majority of council members shall be persons with a disability or parents or guardians of persons with a disability. There shall be at least one member of the council appointed from each of the state development regions. The commissioners of the departments of education, human services, health, jobs and training, and human rights and the directors of the division of rehabilitation services and state services for the blind or their designees shall serve as ex officio members of the council without vote. In addition, the council may appoint ex

office members from other bureaus, divisions, or sections of state departments that are directly concerned with the provision of services to persons with a disability.

Terms, compensation, and removal of all members shall be as provided in section 15.059 except that no member may serve more than two consecutive four-year terms.

The council shall elect a chair and vice-chair. The chair and vice-chair shall be elected for two-year terms at the first meeting of the council in the even-numbered fiscal year.

Subd. 2. [EXECUTIVE DIRECTOR; STAFF.] The governor shall appoint the executive director of the office on disability and developmental disability. The executive director shall be in the unclassified service of the state and shall provide administrative support and leadership to implement mandates, policies, and objectives. The executive director shall employ and direct staff authorized according to federal and state laws. All staff will serve in the unclassified service of the state. Salaries shall be established under chapter 43A.

Subd. 3. [RECEIPT OF FUNDS.] Whenever any person, firm, corporation, or the federal government offers to the office funds by the way of gift, grant, or loan, for purposes of assisting the council to carry out its powers and duties, the council may accept the offer by majority vote and, upon acceptance, the chair shall receive the funds subject to the terms of the offer. However, no money shall be accepted or received as a loan nor shall any indebtedness be incurred except in the manner and under the limitations otherwise provided by law.

Subd. 4. [ORGANIZATION; COMMITTEES.] The council on disability and developmental disability shall organize itself in conformity with its responsibilities under this section and shall establish committees that give detailed attention to the special needs of each category of persons who have a disability. The council shall establish at least two committees, one on developmental disabilities and a second on technology for people with disabilities. The members of the committees shall be designated by the chair with the approval of a majority of the council.

Subd. 5. [DUTIES AND POWERS.] The office shall have the following duties and powers:

(1) to advise and otherwise aid the governor; appropriate state agencies, including but not limited to the departments of education, human services, jobs and training, and human rights and the divisions of rehabilitation services and services for the blind; the state legislature; and the public on matters pertaining to public policy and the administration of programs, services, and facilities for persons who have a disability in Minnesota;

(2) to encourage and assist in the development of coordinated, interdepartmental goals and objectives and the coordination of programs, services, and facilities among all state departments and private providers of service as they relate to persons with a disability;

(3) to serve as a source of information to the public regarding all services, programs, and legislation pertaining to persons with a disability;

(4) to review and make comment to the governor, state agencies, the legislature, and the public concerning adequacy of state programs, plans and budgets for services to persons with a disability and for funding under the various federal grant programs;

(5) to research, formulate, and advocate plans, programs, and policies which will serve the needs of persons who are disabled;

(6) to advise the departments of labor and industry and jobs and training on the administration and improvement of the workers' compensation law as it relates to programs, facilities, and personnel providing assistance to workers who are injured and disabled;

(7) to advise the workers' compensation division of the department of labor and industry and the workers' compensation court of appeals as to the necessity and extent of any alteration or remodeling of an existing residence or the building or purchase of a new or different residence which is proposed by a licensed architect under section 176.137;

(8) to initiate or seek to intervene as a party in any administrative proceeding and judicial review thereof to protect and advance the right of all persons who are disabled to an accessible physical environment as provided in section 16B.67; and

(9) to initiate or seek to intervene as a party in any administrative or judicial proceeding which concerns programs or services provided by public or private agencies or organizations and which directly affects the legal rights of persons with a disability.

Subd. 6. [TECHNOLOGY FOR PEOPLE WITH DISABILITIES.] The office has the following duties related to technology for people with disabilities:

(1) to identify individuals with disabilities, including individuals from underserved groups, who reside in the state and conduct an ongoing evaluation of their needs for technology-related assistance;

(2) to identify and coordinate state policies, resources, and services relating to the provision of assistive technology devices and

assistive technology services to individuals with disabilities, including entering into interagency agreements;

(3) to provide assistive technology devices and assistive technology services to individuals with disabilities and payment for the provision of assistive technology devices and assistive technology services;

(4) to disseminate information relating to technology-related assistance and sources of funding for assistive technology devices and assistive technology services to individuals with disabilities, the families or representatives of individuals with disabilities, individuals who work for public agencies, and private entities that have contact with individuals with disabilities, including insurers, employers, and other appropriate individuals;

(5) to provide training and technical assistance relating to assistive technology devices and assistive technology services to individuals with disabilities, the families or representatives of individuals with disabilities, individuals who work for public agencies, and private entities that have contact with individuals with disabilities, including insurers, employers, and other appropriate individuals;

(6) to conduct a public awareness program focusing on the efficacy and availability of assistive technology devices and assistive technology services for individuals with disabilities;

(7) to assist statewide and community-based organizations or systems that provide assistive technology services to individuals with disabilities;

(8) to support the establishment or continuation of partnerships and cooperative initiatives between the public sector and the private sector;

(9) to develop standards, or where appropriate, apply existing standards to ensure the availability of qualified personnel for assistive technology devices;

(10) to compile and evaluate appropriate data relating to the program; and

(11) to establish procedures providing for the active involvement of individuals with disabilities, the families or representatives of the individuals, and other appropriate individuals in the development and implementation of the program, and for individuals with disabilities who use assistive technology devices and assistive technology services, for their active involvement, to the maximum extent appropriate in decisions relating to the assistive technology devices and assistive technology services.

Subd. 7. [COLLECTION OF FEES.] The council may establish and collect fees for documents or technical services provided to the public. The fees shall be set at a level to reimburse the office for the actual cost incurred in providing the document or service. All fees collected shall be deposited into the state treasury and credited to the general fund.

Subd. 8. [PERSONS WITH DEVELOPMENTAL DISABILITIES.] The office shall have the following duties and powers with respect to persons with developmental disabilities:

- (1) assist persons with developmental disabilities;
- (2) be the state agency responsible for establishment, monitoring, and evaluation of a state plan for assisting persons with developmental disabilities;
- (3) review state service plans for persons who are developmentally disabled;
- (4) be the designated state agency to apply for, receive, accept, and expend federal funds for assistance to persons with developmental disabilities.

Sec. 108. 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 or request the attorney general 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; if the commissioner refers a prosecution to a county attorney, and the county attorney fails to initiate the prosecution within 30 days, the attorney general may initiate the prosecution;

(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 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;

(14) promulgate rules having the force and effect of law, for the administration and enforcement of the property tax;

(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;

(16) administer and enforce the provisions of sections 325D.30 to 325D.42, the Minnesota unfair cigarette sales act; and

(17) authorize the use of unmarked motor vehicles to conduct seizures or criminal investigations pursuant to the commissioner's authority.

Sec. 109. Minnesota Statutes 1989 Supplement, section 270.064, is amended to read:

270.064 [REQUESTING ASSISTANCE IN CRIMINAL TAX INVESTIGATIONS.]

If the commissioner of revenue has reason to believe that a criminal violation of the state tax laws or chapter 349 has occurred, the commissioner may request the attorney general or the prosecuting authority of any county to assist in a criminal tax investigation and may disclose return information to the prosecuting authority relevant to the investigation.

Sec. 110. 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, within five years after the date of assessment of the tax, 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 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, the taxpayer shall file a verified answer with the court administrator setting forth objections to the claim, or any part thereof; the answer shall be filed 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 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. If a proceeding is referred to a county attorney, and the county attorney fails to act on the matter within 30 days, the attorney general may conduct the proceeding. 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. 111. Minnesota Statutes 1988, section 272.38, subdivision 1, is amended to read:

Subdivision 1. [TAXES TO BE FIRST PAID.] No structures, standing timber, minerals, sand, gravel, peat, subsoil, or topsoil shall be removed from any tract of land until all the taxes assessed against such tract and due and payable shall have been fully paid and discharged. When the commissioner of finance or the county auditor has reason to believe that any such structure, timber, minerals, sand, gravel, peat, subsoil, or topsoil will be removed from such tract before such taxes shall have been paid, either may direct the county attorney or the attorney general to bring suit in the name of the state to enjoin any and all persons from removing such structure, timber, minerals, sand, gravel, peat, subsoil, or topsoil therefrom until such taxes are paid. No bond shall be required of plaintiff in such suit.

Sec. 112. 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. 113. 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 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. 114. 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. 115. Minnesota Statutes 1988, section 296.12, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL FUEL DEALERS' LICENSE REQUIREMENTS.] 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. 116. 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. 117. 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. 118. 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. 119. Minnesota Statutes 1988, section 297.04, subdivision 4, is amended to read:

Subd. 4. [DISTRIBUTOR'S APPLICATION; FEE; SUBJOBBER'S LICENSE.] ~~Each application for a distributor's license shall be accompanied by a fee of \$300. Each distributor shall pay a license fee of one cent for each carton of cigarettes stamped during the preceding calendar month to cover the department of revenue's cost of administering the cigarette tax law. The license fee shall be paid with the monthly return filed with the commissioner. For purposes of this subdivision, a carton of cigarettes means a unit of packaging for cigarettes as determined by applying industrywide standards. A separate application for license shall be made for each place of business at which a distributor proposes to engage in business as~~

such under sections 297.01 to 297.13, provided that a separate application for a subjobber's license may be made by a licensed distributor for each place of business (other than that licensed in the distributor's license) to which the distributor delivers and from which the distributor sells or distributes stamped cigarettes.

Each application for a subjobber's license shall be accompanied by a fee of \$24.

~~A distributor or subjobber applying for a license during the second year of a two-year licensing period shall be required to pay only one-half of the license fee provided for herein.~~

Sec. 120. [297C.035] [LICENSE FEE.]

Subdivision 1. [LICENSE.] No person shall manufacture, import, or sell in this state distilled spirits or wine or sell or import fermented malt beverages without having received a license from the commissioner to engage in that business at that place of business.

Subd. 2. [APPLICATION.] Every application for such a license shall be made on a form prescribed by the commissioner and shall state:

(1) the name and address of the applicant; if the applicant is a firm, partnership, or association, the name and address of each of its members; if the applicant is a corporation, the name and address of each of its officers;

(2) the address of its principal place of business;

(3) the place where the business to be licensed is to be conducted;

(4) and such other information as the commissioner may require for the purpose of administering chapter 297C.

Subd. 3. [FEE.] Every person required to be licensed under subdivision 1 shall pay a fee of .002 cents on each liter of distilled spirits or wine manufactured, imported, or sold, and a fee of .002 cents for each barrel of fermented malt beverage sold or imported, to cover the costs of the department of revenue in administering the distilled spirits, wine, and fermented malt beverage taxes. The license fee must be paid with the monthly return filed with the commissioner.

Subd. 4. [ISSUANCE.] The commissioner, upon receipt of the application, and approval thereof, shall issue the applicant a license. The license shall permit the applicant to whom it is issued to engage in business at the place of business shown in the application.

Subd. 5. [EXPIRATION.] Each license issued shall expire on December 31 following its date of issue unless sooner revoked by the commissioner or unless the business with respect to which the license was issued is transferred. In either case the holder of the license shall immediately surrender it to the commissioner.

Subd. 6. [DISPLAY.] Each license shall be prominently displayed on the premises covered by the license.

Subd. 7. [TRANSFER.] No license shall be transferable to any other person.

Sec. 121. Minnesota Statutes 1988, section 326.37, is amended to read:

326.37 [PLUMBERS; SUPERVISION BY STATE COMMISSIONER OF HEALTH; RULES; VIOLATION; PENALTY.]

Subdivision 1. [MINIMUM STANDARDS.] The state commissioner of health may, by rule, prescribe minimum standards which shall be uniform, and which standards shall thereafter be effective for all new plumbing installations, including additions, extensions, alterations, and replacements connected with any water or sewage disposal system owned or operated by or for any municipality, institution, factory, office building, hotel, apartment building, or any other place of business regardless of location or the population of the city or town in which located. Violation of the rules shall be a misdemeanor.

Subd. 2. [STANDARDS FOR CAPACITY.] By January 1, 1991, all new and replacement floor-mounted water closets may not have a flush volume of more than 1.6 gallons. The water closets must meet the standards of the commissioner and the American National Standards Institute.

Subd. 3. [ADMINISTRATION.] The commissioner shall administer the provisions of sections 326.37 to 326.45 and for such purposes may employ plumbing inspectors and other assistants.

Sec. 122. Minnesota Statutes 1988, section 349.22, subdivision 2, is amended to read:

Subd. 2. [OTHER ACTION.] This section does not preclude civil or criminal actions under other applicable law or preclude any agency of government from investigating or prosecuting violations of the provisions of sections 349.11 to 349.214. County attorneys and the attorney general have primary joint responsibility for prosecuting violations of sections 349.11 to 349.214, but and the attorney general may prosecute any violation of those sections if, by 30 days

following a violation, the county attorney has failed to initiate prosecution.

Sec. 123. Minnesota Statutes 1988, section 349.36, is amended to read:

349.36 [DUTIES OF COUNTY ATTORNEY OR ATTORNEY GENERAL.]

The county attorney of the county in which the hearing is held or the attorney general shall attend the hearing, interrogate the witnesses, and advise the issuing authority. The county attorney or the attorney general shall also appear for the issuing authority on any appeal taken pursuant to the provisions of section 349.39.

Sec. 124. Minnesota Statutes 1989 Supplement, section 352.04, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund must be equal to ~~4.34~~ 4.15 percent of salary, beginning with the first full pay period after June 30, ~~1989~~ 1990. These contributions must be made by deduction from salary as provided in subdivision 4.

Sec. 125. Minnesota Statutes 1989 Supplement, section 352.04, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS.] (a) The employer contribution to the fund must be equal to ~~4.51~~ 4.29 percent of salary beginning with the first full pay period after June 30, ~~1989~~ 1990, and continuing until the last full pay period before July 1, 1991.

(b) Beginning in January, 1991 and continuing in January of every succeeding odd-numbered year, the board of directors shall establish the amount of the employer contribution to be made for a two-year period beginning with the first full pay period after June 30 of the odd-numbered year. The board of directors shall establish the employer contribution at the level calculated in accordance with the most recent actuarial valuation as prescribed in section 3.85, after adjustments for changes in actuarial tables or assumptions, or enacted benefit improvements, as the amount required under existing statutory authorizations. In establishing any amended employer contribution, the board of directors shall disregard the first three-tenths of one percent by which the contribution rates in effect exceed the required contribution rate.

(c) This paragraph applies if the procedure specified in paragraph (b) would cause the employer contribution to be lower than the employee contribution established in subdivision 2. In this event, the employer contribution must first be lowered to equal the

employee contribution. Any further reductions in contributions must be divided evenly between the employer and employee contribution. If subsequent increases in contributions are required, the increases must be divided evenly between the employer and employee contributions, until the employee contribution equals 4.15 percent of salary. Any further required increases in contributions must be added only to the employer contribution.

Sec. 126. Minnesota Statutes 1988, section 352.92, subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] (a) Beginning with the first full pay period after July 1, 1984 1990, and continuing until the last full pay period before July 1, 1991, in lieu of employer contributions payable under section 352.04, subdivision 3, the employer shall contribute for covered correctional employees an amount equal to 8.70 6.27 percent of salary.

(b) Beginning in January, 1991 and continuing in January of every succeeding odd-numbered year, the board of directors shall establish the amount of the employer contribution to be made for a two-year period beginning with the first full pay period after June 30 of the odd-numbered year. The board of directors shall establish the employer contribution at the level calculated in accordance with the most recent actuarial valuation, as prescribed in section 3.85, after adjustments for changes in actuarial tables or assumptions, or enacted benefit improvements, as the amount required under existing statutory authorizations. In establishing any amended employer contribution, the board of directors shall disregard the first three-tenths of one percent by which the contribution rates in effect exceed the required contribution rate.

(c) This paragraph applies if the procedure specified in paragraph (b) would cause the employer contribution to be lower than the employee contribution established in subdivision 1. In this event, the employer contribution must first be lowered to equal the employee contribution. Any further reductions in contributions must be divided evenly between the employer and employee contributions. If subsequent increases in contributions are required, the increases must be divided evenly between the employer and employee contributions, until the employee contribution equals 4.90 percent of salary. Any further required increases in contributions must be added only to the employer contribution.

Sec. 127. Minnesota Statutes 1988, section 352B.02, subdivision 1c, is amended to read:

Subd. 1c. [EMPLOYER CONTRIBUTIONS.] (a) In addition to member contributions, beginning with the first full pay period after June 30, 1990, and continuing until the last full pay period before July 1, 1991, department heads shall pay a sum equal to 18.9 14.88

percent of the salary upon which deductions were made, which shall constitute the employer contribution to the fund. Department contributions must be paid out of money appropriated to departments for this purpose.

(b) Beginning in January, 1991 and continuing in January of every succeeding odd-numbered year, the board of directors shall establish the amount of the employer contribution to be made for a two-year period beginning with the first full pay period after June 30 of the odd-numbered year. The board of directors shall establish the employer contribution at the level calculated in accordance with the most recent actuarial valuation as prescribed in section 3.85, after adjustments for changes in actuarial tables or assumptions, or enacted benefit improvements, as the amount required under existing statutory authorizations. In establishing any amended employer contribution, the board of directors shall disregard the first three-tenths of one percent by which the contribution rates in effect exceed the required contribution rate.

(c) This paragraph applies if the procedure specified in paragraph (b) would cause the employer contribution to be lower than the employee contribution established in subdivision 1a. In this event, the employer contribution must first be lowered to equal the employee contribution. Any further reductions in contributions must be divided evenly between the employer and employee contribution. If subsequent increases in contributions are required, the increases must be divided evenly between the employer and employee contributions, until the employee contribution equals 8.5 percent of salary. Any further required increases in contributions must be added only to the employer contribution.

Sec. 128. Minnesota Statutes 1988, section 353D.01, subdivision 2, is amended to read:

Subd. 2. [COVERAGE.] Coverage under the retirement plan is open to basic and advanced life support emergency medical service personnel employed by or providing services for any public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity that elects to participate. ~~First response personnel and~~ Emergency medical service personnel who are currently covered by a public or private pension plan because of their employment or provision of services are not eligible to participate in the plan.

Sec. 129. Minnesota Statutes 1988, section 354.42, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL EMPLOYER CONTRIBUTION.] To amortize the unfunded actuarial accrued liability computed under the entry age actuarial cost method and disclosed under the annual actuarial valuations prepared by the commission-retained actuary

under section 356.215, effective July 1, 1990, an additional employer contribution shall be made in the amount of 4.48 3.64 percent of the salary of each member. Beginning in January, 1991 and continuing in January of every odd-numbered year, the board of trustees shall establish the additional employer contribution rate for the two-year period beginning July 1 of that year. The board of trustees shall establish the required additional employer contribution at the level calculated in accordance with the most recent actuarial valuation as prescribed in section 3.85, after adjustments for changes in actuarial tables or assumptions, or enacted benefit improvements, as the amount required under existing statutory authorizations. In establishing the required additional employer contribution, the board of trustees shall disregard the first three-tenths of one percent by which the contribution rates in effect exceed the total required contribution rate.

This contribution shall be made in the manner provided in section 354.43.

Sec. 130. Minnesota Statutes 1989 Supplement, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of \$55, ~~except that in an action for marriage dissolution, the fee is \$75~~ \$80.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of \$55, ~~except that in an action for marriage dissolution, the fee for the respondent is \$75~~ \$80.

The party requesting a trial by jury shall pay \$30.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under sections 106A.005 to 106A.811, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding \$5, plus 25 cents per page after the first page and \$3.50, plus 25 cents per page after the first page for an uncertified copy.

- (3) Issuing a subpoena \$3 for each name.
- (4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$5.
- (5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$5.
- (6) Filing and entering a satisfaction of judgment, partial satisfaction or assignment of judgment, \$5.
- (7) Certificate as to existence or nonexistence of judgments docketed, \$1 for each name certified to and \$3 for each judgment certified to.
- (8) Filing and indexing trade name; or recording notary commission; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians or optometrists, \$5.
- (9) For the filing of each partial, final, or annual account in all trusteeships, \$10.
- (10) All other services required by law for which no fee is provided such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

Sec. 131. Minnesota Statutes 1989 Supplement, section 357.022, is amended to read:

357.022 [CONCILIATION COURT FEE.]

The court administrator in every county shall charge and collect a filing fee of ~~\$10~~ \$13 from every plaintiff and from every defendant when the first paper for that party is filed in any conciliation court action. The court administrator shall transmit the fees monthly to the state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 132. 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~~ \$200 to the clerk

of the appellate courts. An additional filing fee of ~~\$50~~ \$100 shall be required for a petition for accelerated review by the supreme court. A filing fee of ~~\$150~~ \$200 shall be paid to the clerk of the appellate courts upon the filing of a petition for review from a decision of the court of appeals. A filing fee of ~~\$150~~ \$200 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~~ \$100 shall be paid to the clerk of the appellate courts upon the filing by a respondent of a notice of review. The clerk shall transmit the fees to the state treasurer for deposit in the state treasury and credit to the general fund.

The clerk shall not file any paper, issue any writ or certificate, or perform any service enumerated herein, until the payment has been made for it. The clerk shall pay the sum into the state treasury as provided for by section 15A.01.

The charges provided for shall not apply to disbarment proceedings, nor to an action or proceeding by the state taken solely in the public interest, where the state is the appellant or moving party, nor to copies of the opinions of the court furnished by the clerk to the parties before judgment, or furnished to the district judge whose decision is under review, or to such law library associations in counties having a population exceeding 50,000, as the court may direct.

Sec. 133. Minnesota Statutes 1989 Supplement, section 363.073, subdivision 1, is amended to read:

Subdivision 1. [SCOPE OF APPLICATION.] No department or agency of the state shall accept any bid or proposal for a contract or agreement or execute any contract or agreement for goods or services in excess of ~~\$50,000~~ \$100,000 with any business having more than ~~20~~ 40 full-time employees at any time during the previous ~~12~~ 24 months, unless the firm or business has an affirmative action plan for the employment of minority persons, women, and the disabled that has been approved by the commissioner of human rights. Receipt of a certificate of compliance issued by the commissioner shall signify that a firm or business has an affirmative action plan that has been approved by the commissioner. A certificate shall be valid for a period of ~~two~~ four years. A municipality as defined in section 466.01, subdivision 1, that receives state money for any reason is encouraged to prepare and implement an affirmative action plan for the employment of minority persons, women, and the disabled and submit the plan to the commissioner of human rights.

Sec. 134. Minnesota Statutes 1988, section 363.073, is amended by adding a subdivision to read:

Subd. 5. [PROGRESS REPORTS.] A holder of a certificate of compliance issued under this section must only submit an annual progress report to the commissioner.

Sec. 135. [462A.075] [REVIEW OF GRANTS UNDER THE SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.]

The commissioner of the Minnesota housing finance agency must review 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 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. 136. 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, St. Paul, and Duluth.

(b) Before adoption of a revitalization program under paragraph (c), 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) 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) 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) 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), the city council shall implement the revitalization program approval and certification process of this subdivision for the proposed modification.

Sec. 137. Minnesota Statutes 1989 Supplement, section 469.205, is amended by adding a subdivision to read:

Subd. 4. [INELIGIBLE USES OF MONEY.] A city may not expend targeted neighborhood money for the provision of social services. Churches, religious organizations, and nonprofit organizations established by churches or religious organizations are not eligible to receive targeted neighborhood money.

Sec. 138. Minnesota Statutes 1989 Supplement, section 480.242, is amended to read:

480.242 [DISTRIBUTION OF FUNDS FOR CIVIL LEGAL SERVICES FUNDS TO QUALIFIED AND FAMILY FARM LEGAL SERVICES PROGRAMS.]

Subdivision 1. [ADVISORY COMMITTEE.] The supreme court shall establish an advisory committee to assist it in performing its responsibilities under sections 480.24 to 480.244. The advisory committee shall consist of 11 members appointed by the supreme court including seven attorneys-at-law who are well acquainted with the provision of legal services in civil matters, two public members who are not attorneys and two persons who would qualify as eligible clients. Four of the attorney-at-law members shall be nominated by the state bar association in the manner determined by it, and three of the attorney-at-law members shall be nominated by the programs in Minnesota providing legal services in civil matters on July 1, 1982, with funds provided by the federal Legal Services Corporation

in the manner determined by them. In making the appointments of the attorney-at-law members, the supreme court shall not be bound by the nominations prescribed by this section. In making appointments to the advisory committee, the supreme court shall ensure that urban and rural areas of the state are represented. The supreme court shall adopt by rule policies and procedures for the operation of the advisory committee including, but not limited to, policies and procedures governing membership terms, removal of members, and the filling of membership vacancies.

Subd. 2. [REVIEW OF APPLICATIONS; SELECTION OF RECIPIENTS.] (a) At times and in accordance with any procedures as the supreme court adopts in the form of court rules, applications for the expenditure of civil legal services funds shall be accepted from qualified legal services programs or from local government agencies and nonprofit organizations seeking to establish qualified alternative dispute resolution programs. The applications shall be reviewed by the advisory committee, and the advisory committee, subject to review by the supreme court, shall distribute the funds received pursuant to section 480.241, subdivision 2, to qualified legal services programs or to qualified alternative dispute resolution programs submitting applications. ~~Subject to the provisions of subdivision 4,~~ The funds shall be distributed in accordance with the following formula:

(a) (1) Eighty-five percent of the funds distributed shall be distributed to qualified legal services programs that have demonstrated an ability as of July 1, 1982, to provide legal services to persons unable to afford private counsel with funds provided by the federal Legal Services Corporation. The allocation of funds among the programs selected shall be based upon the number of persons with incomes below the poverty level established by the United States Census Bureau who reside in the geographical area served by each program, as determined by the supreme court on the basis of the ~~1980~~ most recent national census. All funds distributed pursuant to this clause shall be used for the provision of legal services in civil and farm legal assistance matters to eligible clients.

(b) (2) Fifteen percent of the funds distributed may be distributed ~~(1)~~ (i) to other qualified legal services programs for the provision of legal services in civil matters to eligible clients, including programs which organize members of the private bar to perform services and programs for qualified alternative dispute resolution, or (2) (ii) to programs for training mediators operated by nonprofit alternative dispute resolution corporations. ~~Grants may be made pursuant to this clause only until June 30, 1987, or~~ (iii) to provide family farm legal assistance for financially distressed state farmers. The family farm legal assistance must be directed at farm financial problems including, but not limited to, bankruptcy, discharge of debt, general debtor-creditor relations, and tax considerations. If all the funds to be distributed pursuant to this clause cannot be distributed because

of insufficient acceptable applications, the remaining funds shall be distributed pursuant to clause ~~(a)~~ (1).

(b) A person is eligible for legal assistance if the person is an eligible client as defined in section 480.24, subdivision 2, or:

(1) is a state resident;

(2) is or has been a farmer, or a family shareholder of a family farm corporation within the preceding 24 months;

(3) has a debt-to-asset ratio greater than 50 percent;

(4) has a reportable federal adjusted gross income of \$15,000 or less in the previous tax year; and

(5) is financially unable to retain legal representation.

(c) Qualifying farmers and small business operators whose bank loans are held by the Federal Deposit Insurance Corporation are eligible for legal assistance under this section.

Subd. 3. [TIMING OF DISTRIBUTION OF FUNDS.] The funds to be distributed to recipients selected in accordance with the provisions of ~~subdivision 2~~ shall be distributed by the supreme court no less than twice per calendar year.

Subd. 5. [DISTRIBUTION OF FUNDS; LIMITATIONS.] (a) None of the funds distributed to recipients selected in under this section may be used for activities promoting nonjudicial changes in the law. Actions precluded include:

(1) appearance before legislative or administrative rulemaking bodies for the purpose of promoting changes in existing law, unless the appearance is requested by a member of that body; and

(2) preparation or assisting in the preparation of written statements promoting changes in existing law intended to be entered into the record of a legislative or rulemaking procedure.

(b) The preceding restrictions limit only those activities for which contract funding is received and in no way limit the activities of any attorney acting in a pro bono capacity.

Subd. 6. [REQUIREMENTS.] Family farmer legal assistance shall provide:

(1) legal backup and research support to attorneys throughout the state who represent financially distressed farmers;

(2) direct legal advice and representation to eligible farmers in the most effective and efficient manner, giving special emphasis to enforcement of legal rights affecting large numbers of farmers;

(3) an incoming, statewide, toll-free telephone line to provide the advice and referral requirements in this subdivision; and

(4) legal services to eligible persons whose bank loans are held by the Federal Deposit Insurance Corporation.

Subd. 7. [TERMINATION.] A contract under this section may be terminated by the supreme court, or denied for renewal, upon reasonable written notice and good cause shown. A contract under this section must be terminated if funds are used in a manner inconsistent with subdivision 5.

Subd. 8. [ANNUAL REPORT.] A legal assistance provider shall submit a report to the supreme court and the house appropriations and senate finance committees by January 15 of each odd-numbered year. The report must describe the activities and expenses under the contract during the previous calendar year and a summary of additional legal representation needed by distressed family farmers.

Sec. 139. Minnesota Statutes 1988, section 480A.01, subdivision 3, is amended to read:

Subd. 3. [ESTABLISHING NUMBER OF JUDGES.] By January 15, 1985, the state court administrator shall certify to the governor, the president of the senate, and the speaker of the house of representatives, the number of appeals filed in the court of appeals in 1984. By January 15, 1987, and every two years thereafter of the odd year, the state court administrator shall certify to the governor, the president of the senate, and the speaker of the house of representatives the average number of appeals filed in the court of appeals in each of the preceding two calendar years. Effective on the following July 1, the normal number of judges of the court of appeals shall be one judge for every 100 cases in that average. If this normal number increases the number of judges, new judges shall be appointed on or after July 1. If this normal number decreases the number of judges, the incumbent judges shall nevertheless continue to serve and to be eligible for reelection, but the first vacancies arising in at-large seats on the court shall not be filled, until the normal number of judges is reached.

Sec. 140. Minnesota Statutes 1988, section 481.14, is amended to read:

481.14 [REFUSAL TO SURRENDER PROPERTY TO CLIENTS.]

When an attorney shall refuse to deliver money or papers to a

person from or for whom the attorney has received them in the course of professional employment, the attorney may be required to do so, upon petition, by an order of court. Such order may be granted by the court in which the action was prosecuted, or, if no action was prosecuted, by the district court of the county where the attorney resides, or by the supreme court, and may require the attorney to make delivery within a time specified, or show cause why the attorney should not be punished for contempt. In the event an attorney shall retain money of a client under a claim of right, including a claim for fees and expenses, the court shall determine the amount, if any, due such attorney, and shall order that any surplus amount remaining after deduction thereof be surrendered to the client. However, notwithstanding any other law, outside counsel retained by the attorney general to try a lawsuit brought by the state may not withhold from the state under a claim for fees money received in settlement of the lawsuit.

Sec. 141. Minnesota Statutes 1989 Supplement, section 611.215, is amended by adding a subdivision to read:

Subd. 5. [PROHIBITION.] The legal assistance to Minnesota prisoners division of the public defender's office shall serve the civil legal needs of persons confined to state institutions. State funds may not be used to pay for lawsuits against public agencies or public officials to change social or public policy.

Sec. 142. Laws 1987, chapter 404, section 192, subdivision 2, is amended to read:

Subd. 2. (a) The additional judgeships authorized for judicial districts in section 59 are established as follows:

(1) one judgeship in the first judicial district, three judgeships in the fourth judicial district, and one judgeship in the tenth judicial district are effective on July 1, 1987;

(2) one judgeship in the first judicial district, three judgeships in the fourth judicial district, and one judgeship in the tenth judicial district are effective on July 1, 1988;

(3) one judgeship in the sixth judicial district is effective on January 1, 1989, and one judicial officer position in the sixth judicial district is terminated upon the appointment of a judge to fill this judgeship; and

(4) one judgeship in the first judicial district, three judgeships in the fourth judicial district, one judgeship in the seventh judicial district, and one judgeship in the tenth judicial district are effective on July 1, 1989, if an appropriation is made; and.

(5) ~~one judgeship in the first judicial district, two judgeships in the fourth judicial district, and one judgeship in the tenth judicial district is effective on July 1, 1990, if an appropriation is made.~~

(b) Section 180 is effective on July 1, 1987.

Sec. 143. Laws 1988, chapter 686, article 1, section 52, is amended to read:

Sec. 52. [OPERATION.]

Hill-Annex Mine state park must be funded by the iron range resources and rehabilitation board at the level of \$200,000 per year until July 1, 1991 1993. The commissioner of natural resources must report to the legislature by January 1, 1990, regarding the revenues, visitation, and operating costs for the park, and making recommendations on continuing operational requirements.

Sec. 144. Laws 1989, chapter 335, article 1, section 4, is amended to read:

Sec. 4. COURT OF APPEALS	4,285,000	4,519,000
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~~\$235,000 the first year and \$588,000 \$235,000 the second year are for costs related to three one new judges, judge to be added July 1, 1989, July 1, 1990, and December 1, 1990.~~

Sec. 145. Laws 1989, chapter 335, article 1, section 36, is amended to read:

Sec. 36. HUMAN RIGHTS	2,902,000	2,902,000
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Approved Complement - 69.5

General - 68

Federal - 1.5

~~\$140,000 the first year is a one-time appropriation for development of an information system, and is available either year of the biennium.~~

Sec. 146. Laws 1989, chapter 335, article 1, section 42, subdivision 2, is amended to read:

Subd. 2. Increases Covered

The compensation and economic benefit increases covered by this section are those paid to classified and unclassified employees and officers in the executive, judicial, and legislative branches of state government, and to employees of the Minnesota Historical Society who are paid from state appropriations, if the increases are required by existing law or authorized by law during the 1989 session of the legislature or by appropriate resolutions for employees of the legislature, or are given interim approval by the legislative commission on employee relations under Minnesota Statutes, sections 3.855 and 43A.18 or 179A.22, subdivision 4.

The commissioner of finance shall transfer to the appropriations for agencies in the legislative and judicial branches and for the constitutional officers the amounts certified as necessary for each agency by its chief financial officer. For the purposes of this paragraph, the secretary of the senate is the chief financial officer for the senate, the chair of the legislative coordinating commission for legislative commissions, the chief justice of the supreme court for agencies in the judicial branch, and the elected constitutional officer for each constitutional office.

Within the provisions of the managerial plan approved under Minnesota Statutes, section 43A.18, an agency may not authorize aggregate increases for its managers that exceed an average of five percent in each year of the biennium ending June 30, 1991. A salary increase given in a lump sum is included within this limit. If an agency has fewer than three managers, it may exceed this average by one percent.

The metropolitan council or a metropolitan commission or board may not authorize aggregate performance increases for its managers that exceed an

average of five percent in each year of the biennium ending June 30, 1991. A salary increase given in a lump sum is included within this limit. If an agency has fewer than three managers, it may exceed this average by one percent.

The commissioner of employee relations shall study the compensation levels of managers, officials, and administrators of the state, cities, counties, towns, school districts, metropolitan and regional agencies, and retirement funds, and the increases granted them during the period from January 1, 1985, to January 1, 1990, and shall report to the legislature by January 1, 1991, on how to establish appropriate compensation levels and how to impose appropriate controls on aggregate compensation increases. The term "managers, officials, and administrators" means employees reported in those classes as reported by the employer to the Equal Employment Opportunity Commission, but does not include any employees who are represented for the purposes of collective bargaining by an exclusive representative under Minnesota Statutes, chapter 179A.

Sec. 147. Laws 1989, First Special Session chapter 1, article 24, section 2, is amended to read:

Sec. 2. [COUNTY BLOCK GRANTS.]

Subdivision 1. [GENERAL FUND APPROPRIATION.] \$22,281,000 is appropriated from the general fund to the office of waste management for distribution as provided in article 19, section 1, subdivisions 1 to 3, except as otherwise provided in this section. \$6,731,000 is appropriated for fiscal year 1990 and ~~\$15,550,000~~ \$14,316,000 is appropriated for fiscal year 1991. Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

Subd. 2. [DISTRIBUTION.] The distribution for fiscal year 1990 is subject to a minimum payment to each county of \$27,500 rather than ~~\$55,000~~ \$50,000 under article 19, section 1, subdivision 1. The distribution for fiscal year 1991 shall be in two payments with the second payment made after November 1, 1990.

Subd. 3. [REDUCTION FOR DEFICIENT REVENUES.] If the amount of revenue estimated by the commissioner of revenue and reported to the office of waste management under article 19, section 8, is less than \$29,968,000, 75 percent of the difference between the amount estimated and \$29,968,000 must be subtracted from the appropriation in subdivision 1, and the distribution to be made after November 1, 1990, must be reduced by the same amount.

Subd. 4. [ADDITIONAL GRANTS WITH EXCESS REVENUES.] (a) If the amount of revenue estimated by the commissioner of revenue and reported to the office of waste management under article 19, section 8, is greater than \$29,968,000, 75 percent of the difference between the amount estimated and \$29,968,000 is appropriated to the office of waste management to be distributed to counties after November 1, 1990, as provided in this subdivision and is subject to article 19, section 1, subdivisions 2 and 3. No more than \$5,000,000 shall be appropriated for distribution to counties under this subdivision through the solid waste management projects grants programs under Minnesota Statutes, section 115A.54.

(b) Notwithstanding article 19, section 1, subdivision 1, the appropriation in this subdivision must be distributed to counties to provide that in fiscal years 1990 and 1991 each county receives at least 50 percent of the revenue generated in that county by the tax on solid waste collection and disposal services imposed in article 19. The office of waste management shall distribute the appropriation so that the county or counties receiving the smallest percentage of grant received to revenue generated is increased to the percentage of the county or counties with the next smallest percentage of grant received to revenue generated until the appropriation is spent or each county has received a grant of at least 50 percent of the revenue generated in the county. Any remainder must be distributed among all counties in proportion to their population. For purposes of this paragraph, the commissioner of revenue must estimate the amount of revenue generated in each county.

(c) A county that participates in a multicounty district that manages solid waste must pass through money to the district in proportion to the district's population.

Sec. 148. [TREE AND PERENNIAL SHRUBS AND VINES PLANTING FOR CARBON DIOXIDE ABSORPTION.]

By January 1, 1991, the commissioner of natural resources and the commissioner of the pollution control agency, in consultation with representatives of industry that may be affected by a surcharge on carbon dioxide emissions, and representatives of the forestry and environmental communities, shall prepare a report on the use of a surcharge on carbon dioxide emissions. The report shall:

(1) suggest an appropriate fee on sources of carbon dioxide

emissions, including motor vehicle and permitted facilities in the air emission inventory of the pollution control agency;

(2) recommend methods of encouraging tree and perennial shrubs and vines planting to be implemented in lieu of payment of part or all of a surcharge; and

(3) include a planting plan for carbon dioxide absorption that identifies the proper mix of species for adequate absorption, the proper placement of trees for energy efficiency and conservation, the areas of the state most effective for proper tree planting, the adequate production of state nursery stock, the available procurement of private nursery stock, a range of costs to plant adequate species that absorb carbon dioxide, and the current and prospective distribution system to allow adequate species to be planted.

The commissioners of the pollution control agency and the department of natural resources shall have authority to solicit and accept funds from nonstate sources to accomplish the responsibilities in this section.

Sec. 149. [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. 150. [INCREASE IN FEES FOR LICENSES AND PERMITS FOR UTILITIES.]

Effective July 1, 1990, the fees in Minnesota Rules, parts 6135.0400 to 6135.0800, adopted pursuant to Minnesota Statutes, section 84.415, subdivisions 1 and 5, are to be increased to an amount equal to the original fee schedule escalated due to inflation from the date the original fee schedule was adopted to July 1, 1990. The basis of escalation shall be the wholesale price index for all commodities. Notwithstanding the rulemaking requirements of section 84.415, subdivision 1, the revised rates shall be published in the State Register prior to becoming effective.

Sec. 151. [OPTICAL DISK DEMONSTRATION PROJECT; DAKOTA AND OLMSTED COUNTIES.]

Subdivision 1. [DEMONSTRATION PROJECT.] A demonstration project to authorize storage of official records by an optical disk imaging system is created in Dakota and Olmsted counties. The public records officers required under Minnesota Statutes, section 15.17, subdivision 1, to make and keep local public records in Dakota and Olmsted counties may maintain and reproduce public records of those counties by using an optical disk imaging system.

Subd. 2. [EXEMPTION.] Local public records of Dakota and Olmsted counties are not subject to the disposition and orders of the records disposition panel under Minnesota Statutes, sections 138.161 to 138.226 or the records management program established under Minnesota Statutes, section 138.17, subdivision 7. The Minnesota historical society may maintain and keep Dakota and Olmsted counties' local public records but may not require Dakota or Olmsted counties to maintain and keep records at the expense of either of those counties.

Subd. 3. [REPORT TO LEGISLATURE.] The public records officers of Dakota and Olmsted counties shall prepare a report on the outcome of the optical disk demonstration project and present it to the commissioner of administration and the chairs of the house and senate governmental operations committees by January 1, 1993. In the report, the public records officer of each county shall include information on the effectiveness of the optical disk imaging system for accurate and economical preservation of official records and shall issue recommendations on whether the optical disk record-keeping technology should be extended to other counties.

Sec. 152. [PRIVATE SALE OF LANDS; FILLMORE COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 92.45, and any public sale and appraisal provisions of law to the contrary, the commissioner of natural resources shall convey by private sale lands bordering public waters and described in paragraph (c), including improvements, for a consideration of \$25,000 to the Southeastern Minnesota Forest Resource Center, a nonprofit private corporation providing educational and demonstration forest management programs for private landowners and others.

(b) The conveyance must incorporate the condition expressed in paragraph (d) and other conditions and reservations required by law to convey state lands, provide an adequate legal description, and be in a form approved by the attorney general.

(c) The lands to be sold consist of approximately 13 acres in Fillmore county, generally described as: the South Half of the Northeast Quarter of the Southwest Quarter of the Southwest

Quarter, containing five acres more or less, and the Southeast Quarter of the Southeast Quarter of the Southwest Quarter, except approximately the easterly 300 feet following the bluffline, containing eight acres more or less, to be determined by survey, all in Section 35, Township 104, Range 10.

(d) The land with all buildings and improvements shall revert to the state of Minnesota if the Southeastern Minnesota Forest Resource Center is dissolved, or their education and demonstration role is discontinued.

Sec. 153. [INVESTMENT EARNINGS.]

Notwithstanding any law to the contrary, the department of finance shall credit investment earnings only to those funds and accounts that are directly appropriated. Investment earnings from all other funds and accounts with open appropriation authority will be credited to the general fund.

Sec. 154. [EXEMPTION.]

Gift funds, trust funds, funds receiving bond proceeds, insurance funds, and funds where the federal government requires that investment earnings be credited to the fund or account are exempt from section 153.

Sec. 155. [SUCCESSOR.]

The commissioner of trade and economic development is the legal successor in all respects of the rural development board established under Minnesota Statutes, section 116N.02. The contracts, liabilities, and other obligations of the rural development board are the contracts, liabilities, and obligations of the commissioner of trade and economic development.

Sec. 156. [CANCELLATION OF APPROPRIATIONS.]

The following appropriations are canceled:

(1) the \$50,000 made available for the second year of the biennium for a special account for unanticipated legal expenses of the attorney general in Laws 1989, chapter 335, article 1, section 12, subdivision 7;

(2) \$30,000 the first year and \$30,000 the second year made available from the wild rice account for a cooperative agreement with the Cuyuna Development Corporation for an economic development project on wild rice and grains to be accomplished in consultation with Aitkin Growth, Inc., in Laws 1989, chapter 335,

article 1, section 21, subdivision 7 and is reappropriated to the commissioner for wild rice management in public waters;

(3) \$50,000 the first year and \$50,000 the second year made available for a grant to Aitkin Growth, Inc., for the development of projects for added value to wild rice and other grains, in Laws 1989, chapter 335, article 1, section 21, subdivision 7.

Sec. 157. [TRANSFER PROVISIONS.]

Notwithstanding Minnesota Statutes, section 256.4825, the first executive director of the office on disability and developmental disability shall be the executive director of the council on developmental disabilities. The positions and the incumbents from the council on developmental disabilities, the council on technology for people with disabilities and the council on disability are hereby transferred to the unclassified service and to the office on disabilities and developmental disabilities.

Sec. 158. [LIABILITY FOR GENERAL OBLIGATION BONDS.]

Nothing in Laws 1989, chapter 335, article 1, section 25, subdivision 6, may be construed to impose liability on the state for an obligation incurred by a unit of government issuing general obligation bonds under that subdivision. The state is not liable for an obligation beyond direct appropriations made through the regular biennial budget process.

Sec. 159. [INSTRUCTION TO REVISOR.]

(a) In the next publication of Minnesota Statutes or its Supplement, the revisor shall replace the reference in Minnesota Statutes, section 176.137, subdivision 4, to "council on disability" with "office on disability and developmental disability" and shall replace the reference to "section 256.482, subdivision 5, clause (7)" with "section 256.4825, subdivision 5, clause (7)."

(b) In the next publication of Minnesota Statutes, the revisor shall amend the following headnote as indicated:

116J.971 [COMMITTEE ON POLICY ANALYSIS AND SCIENCE AND TECHNOLOGY RESEARCH AND DEVELOPMENT DIVISION.]

(c) In the next edition of Minnesota Statutes, the revisor of statutes shall change "ethical practices" to "campaign reporting" where it means ethical practices board.

Sec. 160. [REPEALER.]

Minnesota Statutes 1988, sections 3C.056; 116J.971, subdivisions 1, 2, 4, 5, and 10; 116N.01; 116N.02, as amended; 116N.03; 116N.04; 116N.05; 116N.06; 116N.07; 116N.08, as amended; 184.34; 256.481; and 256.482, as amended; 480.252; and 480.254; Minnesota Statutes 1989 Supplement, sections 3C.035, subdivision 2; 8.15; 97B.301, subdivision 5; 116J.970; 116J.971, subdivisions 3 and 9; 116O.03, subdivision 2a; 469.203, subdivision 5; 480.241; and 480.256; Minnesota Statutes Second 1989 Supplement, section 3.885, subdivision 1a; Laws 1988, chapter 686, article 1, section 3, paragraph (c); and Laws 1989, chapter 303, section 10, are repealed. Section 480.242, subdivision 4, as amended by Laws 1989, chapter 335, article 1, section 255, if in effect, is repealed effective the day following final enactment.

Sec. 161. [RULES REPEALER.]

Minnesota Rules, part 4410.3800, subparts 1 and 3, are repealed.

Sec. 162. [EFFECTIVE DATE.]

Section 47 is effective the day after final enactment and is retroactive to January 1, 1990.

Sections 74, 77, and 78 are effective January 1, 1990.

Sections 16, subdivision 2, paragraph (b), 68, 72, 79, 80, 84, 137, and 156 are effective the day after final enactment.

Section 112 is effective for deeds issued on or after July 1, 1990.

Section 113 is effective for rent paid in 1990 and thereafter.

Sections 114, 115, 116, and 117 are effective for license applications filed on or after July 1, 1990.

Section 118 is effective for permit applications filed on or after July 1, 1990.

Section 138 is effective July 1, 1991.

ARTICLE 2

JUDICIAL SYSTEM

Section 1. Minnesota Statutes 1989 Supplement, section 43A.02, subdivision 25, is amended to read:

Subd. 25. [JUDICIAL BRANCH.] "Judicial branch" means all judges of the appellate courts, all employees of the appellate courts,

including commissions, boards and committees established by the supreme court, the board of law examiners, the law library, the office of the public defender, all judges of all courts of law, district court referees, judicial officers, court reporters, law clerks, district administration employees under section 484.68, court administrator or employee of the court and guardian ad litem program employees in the eighth judicial district, and other agencies placed in the judicial branch by law. Judicial branch does not include district administration employees in the second and fourth judicial districts, court administrators or their staff under chapter 485, guardians ad litem, or other employees within the court system whose salaries are paid by the county, other than employees who remain on the county payroll under section 480.181, subdivision 2.

Sec. 2. Minnesota Statutes 1989 Supplement, section 43A.24, subdivision 2, is amended to read:

Subd. 2. [OTHER ELIGIBLE PERSONS.] The following persons are eligible for state paid life insurance and hospital, medical, and dental benefits as determined in applicable collective bargaining agreements or by the commissioner or by plans pursuant to section 43A.18, subdivision 6, or by the board of regents for employees of the University of Minnesota not covered by collective bargaining agreements. Coverages made available, including optional coverages, are as contained in the plan established pursuant to section 43A.18, subdivision 2.

(a) a member of the state legislature, provided that changes in benefits resulting in increased costs to the state shall not be effective until expiration of the term of the members of the existing house of representatives. An eligible member of the state legislature may decline to be enrolled for state paid coverages by filing a written waiver with the commissioner. The waiver shall not prohibit the member from enrolling the member or dependents for optional coverages, without cost to the state, as provided for in section 43A.26. A member of the state legislature who returns from a leave of absence to a position previously occupied in the civil service shall be eligible to receive the life insurance and hospital, medical, and dental benefits to which the position is entitled;

(b) a permanent employee of the legislature or a permanent employee of a permanent study or interim committee or commission or a state employee on leave of absence to work for the legislature, during a regular or special legislative session;

(c) a judge of the appellate courts or an officer or employee of these courts; a judge of the district court, a judge of county court, a judge of county municipal court, or a judge of probate court; a district court referee, judicial officer, court reporter, or law clerk; a district administrator; and an employee of the office of the district administrator that is not in the second or fourth judicial district; a court

administrator or employee of the court administrator in the eighth judicial district, and a guardian ad litem program administrator in the eighth judicial district;

(d) a salaried employee of the public employees retirement association;

(e) a full-time military or civilian officer or employee in the unclassified service of the department of military affairs whose salary is paid from state funds;

(f) a salaried employee of the Minnesota historical society, whether paid from state funds or otherwise, who is not a member of the governing board;

(g) an employee of the regents of the University of Minnesota;

(h) notwithstanding section 43A.27, subdivision 3, an employee of the state of Minnesota or the regents of the University of Minnesota who is at least 60 and not yet 65 years of age on July 1, 1982, who is otherwise eligible for employee and dependent insurance and benefits pursuant to section 43A.18 or other law, who has at least 20 years of service and retires, earlier than required, within 60 days of March 23, 1982; or an employee who is at least 60 and not yet 65 years of age on July 1, 1982, who has at least 20 years of state service and retires, earlier than required, from employment at Rochester state hospital after July 1, 1981; or an employee who is at least 55 and not yet 65 years of age on July 1, 1982, and is covered by the Minnesota state retirement system correctional employee retirement plan or the state patrol retirement fund, who has at least 20 years of state service and retires, earlier than required, within 60 days of March 23, 1982. For purposes of this clause, a person retires when the person terminates active employment in state or University of Minnesota service and applies for a retirement annuity. Eligibility shall cease when the retired employee attains the age of 65, or when the employee chooses not to receive the annuity that the employee has applied for. The retired employee shall be eligible for coverages to which the employee was entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established pursuant to section 43A.18, for employees in positions equivalent to that from which retired, provided that the retired employee shall not be eligible for state-paid life insurance. Coverages shall be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program; and

(i) An employee of an agency of the state of Minnesota identified through the process provided in this paragraph who is eligible to retire prior to age 65. The commissioner and the exclusive representative of state employees shall enter into agreements under section 179A.22 to identify employees whose positions are in programs that

are being permanently eliminated or reduced due to federal or state policies or practices. Failure to reach agreement identifying these employees is not subject to impasse procedures provided in chapter 179A. The commissioner must prepare a plan identifying eligible employees not covered by a collective bargaining agreement in accordance with the process outlined in section 43A.18, subdivisions 2 and 3. For purposes of this paragraph, a person retires when the person terminates active employment in state service and applies for a retirement annuity. Eligibility ends as provided in the agreement or plan, but must cease at the end of the month in which the retired employee chooses not to receive an annuity, or the employee is eligible for employer-paid health insurance from a new employer. The retired employees shall be eligible for coverages to which they were entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established under section 43A.18 for employees in positions equivalent to that from which they retired, provided that the retired employees shall not be eligible for state-paid life insurance.

Sec. 3. Minnesota Statutes 1988, section 97A.065, subdivision 2, is amended to read:

Subd. 2. [FINES AND FORFEITED BAIL.] (a) Fines and forfeited bail collected from prosecutions of violations of the game and fish laws, sections 84.09 to 84.15, and 84.81 to 84.88, chapter 348, and any other law relating to wild animals, and aquatic vegetation must be paid to the treasurer of the county where the violation is prosecuted. The county treasurer shall submit one-half of the receipts to the commissioner and credit the balance to the county general revenue fund except as provided in paragraphs (b) and (c), and (d).

(b) The commissioner must reimburse a county, from the game and fish fund, for the cost of keeping prisoners prosecuted for violations under this section if the county board, by resolution, directs: (1) the county treasurer to submit all fines and forfeited bail to the commissioner; and (2) the county auditor to certify and submit monthly itemized statements to the commissioner.

(c) The county treasurer shall indicate the amount of the receipts that are assessments or surcharges imposed under section 609.101 and shall submit all of those receipts to the commissioner. The receipts must be credited to the game and fish fund to provide peace officer training for persons employed by the commissioner who are licensed under section 626.84, subdivision 1, clause (c), and who possess peace officer authority for the purpose of enforcing game and fish laws.

(d) Paragraphs (a) and (c) do not apply in the eighth judicial district, which is governed by chapter 484A.

Sec. 4. Minnesota Statutes 1988, section 299D.03, subdivision 5, is amended to read:

Subd. 5. [FINES AND FORFEITED BAIL MONEY.] (a) All fines and forfeited bail money, from traffic and motor vehicle law violations, collected from persons apprehended or arrested by officers of the state patrol, shall be paid by the person or officer collecting the fines, forfeited bail money or installments thereof, on or before the tenth day after the last day of the month in which these moneys were collected, to the county treasurer of the county where the violation occurred. Three-eighths of these receipts shall be credited to the general revenue fund of the county. The other five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited to the trunk highway fund. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts shall be credited to the general revenue fund of the county, one-third of the receipts shall be paid to the municipality prosecuting the offense, and one-third shall be transmitted to the state treasurer as provided in this subdivision. All costs of participation in a nationwide police communication system chargeable to the state of Minnesota shall be paid from appropriations for that purpose.

(b) Notwithstanding any other provisions of law, all fines and forfeited bail money from violations of statutes governing the maximum weight of motor vehicles, collected from persons apprehended or arrested by employees of the state of Minnesota, by means of stationary or portable scales operated by these employees, shall be paid by the person or officer collecting the fines or forfeited bail money, on or before the tenth day after the last day of the month in which the collections were made, to the county treasurer of the county where the violation occurred. Five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited to the highway user tax distribution fund. Three-eighths of these receipts shall be credited to the general revenue fund of the county.

(c) Paragraphs (a) and (b) do not apply in the eighth judicial district, which is governed by chapter 484A.

Sec. 5. Minnesota Statutes Second 1989 Supplement, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. (a) Every person, including the state of Minnesota and all bodies politic and corporate, who shall transact any business in the district court, shall pay to the court administrator of said court the sundry fees prescribed in subdivision 2. ~~When the public authority responsible for child support enforcement is a party to any action or proceeding in the district court or according to section 518.551, subdivision 10, no fee is required under this section. The court administrator shall transmit the fees monthly to the county~~

treasurer who shall forward the funds to the state treasurer for deposit in the state treasury and credit to the general fund.

(b) In a county which has a screener-collector position, fees paid by a county pursuant to this subdivision shall be transmitted monthly to the county treasurer, who shall apply the fees first to reimburse the county for the amount of the salary paid for the screener-collector position. The balance of the fees collected shall then be forwarded to the state treasurer for deposit in the state treasury and credited to the general fund. A screener-collector position for purposes of this paragraph is an employee whose function is to increase the collection of fines and to review the incomes of potential clients of the public defender, in order to verify eligibility for that service.

(c) No fee is required under this section from the public authority or the party the public authority represents in an action for:

(1) child support enforcement, medical assistance enforcement, or establishment of parentage in the district court, or child or medical support enforcement conducted by an administrative law judge in an administrative hearing under section 518.551, subdivision 10;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525;

(4) wrongfully obtaining public assistance under section 256.98 or 256D.07, or recovery of overpayments of public assistance;

(5) the protection of juveniles under chapter 260;

(6) forfeiture of property under sections 609.531 to 609.5317; or

(7) recovery of amounts issued by political subdivisions or public institutions under sections 246.52, 252.27, 256.045, 256.25, 256.87, 256B.042, 256B.14, 256B.15, 256B.37, and 260.251, or other sections referring to other forms of public assistance.

Sec. 6. Minnesota Statutes Second 1989 Supplement, section 477A.012, subdivision 4, is amended to read:

Subd. 4. [AID OFFSET FOR 1992 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 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 section 486.05, subdivisions 1 and 1a. The amount of the deduction is computed as provided in this subdivision.

(b) By June 30, 1991, 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 share for each county of court reporter, judicial officer, and district court referee costs and law clerk and court reporter expenses during the calendar year beginning on January 1, 1992.

(c) One-half of the amount computed under paragraph (b) for each county shall be deducted from each aid payment to the county under section 477A.015 in 1992 and each subsequent year.

(d) If the amount computed under paragraph (b) 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.

Sec. 7. Minnesota Statutes 1988, section 484.54, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 2, judges shall be compensated for travel and subsistence expenses in the same manner and amount as provided in the plan adopted by the commissioner of employee relations pursuant to section 43A.18, subdivision 3. Additionally, judges of the district court shall be reimbursed for all sums, not reimbursed by counties, they shall necessarily hereafter pay out for only the following purposes: telephone tolls, postage, expressage, stationery, including printed letterheads and envelopes for official business; robes; tuition, travel and subsistence for attending educational programs except that no expense shall be paid to satisfy continuing legal education requirements, attendance at which is approved by the supreme court.

Sec. 8. Minnesota Statutes 1988, section 484.545, subdivision 1, is amended to read:

Subdivision 1. The district judges regularly assigned to hold court in each judicial district except for the second, fourth, and tenth judicial districts may by orders filed with the court administrator and county auditor of each county in the district appoint a competent law clerk for every two district court judges of the judicial district. The district judges regularly assigned to hold court in the first and tenth judicial districts may by orders filed with the court administrator and county auditor of each county in the district appoint a competent law clerk for each district court judge of the district. The supreme court in consultation with the judges of the judicial district shall determine the number of law clerks in each judicial district. The supreme court shall set compensation for law clerks within a range established by an adopted personnel plan. Any personnel increases above those certified by the court on October 1, 1989, must be approved as change requests through the biennial budget process.

Sec. 9. Minnesota Statutes 1988, section 484.68, subdivision 2, is amended to read:

Subd. 2. [STAFF.] The district administrator shall have such deputies, assistants and staff as the judges of the judicial district ~~deem~~ supreme court considers necessary to perform the duties of the office. Any personnel increases above those certified by the court on October 1, 1989, must be approved as change requests through the biennial budget process.

Sec. 10. Minnesota Statutes 1989 Supplement, section 484.68, subdivision 5, is amended to read:

Subd. 5. [BUDGET FOR OFFICE.] The office budget of the district administrator shall be paid by the state. ~~The budget must include sufficient money for the staff authorized by this section and other staff and expenses authorized under law.~~ A county shall provide office facilities for the district administrator.

Sec. 11. Minnesota Statutes 1988, section 484.68, is amended by adding a subdivision to read:

Subd. 5a. [BUDGET FOR THE DISTRICT.] The district administrator in consultation with the judges of the district shall prepare a budget for all state-funded personnel and expenses in the district in a format and within guidelines prescribed by the supreme court. The budget shall be submitted to the supreme court for review, approval, and incorporation into a single trial court budget for transmittal to the legislature. Any increase in the number of state-funded positions beyond those certified by the court on October 1, 1989, must be approved as change requests through the biennial budget process.

Sec. 12. Minnesota Statutes 1988, section 484.70, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] The chief judge of the judicial district may appoint one or more suitable persons to act as referees. Referees shall hold office at the pleasure of the judges of the district court and shall be learned in the law, except that persons holding the office of referee on January 1, 1983, may continue to serve under the terms and conditions of their appointment. All referees are subject to the administrative authority and assignment power of the chief judge of the district as provided in section 484.69, subdivision 3, and are not limited to assignment to family, probate, juvenile or special term court. Part time referees holding office in the second judicial district pursuant to this subdivision shall cease to hold office on July 31, 1984. Any increase in referee positions above those in place on January 30, 1989, must be approved as change requests in the biennial budget process.

Sec. 13. [484.75] [TRANSFERS OF PROPERTY.]

Any personal property transferred to a court by Laws 1989, chapter 335, article 3, section 42, must be used only for court purposes in the county of origin and reverts to the county of origin after it is declared surplus property by the court.

Sec. 14. [484.76] [HIRING AND SALARY MORATORIUM.]

A county or a court must not increase the number of referees, judicial officers, court reporters, law clerks, or district administration employees, other than district administration employees in the second or fourth judicial district, unless the increase was authorized before January 30, 1989. A county or a court must not increase the salaries of these employees without the approval of the supreme court, unless the increase is made under a plan adopted before January 30, 1989. The supreme court must not approve aggregate performance increases for these employees that exceed an average of five percent. New positions created after January 30, 1989, must be reflected as change requests in the biennial budget process when these functions are taken over by the state.

EIGHTH JUDICIAL DISTRICT PROJECT

Sec. 15. [484A.01] [APPLICATION.]

This chapter applies only in the eighth judicial district.

Sec. 16. [484A.02] [EIGHTH JUDICIAL BUDGET, REVENUES, ACCOUNTING PLAN.]

Subdivision 1. [BUDGETS.] The court administrators and the judicial district administrator in the eighth judicial district shall each develop a budget in a form prescribed by the supreme court. The budgets must include the personnel and costs of operating the courts in the eighth judicial district, including those costs described in this chapter, but must not include the costs of capital expenditures. The budgets must be submitted to the supreme court with the comments of the district administrator and chief judge. The supreme court shall incorporate these into a judicial district budget for submission through the regular biennial budget process. Additional expenditures and complement above those certified by the court on October 1, 1989, must be submitted as change requests in the biennial budget process.

Subd. 2. [FEE, FINE, AND FORFEITURE REVENUE.] The court administrators in the eighth judicial district shall collect and transmit to the state treasurer all filing fee revenue and bail forfeitures, and the county share of fine revenue. The money must be recorded by the state treasurer each month on a county by county

basis. Except as otherwise provided in this chapter, the money must be deposited in the state's general fund as nondedicated receipts.

Subd. 3. [COOPERATION.] The court employees, county officials, and the county boards of the affected counties shall cooperate with the state and district court administrators in implementing this section.

Subd. 4. [ACCOUNTING PLAN.] The supreme court shall consult with all district administrators, the state board of public defense, and appropriate county officials in the other judicial districts and develop a uniform plan for accounting and shall implement detailed reporting of the costs of the various functions of the judicial districts and court costs in the counties. The plan shall also include the costs of public defense services as well as costs of items not mentioned in this section that the supreme court believes may be a function that the state could take over if it were to fund the state trial court system. These costs must be included in any report to the legislature on state takeover of the trial court and public defense systems. Counties in all the judicial districts shall cooperate with the supreme court and the state board of public defense in developing these standards and calculating and reporting these costs in a timely and accurate manner.

Sec. 17. [484A.03] [SALARIES; PERSONNEL.]

Subdivision 1. [COURT ADMINISTRATORS.] The salary of the court administrator of district court shall be paid according to the supreme court's adopted personnel plan.

Subd. 2. [STAFF, OFFICE OF COURT ADMINISTRATOR.] (a) Judges of the district subject to supreme court approval shall determine the number of deputies, clerks, and other employees in the office of the court administrator of district court who, shall be compensated according to the supreme court's adopted personnel plan. The court administrator shall appoint the deputies and other employees, for whose acts the court administrator shall be responsible, and whom the court administrator may remove at pleasure.

(b) The supreme court shall, in the trial court budget, provide the budget for (1) the salaries of deputies, clerks, and other employees in the office of the court administrator of county court; and (2) other expenses necessary in the performance of the duties of the office.

Sec. 18. [484A.04] [FINES AND FORFEITED BAIL.]

Subdivision 1. [GAME AND FISH LAWS.] (a) One-half of fines and forfeited bail collected from prosecutions of violations of the game and fish laws, sections 84.09 to 84.15, and 84.81 to 84.88, chapter 348, and any other law relating to wild animals, and aquatic

vegetation must be paid to the commissioner of natural resources for deposit in the game and fish fund and the balance to the state treasurer for deposit in the general fund, except as provided in paragraph (b).

(b) The court administrator shall indicate the amount of the receipts that are assessments or surcharges imposed under section 609.101 and shall submit all of those receipts to the commissioner. The receipts must be credited to the game and fish fund to provide peace officer training for persons employed by the commissioner who are licensed under section 626.84, subdivision 1, clause (c), and who possess peace officer authority to enforce game and fish laws.

Subd. 2. [STATE PATROL.] (a) Fines and forfeited bail money from traffic and motor vehicle law violations collected from persons apprehended or arrested by officers of the state patrol must be transmitted by the collector to the state treasurer before the 11th day after the last day of the month in which the money was collected. Three-eighths of the receipts must be credited to the general fund and five-eighths of the receipts must be credited to the trunk highway fund. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts must be credited to the general revenue fund of the state, one-third of the receipts must be paid to the municipality prosecuting the offense, and one-third must be credited to the trunk highway fund. All costs of participation in a nationwide police communication system chargeable to the state must be paid from appropriations for that purpose.

(b) Notwithstanding any other law, fines and forfeited bail money from violations of statutes governing the maximum weight of motor vehicles, collected from persons apprehended or arrested by employees of the state, by means of stationary or portable scales operated by the employees, must be transmitted by the collector to the state treasurer. Five-eighths of the receipts must be credited to the highway user tax distribution fund and three-eighths of the receipts must be credited to the general fund.

Sec. 19. [484A.05] [FINES; HOW DISPOSED OF.]

Fines and forfeitures not specially granted, appropriated, or required to be distributed to a city, shall be forwarded to the state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 20. Minnesota Statutes 1989 Supplement, section 485.018, subdivision 5, is amended to read:

Subd. 5. [COLLECTION OF FEES.] The court administrator of district court shall charge and collect all fees as prescribed by law and all such fees collected by the court administrator as court

administrator of district court shall be paid to the county treasurer. Except for those portions of forfeited bail paid to victims pursuant to existing law, the ~~county treasurer~~ court administrator shall forward all revenue from fees and forfeited bail collected under chapters 357 and, 574, and 487, and not required to be distributed to a city by statute, to the state treasurer for deposit in the state treasury and credit to the general fund, unless otherwise provided in chapter 611A or other law, in the manner and at the times prescribed by the state treasurer, but not less often than once each month. All other money must be deposited in the county general fund unless otherwise provided by law. The court administrator of district court shall not retain any additional compensation, per diem or other emolument for services as court administrator of district court, but may receive and retain mileage and expense allowances as prescribed by law.

Sec. 21. Minnesota Statutes 1988, section 485.03, is amended to read:

485.03 [DEPUTIES.]

The county board shall determine the number of permanent full time deputies, clerks and other employees in the office of the court administrator of district court and shall fix the compensation for each position. The county board shall also budget for temporary deputies and other employees and shall fix their rates of compensation. The court administrator shall appoint in writing the deputies and other employees, for whose acts the court administrator shall be responsible, and whom the court administrator may remove at pleasure. Before each enters upon official duties, the appointment and oath of each shall be filed with the county recorder. This section does not apply in the eighth judicial district, which is governed by chapter 484A.

Sec. 22. Minnesota Statutes 1988, section 486.01, is amended to read:

486.01 [APPOINTMENT, DUTIES, BOND; SUBSTITUTES.]

Each judge, by duplicate orders filed with the court administrator and county auditor of the several counties of the judge's district, The judges of the judicial district may appoint a competent stenographer stenographers as reporter reporters of the court, to hold office during the judge's pleasure, and to act as the judge's secretary judges' secretaries in all matters pertaining to official duties. Such reporter shall give bond to the state in the sum of \$2,000, to be approved by the appointing judge, conditioned for the faithful and impartial discharge of all the reporter's duties, which bond, with the oath of office, shall be filed with the court administrator in the county in which the judge resides. Court reporters shall be paid according to the supreme court's adopted personnel plan.

Whenever the official reporter so appointed, because of sickness or physical disability, is temporarily unable to perform duties, the judge of the court affected may, if another official court reporter is not available, secure for the temporary period of disability of the official court reporter, another competent reporter to perform such duties for not to exceed 60 days in any calendar year. The substitute court reporter so appointed shall receive as salary an amount equal to the salary of the official court reporter for the period of time involved and shall also receive in addition thereto expenses and fees provided by sections 486.05 and 486.06 set by the supreme court in an adopted personnel plan. The salary of such substitute reporter shall be paid in the manner now provided by law for the payment of the salary of the official court reporter. The substitute court reporter shall not be required to furnish bond, unless ordered by the judge to do so. The employment of and the compensation paid to such substitute reporter shall in no way affect or prejudice the employment of and the compensation paid to the official court reporter of said court.

Sec. 23. Minnesota Statutes 1989 Supplement, section 486.05, subdivision 1, is amended to read:

Subdivision 1. [SALARIES.] The salary for each court reporter shall be set annually by the district administrator within the range established under section 480.181 as provided in the judicial branch personnel rules by the supreme court.

Sec. 24. Minnesota Statutes 1989 Supplement, section 486.05, subdivision 1a, is amended to read:

Subd. 1a. [EXPENSES.] A court reporter, in addition to a salary, shall be paid necessary mileage, traveling, and hotel expenses incurred in the discharge of official duties while absent from the home chambers where the judge the reporter serves is assigned. The expenses are to be paid by the state upon presentation of a verified itemized statement approved by the judge in a manner prescribed by law.

Sec. 25. Minnesota Statutes 1989 Supplement, section 486.06, is amended to read:

486.06 [CHARGE FOR TRANSCRIPT.]

In addition to the salary set in section 486.05, the court reporter may charge for a transcript of a record ordered by any person other than the judge, the attorney general's office, or the board of public defense, 50 cents per original folio thereof and ten cents per folio for each manifold or other copy thereof when so ordered that it can be made with the original transcript. The chief judge of the judicial district may by order establish new transcript fee ceilings annually.

A court reporter may impose a fee authorized under this section only if the transcript is delivered to the person who ordered it within a reasonable time after it was ordered.

Sec. 26. Minnesota Statutes 1989 Supplement, section 487.31, subdivision 1, is amended to read:

Subdivision 1. The fees payable to the court administrator for the following services in civil actions are:

In all civil actions within the jurisdiction of the county court, the fees payable to the court administrator shall be the same as in district court. The fee payable for cases heard in conciliation court division is established under section 357.022. The filing fees must be transmitted to the county treasurer who shall transmit them to the state treasurer for deposit in the general fund.

The fees payable to the court administrator for the following services in petty misdemeanors or criminal actions are governed by the following provisions:

In the event the court takes jurisdiction of a prosecution for the violation of a statute or ordinance by the state or a governmental subdivision other than a city or town within the county court district; all fines, penalties and forfeitures collected shall be paid over to the treasurer of the governmental subdivision which submitted a case for prosecution except where a different disposition is provided by law, in which case payment shall be made to the public official entitled thereto.

The following fees for services in petty misdemeanor or criminal actions shall be taxed to the state or governmental subdivision which would be entitled to payment of the fines, forfeiture or penalties in any case, and shall be retained by the court administrator for disposing of the matter but in no case shall the fee that is taxed exceed the fine that is imposed. The court administrator shall deduct the fees from any fine collected and transmit the balance in accordance with the law, and the deduction of the total of such fees each month from the total of all such fines collected is hereby expressly made an appropriation of funds for payment of such fees:

(1) In all cases where the defendant pleads guilty at or prior to first appearance and sentence is imposed or the matter is otherwise disposed of without a trial \$5

(2) Where the defendant pleads guilty after first appearance or prior to trial \$10

(3) In all other cases where the defendant is found guilty by the court or jury or pleads guilty during trial \$15

(4) The court shall have the authority to waive the collection of fees in any particular case.

The fees set forth in this subdivision shall not apply to parking violations for which complaints and warrants have not been issued.

Sec. 27. Minnesota Statutes 1988, section 487.32, subdivision 2, is amended to read:

Subd. 2. Any bail not forfeited by court order shall be deemed abandoned and forfeited if the person entitled to refund does not file a written demand for refund with the court administrator within six months from the date when the person became entitled to the refund. Forfeitures shall be transmitted to the state treasurer for deposit in the general fund.

Sec. 28. Minnesota Statutes 1988, section 487.32, subdivision 3, is amended to read:

Subd. 3. A judge of a county district court may order any sums forfeited to be reinstated and the county treasurer court administrator shall then refund accordingly. The county state treasurer shall reimburse the court administrator if the court administrator refunds the deposit upon a judge's order and obtains a receipt to be used as a voucher.

Sec. 29. Minnesota Statutes 1988, section 487.33, is amended by adding a subdivision to read:

Subd. 7. [EXCEPTIONS.] This section does not apply in the eighth judicial district which is governed by chapter 484A.

Sec. 30. Minnesota Statutes 1988, section 611.20, is amended to read:

611.20 [SUBSEQUENT ABILITY TO PAY COUNSEL.]

If at any time after the state public defender or a district public defender has been directed to act, the court having jurisdiction in the matter is satisfied that the defendant or other person is financially able to obtain counsel or to make partial payment for the representation, the court may terminate the appointment of the public defender, unless the person so represented is willing to pay therefor. If a public defender continues the representation, the court shall direct payment for such representation as the interests of justice may dictate. Any payments directed by the court shall be deposited with recorded by the court administrator thereof and the court administrator shall forthwith remit the amount thereof to the treasurer of the governmental unit chargeable with the compensation of such public defender for deposit in the treasury to the credit

of the general revenue fund of such governmental unit or units, who shall transfer the payments to the governmental unit responsible for the costs of the public defender.

If at any time after appointment a public defender should have reason to believe that a defendant is financially able to obtain counsel or to make partial payment for counsel, it shall be the public defender's duty to so advise the court so that appropriate action may be taken.

Sec. 31. Minnesota Statutes 1988, section 611.215, subdivision 1, is amended to read:

Subdivision 1. [STRUCTURE; MEMBERSHIP.] (a) The state board of public defense is a part of, but is not subject to the administrative control of, the judicial branch of government. The state board of public defense shall consist of seven members including:

(1) a district court judge appointed by the supreme court;

(2) four attorneys admitted to the practice of law, well acquainted with the defense of persons accused of crime, but not employed as prosecutors, appointed by the supreme court; and

(3) two public members appointed by the governor.

(b) All members shall demonstrate an interest in maintaining a high quality, independent defense system for those who are unable to obtain adequate representation. The terms, compensation, and removal of members shall be as provided in section 15.0575. The chair shall be elected by the members from among the membership for a term of two years.

~~(c) In addition, the state board of public defense shall consist of an 11-member ad hoc board when considering the appointment of district public defenders under section 611.26, subdivision 2. The terms of district public defenders currently serving shall terminate in accordance with the staggered term schedule set forth in section 611.26, subdivision 2.~~

Sec. 32. Minnesota Statutes 1989 Supplement, section 611.26, subdivision 2, is amended to read:

Subd. 2. The state board of public defense shall appoint a district public defender. ~~When appointing a district public defender, the state board of public defense membership shall be increased to include two judges of the district and two county commissioners of the counties within the district. The additional members shall serve only in the capacity of selecting the district public defender. The~~

judges within the district shall elect their two ad hoc members. The two county commissioners within the district shall be selected by the county boards of the counties within the district. The ad hoc state board of public defense shall appoint a district public defender only after requesting and giving reasonable time to receive any recommendations from the public, the local bar association, and the judges of the district, and the county commissioners within the district. Each district public defender shall be a qualified attorney, licensed to practice law in this state. The district public defender shall be appointed for a term of four years, beginning November 1, pursuant to the following staggered term schedule: (1) in 1987, the third and eighth districts; (2) in 1988, the first and tenth districts; (3) in 1989, the fifth and ninth districts; (4) in 1990, the sixth and seventh districts; (5) in 1991, the second, fourth, third, and eighth districts; and (6) in 1992, the first, third, fourth, and tenth districts. The district public defenders shall serve for staggered four-year terms and may be removed for cause upon the order of the state board of public defense. Vacancies in the office shall be filled by the appointing authority for the unexpired term.

Sec. 33. Minnesota Statutes 1988, section 611.26, subdivision 3, is amended to read:

Subd. 3. The compensation of the district public defender shall be set by the board of public defense. The compensation of each assistant district public defender shall be set by the district public defender with the approval of the board of public defense. The compensation for district public defenders may not exceed the prevailing compensation for county attorneys within the district, and the compensation for assistant district public defenders may not exceed the prevailing compensation for assistant county attorneys within the district. To assist the board of public defense in determining prevailing compensation under this subdivision, counties shall include in their review and comment on proposed district public defender budgets provide to the board information on the compensation of county attorneys, including salaries and benefits, rent, secretarial staff, and other pertinent budget data. For purposes of this subdivision, compensation means salaries, cash payments, and employee benefits including paid time off and group insurance benefits, and other direct and indirect items of compensation including the value of office space provided by the employer.

Sec. 34. Minnesota Statutes 1988, section 611.27, is amended to read:

611.27 [FINANCING THE OFFICES OF DISTRICT PUBLIC DEFENDER.]

Subdivision 1. (a) The total compensation and expenses, including office equipment and supplies, of the district public defender are to be paid by the county or counties comprising the judicial district.

(b) A district public defender shall annually submit a comprehensive budget to the state board of public defense. The budget shall be in compliance with standards and forms required by the board and must, at a minimum, include detailed substantiation as to all revenues and expenditures. The district public defender shall, at times and in the form required by the board, submit reports to the board concerning its operations, including the number of cases handled and funds expended for these services.

Within ten days after an assistant district public defender is appointed, the district public defender shall certify to the state board of public defense the compensation that has been recommended for the assistant.

(c) The state board of public defense shall transmit the proposed budget of each district public defender to the respective district court administrators and county budget officers for comment before the board's final approval of the budget. The board shall determine and certify to the respective county boards a final comprehensive budget for the office of the district public defender that includes all expenses. After the board determines the allocation of the state funds authorized pursuant to paragraph (e), The board shall apportion the expenses of the district public defenders among the several counties and each county shall pay its share in monthly installments. The county share is the proportion of the total expenses that the population in the county bears to the total population in the district as determined by the last federal census. If the district public defender or an assistant district public defender is temporarily transferred to a county not situated in that public defender's judicial district, said county shall pay the proportionate part of that public defender's expenses for the services performed in said county.

(d) Reimbursement for actual and necessary travel expenses in the conduct of the office of the district public defender shall be charged to either (1) the general expenses of the office, (2) the general expenses of the district for which the expenses were incurred if outside the district, or (3) the office of the state public defender if the services were rendered for that office.

(e) Money appropriated to the state board of public defense for the board's administration, the state public defender, judicial district public defenders, and the public defender must be spent with the approval of the state board of public defense for the board's administration and for the state public defender and public defense corporations in amounts determined by the board. Public defense corporations shall be expended as determined by the board. Funds may also be distributed by the state board of public defense to district public defenders including those in Hennepin and Ramsey counties. In making distributions to district public defenders, priority must be given, to the extent feasible and reasonable, to those districts having the greatest number of felonies and gross misde-

meanors, and to those districts having the greatest number of distressed counties designated under section 297A.257. The board shall further consider each district's number of dispositions, such as jury trials, court trials and guilty pleas, the number of court appearances, and other trial-related financial data, and any special needs of districts organized in the calendar year 1987. In distributing funds to district public defenders, the board shall consider the results of the weighted case load study.

Subd. 2. The state board of public defense, after consultation with the county boards, shall designate the county officials of one or more counties within the district to pay the expenses of the district public defender. The county share assessed under subdivision 1 against each county of the district must be paid to the county treasurer of the designated county. The board may reimburse the designated counties for extra costs incurred. The board must provide for a revolving fund in the custody of the officials of the designated county into which each county must pay an initial deposit and its respective share of the expenses of the office of district public defender and from which the expenses of said office shall be paid in the manner provided in Laws 1965, chapter 869 law.

Subd. 3. If the state public defender or a district public defender deems it necessary to make a motion for a new trial, to take an appeal, or other postconviction proceedings in order to properly represent a defendant or other person whom that public defender had been directed to represent, that public defender may use the transcripts of the testimony and other proceedings filed with the court administrator of the district court as provided by section 243.49.

Subd. 4. [COUNTY PORTION OF COSTS.] The effective date of this section shall be January 1, 1966. That portion of subdivision 1 directing counties to pay the costs of public defense service shall not be in effect between July 1, 1990, and July 1, 1993. This subdivision only relates to costs associated with felony and gross misdemeanor public defense services and all public defense services in the second, fourth, and eighth judicial districts.

Sec. 35. Minnesota Statutes 1988, section 611.271, is amended to read:

611.271 [COPIES OF DOCUMENTS; FEES.]

The court administrators of all courts and justices of peace shall furnish upon the request of the office of district public defender or the state public defender copies of any documents in their possession and shall bill the office of the state public defender for these copies after they have been furnished. The fees for such documents shall be \$2 plus 12 cents for each page of the documents furnished.

Sec. 36. Minnesota Statutes 1988, section 629.292, subdivision 1, is amended to read:

Subdivision 1. [REQUEST FOR DISPOSITION; NOTIFICATION OF PRISONER.] (a) Any person who is imprisoned in a penal or correctional institution or other facility in the department of corrections of this state may request final disposition of any untried indictment or ~~information~~ complaint pending against the person in this state. The request shall be in writing addressed to the court in which the indictment or ~~information~~ complaint is pending and to the prosecuting attorney charged with the duty of prosecuting it, and shall set forth the place of imprisonment.

(b) The commissioner of corrections or other official designated by the commissioner having custody of prisoners shall promptly inform each prisoner in writing of the source and nature of any untried indictment or ~~information~~ complaint against the prisoner of which the commissioner of corrections or such official had knowledge or notice and of the prisoner's right to make a request for final disposition thereof.

(c) Failure of the commissioner of corrections or other such official to inform a prisoner, as required by this section, within one year after a detainer has been filed at the institution shall entitle the prisoner to a final dismissal of the indictment or ~~information~~ complaint with prejudice.

Sec. 37. Laws 1989, chapter 335, article 3, section 38, is amended to read:

Sec. 38. [TRANSITION, PUBLIC DEFENDERS; SECOND AND FOURTH DISTRICTS.]

The district public ~~defender~~ defenders of the second and fourth judicial ~~district~~ districts serving on July 1, 1989, shall continue in office until the expiration of the term to which appointed or until August 1, 1991, whichever date is later their terms.

The district public defender of the fourth judicial district serving on July 1, 1989, shall continue in office until the expiration of the term to which appointed or until August 1, 1991, whichever date is later.

Sec. 38. Laws 1989, chapter 335, article 3, section 58, as amended by Laws 1989, chapter 356, section 67, and Laws 1989, First Special Session chapter 1, article 5, section 48, subdivision 3, is amended to read:

Subd. 3. [JANUARY 1, 1991; ALL DISTRICTS.] That portion of section 6 which amends the first sentence of Minnesota Statutes

1989 Supplement, section 357.021, subdivision 1a, requiring counties to pay filing fees in district court actions is effective January 1, 1991 1994, for counties in all judicial districts.

Sec. 39. [REPEALER.]

Minnesota Statutes 1988, sections 484.55; 485.018, subdivision 2a; 486.07; 487.10, subdivisions 2 and 4; and 487.13; Minnesota Statutes 1989 Supplement, sections 357.021, subdivision 2a; and 484.545, subdivisions 2 and 3; and Laws 1989, chapter 335, article 3, sections 45 to 53, are repealed.

Sec. 40. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. Section 13 is effective the day following final enactment retroactive to January 1, 1990. Section 14 is effective the day following final enactment retroactive to January 30, 1989. Sections 12, 22, 23, 24, and 25 are effective January 1, 1992, except that in the eighth judicial district, sections 22, 23, 24, and 25 are effective July 1, 1990. Section 8 is effective October 1, 1990, except that in the eighth judicial district it is effective July 1, 1990. The effective dates in this section supersede the effective dates in Laws 1989, chapter 335, article 3, section 58, as amended by Laws 1989, First Special Session chapter 1, article 5, section 48, to the extent those dates are inconsistent with the dates in this section.

ARTICLE 3

FUND CONSOLIDATION

Section 1. [STATEMENT OF PURPOSE.]

During recent years the state of Minnesota has experienced a significant increase in the number of special revenue accounts and funds that has created a large base of nongeneral fund budget activities. The resulting structure is complicated and at best difficult for the legislature to exercise adequate legislative oversight of. Executive branch agencies are also being faced with increased administrative costs and programmatic restrictions because of the growing number of special revenue funds and accounts. This article is an attempt to simplify the existing accounting structure and develop an accounting organizational structure that is reflective of agency functional organizations.

The consolidations in this article are not intended to restructure programs within agencies by reducing the number of special revenue accounts and funds. Fund consolidation in this article shall not be accomplished at the expense of those user groups who pay fees to the current special revenue accounts and funds. Fees currently

being paid shall continue to be used for the purposes for which the fees were created.

Sec. 2. [INVESTMENT EARNINGS.]

Notwithstanding any law to the contrary, the department of finance shall credit investment earnings only to those funds and accounts that are directly appropriated. Investment earnings from all other funds and accounts with open appropriation authority will be credited to the general fund.

Sec. 3. [EXEMPTION.]

Gift funds, trust funds, funds receiving bond proceeds, insurance funds, and funds where the federal government requires that investment earnings be credited to the fund or account are exempt from section 2.

Sec. 4. Minnesota Statutes 1988, section 3C.035, subdivision 3, is amended to read:

Subd. 3. [RESTRICTIONS ON OUTSIDE DRAFTING.] A department or agency may not contract with an attorney, consultant, or other person either to provide drafting services to the department or agency or to advise on drafting unless the revisor determines that special expertise is required for the drafting and the expertise is not available from the revisor or the revisor's staff. ~~A department or agency may not request legislative staff, other than the revisor of statutes, to provide drafting services to the department or agency.~~

Sec. 5. Minnesota Statutes 1988, section 3C.11, subdivision 2, is amended to read:

Subd. 2. [PAMPHLETS.] The revisor's office shall compose, print, and deliver pamphlets containing parts of Minnesota Statutes, parts of Minnesota Rules, or combinations of parts of the statutes and rules as may be necessary for the use of public officers and departments. The revisor's office shall use a standard form for the pamphlets. The cost of composition, printing, and delivery of the pamphlets, ~~together with a reasonable fee for the revisor's services,~~ is to be borne by the office or department requesting them. The printing must be limited to actual needs as shown by experience or other competent proof. ~~Revenue from the revisor's fee must be deposited in the general fund.~~

Sec. 6. Minnesota Statutes 1988, section 5.13, is amended to read:

5.13 [DEPOSIT OF FEES.]

Fees collected by the secretary of state must be deposited in the state treasury and credited to the special revenue general fund.

Sec. 7. Minnesota Statutes 1989 Supplement, section 5.18, is amended to read:

5.18 [SUPPLEMENTAL FILING AND INFORMATION SERVICES.]

(a) The secretary of state may offer services to the public that supplement filing and information services already authorized by law. The secretary of state may discontinue the supplemental services at any time. The services must be designed to provide the public with a benefit by improving the manner of providing, or by providing an alternative manner of payment for, existing services provided by the secretary of state.

(b) The cost of providing the supplemental services to the public, as determined by the secretary of state, must be recovered from the recipients of the services. The funds collected for the services must be deposited in the uniform commercial code account general fund and are continuously available to the secretary of state for payment of the cost of providing the supplemental services.

Sec. 8. Minnesota Statutes 1988, section 14.07, subdivision 1, is amended to read:

Subdivision 1. [RULE DRAFTING ASSISTANCE PROVIDED.]

(a) The revisor of statutes shall:

(1) maintain an agency rules drafting department to draft or aid in the drafting of rules or amendments to rules for any agency in accordance with subdivision 3 and the objective or other instructions which the agency shall give the revisor; and,

(2) prepare and publish an agency rules drafting guide which shall set out the form and method for drafting rules and amendments to rules, and to which all rules shall comply.

(b) The revisor shall assess an agency for the actual cost of providing aid in drafting rules or amendments to rules. The agency shall pay the assessment using the procedures of section 3C.056. Each agency shall include in its budget money to pay the revisor's assessment. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.

(c) An agency may not contract with an attorney, consultant, or other person either to provide rule drafting services to the agency or to advise on drafting unless the revisor determines that special

expertise is required for the drafting and the expertise is not available from the revisor or the revisor's staff.

Sec. 9. Minnesota Statutes 1988, section 14.07, subdivision 2, is amended to read:

Subd. 2. [APPROVAL OF FORM.] No agency decision to adopt a rule or emergency rule, including a decision to amend or modify a proposed rule or proposed emergency rule, shall be effective unless the agency has presented the rule to the revisor of statutes and the revisor has certified that its form is approved. ~~The revisor shall assess an agency for the actual cost of processing rules for consideration for approval of form. The assessments must include necessary costs to create or modify the computer data base of the text of a rule and the cost of putting the rule into the form established by the drafting guide provided for in subdivision 1. The agency shall pay the assessments using the procedures of section 3C.056. Each agency shall include in its budget money to pay revisor's assessments. Receipts from the assessments must be deposited in the state treasury and credited to the general fund.~~

Sec. 10. Minnesota Statutes 1988, section 14.08, is amended to read:

14.08 [REVISOR OF STATUTES APPROVAL OF RULE FORM.]

(a) Two copies of a rule adopted pursuant to the provisions of section 14.26 or 14.32 shall be submitted by the agency to the attorney general. The attorney general shall send one copy of the rule to the revisor on the same day as it is submitted by the agency under section 14.26 or 14.32. Within five days after receipt of the rule, excluding weekends and holidays, the revisor shall either return the rule with a certificate of approval of the form of the rule to the attorney general or notify the attorney general and the agency that the form of the rule will not be approved.

If the attorney general disapproves a rule, the agency may modify it and the agency shall submit two copies of the modified rule to the attorney general who shall send a copy to the revisor for approval as to form as described in this paragraph.

(b) One copy of a rule adopted after a public hearing shall be submitted by the agency to the revisor for approval of the form of the rule. Within five working days after receipt of the rule, the revisor shall either return the rule with a certificate of approval to the agency or notify the agency that the form of the rule will not be approved.

(c) If the revisor refuses to approve the form of the rule, the revisor's notice shall revise the rule so it is in the correct form.

(d) The attorney general and the revisor of statutes shall assess an agency for the actual cost of processing rules under this section. The agency shall pay the revisor's assessments using the procedures of section 3C.056. The agency shall pay the attorney general's assessments using the procedures of section 8.15. Each agency shall include in its budget money to pay the revisor's and the attorney general's assessments. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.

Sec. 11. Minnesota Statutes 1988, section 14.26, is amended to read:

14.26 [ADOPTION OF PROPOSED RULE; SUBMISSION TO ATTORNEY GENERAL.]

If no hearing is required, the agency shall submit to the attorney general the proposed rule and notice as published, the rule as proposed for adoption, any written comments received by the agency, and a statement of need and reasonableness for the rule. The agency shall give notice to all persons who requested to be informed that these materials have been submitted to the attorney general. This notice shall be given on the same day that the record is submitted. If the proposed rule has been modified, the notice shall state that fact, and shall state that a free copy of the proposed rule, as modified, is available upon request from the agency. The rule and these materials shall be submitted to the attorney general within 180 days of the day that the comment period for the rule is over or the rule is automatically withdrawn. The agency shall report its failure to adopt the rules and the reasons for that failure to the legislative commission to review administrative rules, other appropriate legislative committees, and the governor.

Even if the 180-day period expires while the attorney general reviews the rule, if the attorney general rejects the rule, the agency may resubmit it after taking corrective action. The resubmission must occur within 30 days of when the agency receives written notice of the disapproval. If the rule is again disapproved, the rule is withdrawn. An agency may resubmit at any time before the expiration of the 180-day period. If the agency withholds some of the proposed rule, it may not adopt the withheld portion without again following the procedures of sections 14.14 to 14.28, or 14.29 to 14.36.

The attorney general shall approve or disapprove the rule as to its legality and its form to the extent the form relates to legality, including the issue of substantial change, and determine whether the agency has the authority to adopt the rule and whether the record demonstrates a rational basis for the need for and reasonableness of the proposed rule within 14 days. If the rule is approved, the attorney general shall promptly file two copies of it in the office of the secretary of state. The secretary of state shall forward one copy of each rule to the revisor of statutes. If the rule is disapproved, the

attorney general shall state in writing the reasons and make recommendations to overcome the deficiencies, and the rule shall not be filed in the office of the secretary of state, nor published until the deficiencies have been overcome. The attorney general shall send a statement of reasons for disapproval of the rule to the agency, the chief administrative law judge, the legislative commission to review administrative rules, and to the revisor of statutes.

The attorney general shall assess an agency for the actual cost of processing rules under this section. The agency shall pay the attorney general's assessments using the procedures of section 8.15. Each agency shall include in its budget money to pay the attorney general's assessment. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.

Sec. 12. Minnesota Statutes 1988, section 16A.127, subdivision 3, is amended to read:

Subd. 3. [REIMBURSEMENT.] (a) Under the plan, the commissioner shall make and record the reimbursement to the general fund of the statewide indirect costs attributable to an executive agency's nongeneral fund receipts for the last fiscal year. Unless the commissioner determines that agency indirect cost receipts are a reimbursement for general fund expenditures, the receipts are appropriated to the agency to pay administrative expenses. However, the commissioner may, for reasons of sound financial management, waive the reimbursement under this subdivision for certain nongeneral fund receipts, but only under the following circumstances:

(1) where regulations or law do not allow for the payment of indirect costs;

(2) where funds held by the state are held in trust funds other than pension trust funds, gift funds, endowment funds, debt service funds, and bond proceeds funds;

(3) where the funds are pass-through grant money;

(4) where receipts are collected for workshops, seminars, or conferences; or

(5) where the amount is less than \$500.

The commissioner shall report all waivers in the next statewide indirect cost plan.

(b) There is annually appropriated from all direct appropriated nongeneral funds an amount sufficient to reimburse the general fund for statewide indirect costs.

Sec. 13. Minnesota Statutes 1988, section 16A.127, subdivision 8, is amended to read:

Subd. 8. [EXEMPTION.] This section does not apply to the community college system, state universities, or the state board of vocational technical education. ~~Except for federal funds, this section does not apply to the department of natural resources for agency indirect costs.~~

Sec. 14. Minnesota Statutes 1988, section 16B.28, subdivision 2, is amended to read:

Subd. 2. [AUTHORIZATION.] (a) The commissioner is the state agency designated to purchase, accept or dispose of federal surplus property for the state and for the benefit of any other governmental unit or nonprofit organization for any purpose authorized by state and federal law and in accordance with federal rules and regulations. Any governmental unit or nonprofit organization may designate the commissioner to purchase or accept surplus property for it upon mutually agreeable terms and conditions. The commissioner may acquire, accept, warehouse, and distribute surplus property until it is needed and ~~any expenses incurred in connection with any of these acts shall be paid from the materials distribution revolving fund.~~

(b) To dispose of surplus property or other property that is obsolete or unused that belongs to the state or any other governmental unit or nonprofit organization, the commissioner may transfer or sell it to a governmental unit or nonprofit organization or sell it to any other person. Federal surplus property that has been transferred to the state for donation to public agencies and nonprofit organizations must be transferred or sold in accordance with the plan developed under paragraph (d). ~~Expenses incurred in connection with the disposal of surplus property or other property that is obsolete or unused must be paid from the materials distribution revolving fund.~~ If the commissioner sells the property, the proceeds of the sale, minus any expenses of providing the service set by the commissioner, are appropriated to the governmental unit or nonprofit organization for whose account the sale was made, to be used and expended by the organization for the purposes it determines.

(c) The commissioner may centrally acquire, warehouse, and distribute supplies, materials, and equipment for governmental units or nonprofit organizations. Expenses incurred in connection with acquiring, warehousing, and distributing must be paid from the materials distribution revolving fund.

(d) The commissioner shall develop a detailed plan for disposal of donated federal property in conformance with state law and federal regulations. The plan must be submitted to the governor for certifi-

cation and submission to the federal administrator of general services.

Sec. 15. Minnesota Statutes 1989 Supplement, section 16B.28, subdivision 3, is amended to read:

Subd. 3. [~~REVOLVING FUND DEPOSIT OF RECEIPTS.~~] (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, and all money resulting from the acquisition, acceptance, warehousing, distribution, and public sale of surplus property, must be deposited in the general fund. 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 and 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.

Sec. 16. Minnesota Statutes 1989 Supplement, section 16B.48, subdivision 2, is amended to read:

Subd. 2. [PURPOSE OF FUNDS.] Money in the state treasury credited to the ~~general~~ administrative services revolving fund and money which is deposited in the fund is appropriated annually to the commissioner for the following purposes:

- (1) to operate a central store and equipment service;
- (2) to operate a central duplication and printing service;
- (3) to purchase postage and related items and to refund postage deposits as necessary to operate the central mailing service;
- (4) to operate a documents service as prescribed by section 16B.51;
- (5) to provide advice and other services to political subdivisions for the management of their telecommunication systems;
- (6) to provide services for the maintenance, operation, and upkeep of buildings and grounds managed by the commissioner of administration;
- (7) to provide analytical, statistical, and organizational development services to state agencies, local units of government, metropolitan and regional agencies, and school districts;
- (8) to provide capitol security services through the department of public safety; and
- (9) to perform services for any other agency. Money shall be expended for this purpose only when directed by the governor. The agency receiving the services shall reimburse the fund for their cost, and the commissioner shall make the appropriate transfers when requested. The term "services" as used in this clause means compensation paid officers and employees of the state government; supplies, materials, equipment, and other articles and things used by or furnished to an agency; and utility services, and other services for the maintenance, operation, and upkeep of buildings and offices of the state government.

Sec. 17. Minnesota Statutes 1988, section 16B.48, subdivision 4, is amended to read:

Subd. 4. [REIMBURSEMENTS.] Except as specifically provided otherwise by law, each agency shall reimburse the computer services and ~~general~~ administrative services revolving funds for the cost of all services, supplies, materials, labor and depreciation of equipment including reasonable overhead costs which the commissioner is authorized and directed to furnish an agency. The cost of all publications or other materials produced by the commissioner and financed from the ~~general~~ administrative services revolving fund

shall include reasonable overhead costs. The commissioner of finance shall make appropriate transfers to the revolving funds described in this section when requested by the commissioner of administration. The commissioner of administration may make allotments, encumbrances, and, with the approval of the commissioner of finance, disbursements in anticipation of such transfers. In addition, the commissioner of administration, with the approval of the commissioner of finance, may require an agency to make advance payments to the revolving funds in this section sufficient to cover the agency's estimated obligation for a period of at least 60 days. All such reimbursements and other money received by the commissioner of administration under this section shall be deposited in the appropriate revolving fund. Any earnings remaining in the fund established to account for the documents service prescribed by section 16B.51 at the end of each fiscal year not otherwise needed for present or future operations, as determined by the commissioners of administration and finance, shall be transferred to the general fund.

Sec. 18. Minnesota Statutes 1988, section 16B.48, subdivision 5, is amended to read:

Subd. 5. [LIQUIDATION.] If the computer services or general administrative services revolving fund is abolished or liquidated, the total net profit from the operation of each fund shall be distributed to the various funds from which purchases were made. The amount to be distributed to each fund shall bear to such net profit the same ratio as the total purchases from each fund bears to the total purchases from all the funds during such period of time as shall fairly reflect the amount of net profit each fund is entitled to receive under the distribution required by this section.

Sec. 19. Minnesota Statutes 1988, section 16B.51, subdivision 2, is amended to read:

Subd. 2. [PRESCRIBE FEES.] The commissioner may prescribe fees to be charged for services rendered by the state or an agency in furnishing to those who request them certified copies of records or other documents, certifying that records or documents do not exist and furnishing other reports, publications, or related material which is requested. The fees, unless otherwise prescribed by law, may be fixed at the market rate. The commissioner of finance is authorized to approve the prescribed rates for the purpose of assuring that they, in total, will result in receipts greater than costs in the fund. Fees prescribed under this subdivision are deposited in the state treasury by the collecting agency and credited to the general administrative services revolving fund. Nothing in this subdivision permits the commissioner of administration to furnish any service which is now prohibited or unauthorized by law.

Sec. 20. Minnesota Statutes 1988, section 16B.53, subdivision 3, is amended to read:

Subd. 3. [REVOLVING FUND ACCOUNT.] Money collected by the commissioner under this section must be deposited in the central services mail revolving fund account in the state treasury. Money in that fund account is annually appropriated to the commissioner for the purposes of carrying out this section.

Sec. 21. Minnesota Statutes 1988, section 16B.85, subdivision 2, is amended to read:

Subd. 2. [RISK MANAGEMENT INSURANCE FUND.] (a) All state agencies may, in cooperation with the commissioner, participate in insurance programs and other funding alternative programs provided by the risk management insurance fund.

(b) When an agency or agencies enter into an insurance or self-insurance program, each agency shall contribute the appropriate share of its costs as determined by the commissioner.

(c) The money in the fund to pay claims arising from state activities and for administrative costs, including costs for the adjustment and defense of the claims, is appropriated to the commissioner.

(d) Interest earned from the investment of money in the fund shall be credited to the fund and be available to the commissioner for the expenditures authorized in this subdivision.

(e) The fund is exempt from the provisions of section 16A.15, subdivision 1. In the event that proceeds in the fund are insufficient to pay outstanding claims and associated administrative costs, the commissioner, in consultation with the commissioner of finance, may assess state agencies participating in the fund amounts sufficient to pay the costs. The commissioner shall determine the proportionate share of the assessment of each agency.

Sec. 22. Minnesota Statutes 1988, section 16B.85, subdivision 3, is amended to read:

Subd. 3. [RESPONSIBILITIES.] The commissioner shall:

(1) review the state's exposure to various types of potential risks in consultation with affected agencies and advise state agencies as to the reduction of risk and fiscal management of those losses;

(2) be responsible for statewide risk management coordination, evaluation of funding and insuring alternatives, and the approval of all insurance purchases in consultation with affected agencies;

(3) identify ways to eliminate redundant efforts in the management of state risk management and insurance programs;

(4) maintain the state risk management information system; and

(5) administer and maintain the state risk management insurance fund.

Sec. 23. Minnesota Statutes 1988, section 16B.85, subdivision 5, is amended to read:

Subd. 5. [RISK MANAGEMENT INSURANCE FUND NOT CONSIDERED INSURANCE.] A state agency, including an entity defined as a part of the state in section 3.732, subdivision 1, clause (1), may procure insurance against liability of the agency and its employees for damages resulting from the torts of the agency and its employees. The procurement of this insurance constitutes a waiver of the limits or governmental liability to the extent of the liability stated in the policy but has no effect on the liability of the agency and its employees beyond the coverage as provided. Procurement of commercial insurance, participation in the risk management insurance fund under this section, or provisions of an individual self-insurance plan with or without a reserve fund or reinsurance does not constitute a waiver of any of the governmental immunities or exclusions under section 3.736.

Sec. 24. Minnesota Statutes 1988, section 17.102, subdivision 4, is amended to read:

Subd. 4. [MINNESOTA GROWN ACCOUNT.] The Minnesota grown account is established as an account in the state treasury. License fee receipts and penalties collected under this section must be deposited in the state treasury and credited to the Minnesota grown account. The money in the account is continuously appropriated to the commissioner to implement and enforce this section and to promote the Minnesota grown logo and labeling general fund.

Sec. 25. Minnesota Statutes 1988, section 40A.151, is amended to read:

40A.151 [MINNESOTA CONSERVATION FUND.]

Subdivision 1. [ESTABLISHMENT MONEY FROM COUNTIES.] The Minnesota conservation fund is established as an account in the state treasury. Money from counties under section 40A.152 must be deposited in the state treasury and credited to the Minnesota conservation fund account general fund.

Subd. 2. [USE OF FUND REIMBURSEMENT OF TAXING JURISDICTIONS.] Money in the fund is annually There is appro-

priated to the commissioner of revenue an amount from the general fund necessary to reimburse taxing jurisdictions as provided in sections 273.119 and 473H.10.

Sec. 26. Minnesota Statutes 1988, section 40A.152, subdivision 3, is amended to read:

Subd. 3. [TRANSFER TO STATE FUND.] Money in the county conservation account that is not encumbered by the county within one year of deposit in the account must be transferred to the commissioner of revenue for deposit in the Minnesota conservation general fund.

Sec. 27. Minnesota Statutes 1988, section 41A.04, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] (a) Any applicant may file a written application with the state commissioner of trade and economic development on behalf of the board, to be considered by the board, for a guaranty by the state of a portion of a loan or for issuance of bonds for an agricultural resource project. In general, the application must provide information similar to that required by an investment banking or other financial institution considering such a project for debt financing. Specifically, each application must include in brief but precise form the following information, as supplied by the applicant, the borrower, or the lender:

- (1) a description of the scope, nature, extent, and location of the proposed project, including the identity of the borrower and a preliminary or conceptual design of the project;
- (2) a description of the technology to be used in the project and the prior construction and operating experience of the borrower with such projects;
- (3) a detailed estimate of the items comprising the total cost of the project, including escalation and contingencies, with explanation of the assumptions underlying the estimate;
- (4) a general description of the financial plan for the project, including the mortgage and security interests to be granted for the security of the guaranteed loan or the bonds, and all sources of equity, grants, or contributions or of borrowing the repayment of which is not to be secured by the mortgage and security interests, or, if so secured, is expressly subordinated to the guaranteed loan;
- (5) an environmental report analyzing potential environmental effects of the project, any necessary or proposed mitigation measures, and other relevant data available to the applicant to enable the board to make an environmental assessment;

(6) a list of applications to be filed and estimated dates of approvals of permits required by federal, state, and local government agencies as conditions for construction and commencement of operation of the project;

(7) an estimated construction schedule;

(8) an analysis of the estimated cost of production of and market for the product, including economic factors justifying the analysis and proposed and actual marketing contracts, letters of intent, and contracts for the supply of feedstock;

(9) a description of the management experience of the borrower in organizing and undertaking similar projects;

(10) pro forma cash flow statements for the first five years of project operation including income statements and balance sheets;

(11) a description of the borrower's organization and, where applicable, a copy of its articles of incorporation or partnership agreement and bylaws;

(12) the estimated amount of the loan or bonds and percentage of the guaranty requested, the proposed repayment schedule, and other terms and conditions and security provisions of the loan;

(13) an estimate of the amounts and times of receipt of guaranty fees, sales and use taxes, property tax increments, and any other governmental charges which may be available for the support of the agricultural development fund account as a result of the construction of the project, with an analysis of the assumptions on which the estimate is based;

(14) a copy of any lending commitment issued by a lender to the borrower;

(15) a statement from the lender, if identified, as to its general experience in financing and servicing debt incurred for projects of the size and general type of the project, and its proposed servicing and monitoring plan; and

(16) additional information required by the board.

(b) If the application is made by an applicant other than the county or rural development finance authority and tax increment financing is to be used for the project, the application must include a copy of a resolution adopted by the governing body of the county or rural development finance authority in which the project is located. The resolution must authorize the use of tax increment financing for the project as required by section 41A.06, subdivision 5.

Sec. 28. Minnesota Statutes 1989 Supplement, section 41A.05, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF ACCOUNT.] The Minnesota agricultural and economic development account is established in the special revenue fund and may be invested ~~separately from all other funds of the state~~ by the state board of investment. All money appropriated to the account, and all guaranty fees, retail sales taxes, property tax increments, and other money from any source which may be credited to the account and are appropriated to the board to carry out the purposes of this chapter. The board may maintain or establish within the Minnesota agricultural and economic development account reserve accounts, project accounts, trustee accounts, special guaranty fund accounts, or other restrictions it determines necessary or appropriate. The board may enter into pledge and escrow agreements or indentures of trust with a trustee for the purpose of maintaining the accounts.

Sec. 29. Minnesota Statutes 1988, section 41A.05, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF BONDS.] (a) The board by resolution may exercise the powers of a rural development authority under sections 469.142 to 469.151 and the powers of a municipality under sections 469.152 to 469.165 for the purposes of financing one or more projects, including the issuance of bonds and the application of the bond proceeds and investment income pursuant to a lease, loan, loan guaranty, loan participation, or other agreement. The bonds must be issued, sold, and secured on the terms and conditions and in the manner determined by resolution of the board. Section 16A.80 does not apply to the bonds. Notwithstanding subdivision 1, a reserve established for the bonds provided by the borrower, including out of bond proceeds, may be deposited and held in a separate account in the Minnesota agricultural and economic development special revenue fund and applied to the last installments of principal or interest on the bonds, subject to the reserves being withdrawn for any purpose permitted by subdivision 1. The board may by resolution or indenture pledge any or all amounts in the fund, including any reserves and investment income on amounts in the fund, to secure the payment of principal and interest on any or all series of bonds, upon the terms and conditions as provided in the resolution or indenture. To the extent the board deems necessary or desirable to prevent interest on bonds from becoming subject to federal income taxation, (1) the amounts in the fund shall be invested in obligations or securities with restricted yields and (2) the investment income on the amounts are released from the pledge securing the bonds or loan guaranty and appropriately applied to prevent taxation.

(b) Bonds issued pursuant to this chapter are not general obligations of the state or the board. The full faith and credit and taxing powers of the state and the board are not and may not be pledged for

the payment of the bonds. No person may compel the levy of a tax for the payment or compel the appropriation of money of the state or the board for the payment of the bonds, except as specifically provided in this chapter.

(c) For purposes of sections 474A.01 to 474A.21, the board is a local issuer and may apply for allocations of authority to issue private activity obligations and may enter into an agreement for the issuance of obligations by another issuer.

Sec. 30. Minnesota Statutes 1988, section 41A.051, is amended to read:

41A.051 [AUTHORITY TO USE AGRICULTURAL AND ECONOMIC DEVELOPMENT FUND ACCOUNT.]

The Minnesota agricultural and economic development board may use up to \$500,000 of the money in the agricultural and economic development fund account created in section 41A.05, subdivision 1, to make a grant to an organization that is engaged, or is planning to be engaged, in the purchase, packaging, insurance, or sale of loans, securities, or other obligations that are secured by loans primarily made for economic development purposes. The money authorized by this section must be used to establish a credit reserve to support a secondary market for economic development, job creation, redevelopment, or community revitalization loans. In the selection of the organization to receive the grant, the Minnesota agricultural and economic development board must consider the potential for raising private money to supplement the money of the Minnesota agricultural and economic development fund account.

Sec. 31. Minnesota Statutes 1988, section 41A.066, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO MAKE LOANS.] The Minnesota agricultural and economic development board may make, purchase, or participate in making or purchasing hazardous waste processing facility loans in any amount, and may enter into commitments therefor. A private person proposing to develop and operate a hazardous waste processing facility is eligible to apply for a loan under this subdivision. Applications must be made to the Minnesota agricultural and economic development board. The Minnesota agricultural and economic development board shall forward the applications to the waste management board for review pursuant to section 115A.162. If the waste management board does not certify the application, the Minnesota agricultural and economic development board may not approve the application nor make the loan. If the waste management board certifies the application, the Minnesota agricultural and economic development board shall approve the application and make the loan if money is available for it and if the Minnesota agricultural and economic development board finds that:

(1) development and operation of the facility as proposed by the applicant is economically feasible;

(2) there is a reasonable expectation that the principal and interest on the loan will be fully repaid; and

(3) the facility is unlikely to be developed and operated without a loan from the Minnesota agricultural and economic development board.

The Minnesota agricultural and economic development board and the waste management board shall establish coordinated procedures for loan application, certification, and approval.

The Minnesota agricultural and economic development board may use the Minnesota agricultural and economic development fund account to provide financial assistance to any person whose hazardous waste processing facility loan application has been certified by the waste management board and approved by the Minnesota agricultural and economic development board, and for this purpose may exercise the powers granted in Minnesota Statutes 1986, section 116M.06, subdivision 2, with respect to any loans made or bonds issued under this subdivision regardless of whether the applicant is an eligible small business.

The Minnesota agricultural and economic development board may issue bonds and notes in the aggregate principal amount of \$10,000,000 for the purpose of making, purchasing, or participating in making or purchasing hazardous waste processing facility loans.

The Minnesota agricultural and economic development board may adopt emergency rules under sections 14.29 to 14.36 to implement the loan program under this subdivision. Emergency rules adopted by the Minnesota agricultural and economic development board remain in effect for 360 days or until permanent rules are adopted, whichever occurs first.

Sec. 32. Minnesota Statutes 1988, section 84.154, subdivision 5, is amended to read:

Subd. 5. [SPECIAL FUNDS ACCOUNTS CREATED.] (1) There is hereby created a special fund account to be known as the Lac qui Parle and Big Stone Lake water control projects fund account, in which shall be placed all moneys heretofore or hereafter received for any lands or other property acquired by the state for the Lac qui Parle water control project and heretofore or hereafter sold or leased to the United States pursuant to Laws 1941, chapter 518, or otherwise, also all money heretofore or hereafter received from any source for the sale or lease under any other law of any lands or other property acquired by the state for either the Lac qui Parle or Big

Stone Lake water control project, except as otherwise provided in clause (2).

(2) All moneys in excess of \$2,500 remaining June 30, 1943, and at the end of each fiscal year thereafter in the Lac qui Parle revolving fund designated by Laws 1941, chapter 142, shall be transferred to said projects fund account. When all the property authorized to be sold under said chapter has been sold and the proceeds have been received the executive council shall notify the commissioner of finance thereof. Thereupon the balance remaining in said revolving fund shall be transferred to said projects the general fund and said revolving fund shall be abolished.

(3) All moneys in said projects fund account are hereby appropriated to the commissioner of conservation for the purposes of Laws 1943, chapter 476, to remain available therefor until expended hereunder or otherwise expressly disposed of by law; provided, that all expenditures hereunder shall be subject to the approval of the governor; provided, that the governor shall not approve any such expenditure without first consulting the legislative advisory commission and securing their recommendation, which shall be advisory only. Failure or refusal of the commission to make a recommendation promptly shall be deemed a negative recommendation.

Sec. 33. Minnesota Statutes 1989 Supplement, section 84A.51, subdivision 2, is amended to read:

Subd. 2. [FUNDS TRANSFERRED; APPROPRIATED.] Money in any fund established under section 84A.03, 84A.22, or 84A.32, subdivision 2, is transferred to the consolidated account general fund, except as provided in subdivision 3. The Money in the consolidated account, or as much of it as necessary, is appropriated for the purposes of sections 84A.52 and 84A.53. Any remaining balance is transferred to the general fund.

Sec. 34. Minnesota Statutes 1988, section 84A.53, is amended to read:

84A.53 [RECEIPTS NOT CREDITED TO CONSOLIDATED FUND.]

Subdivision 1. [TAX LEVIES.] Money collected from tax levies made before April 19, 1949, under this chapter, must be deposited in the state treasury to the credit of the general fund. Upon completion of the payment provided for in section 84A.52, the commissioner of finance shall make the appropriate entries. Money referred to in this section must not be used for the payments under section 84A.52 until all other money in the consolidated fund has been spent.

Subd. 2. [LAND SALES.] The portion of the money received from the sale of tax-forfeited lands that are held by the state under section 84A.07, 84A.26, or 84A.36, that would not be paid to the counties if all the sale proceeds were deposited in the consolidated conservation fund, must be deposited in the land acquisition account general fund. The remaining amount must be paid to the counties under section 84A.51 as if all the sale proceeds were deposited in the consolidated conservation general fund.

Sec. 35. Minnesota Statutes 1988, section 84A.54, is amended to read:

84A.54 [COLLECTIONS DEPOSITED IN CONSOLIDATED FUND.]

Except as provided in section 84A.53, money received after April 18, 1949, under this chapter must be deposited in the consolidated general fund.

Sec. 36. Minnesota Statutes 1989 Supplement, section 85.205, is amended to read:

85.205 [RECEPTACLES FOR RECYCLING.]

The commissioner of natural resources must provide recycling conveniences at all state parks.

(a) State park managers must provide and maintain adequate receptacles for collection of food containers for recycling in all state parks.

(b) Appropriate recycling information must be available to all state park visitors.

(c) State park managers must post a notice of recycling availability at appropriate locations within each state park.

(d) State park managers must where practicable recycle the gathered recyclable materials, provide for the local unit of government to recycle the gathered materials, or contract with private nonprofit groups for recycling.

(e) Money collected by state park managers for recycling must be deposited in the state treasury and credited to the state park maintenance and operation account general fund.

Sec. 37. Minnesota Statutes 1989 Supplement, section 89.035, is amended to read:

89.035 [INCOME FROM STATE FOREST LANDS, DISPOSITION.]

All income which may be received from lands acquired by the state heretofore or hereafter for state forest purposes by gift, purchase or eminent domain and tax-forfeited lands to which the county has relinquished its equity to the state for state forest purposes shall be paid into the state treasury and credited to the state forest account general fund except where the conveyance to and acceptance by the state of lands for state forest purposes provides for other disposition of receipts general fund.

Sec. 38. Minnesota Statutes 1989 Supplement, section 89.036, is amended to read:

89.036 [FUNDS APPORTIONED TO COUNTY.]

The state of Minnesota shall annually on July 1 or as soon thereafter as may be practical, pay from the state forest account general fund to each county, in which there now are, or hereafter shall be situated, any state forests, a sum equal to 50 percent of the gross receipts of such state forests located within such county, which have been received during the preceding fiscal year and credited to the state forest account general fund, which payment shall be received and distributed by the county treasurer, as if such payment had been received as taxes on such lands payable in the current year.

~~After making such payment to the county, the balance of said funds in the state forest account on July 1 shall be transferred and credited to the general fund.~~

The commissioner of finance shall annually draw warrants upon the state treasurer for the proper amounts in favor of the respective counties entitled thereto and the state treasurer shall pay such warrants from the state forest account general fund.

The commissioner of finance and the state treasurer shall devise, adopt, and use the accounting methods they may deem proper, and to do any and all other things reasonably necessary in carrying out this section.

There is appropriated to the counties entitled to such payment, from the state forest account general fund in the state treasury, an amount sufficient to make the payments specified in this section.

Sec. 39. Minnesota Statutes 1988, section 89.37, subdivision 4, is amended to read:

Subd. 4. [PROCEEDS OF SALE.] All moneys received in payment for tree planting stock supplied under this section shall be deposited

in the state treasury and credited to the forest management fund pursuant to section 89.04 nursery account and are available to the commissioner of natural resources for the purposes of sections 89.35 to 89.37.

Sec. 40. Minnesota Statutes 1988, section 89.58, is amended to read:

89.58 [FOREST PEST CONTROL FUND ACCOUNT.]

All money collected under the provisions of sections 89.51 to 89.61 together with such money as may be appropriated by the legislature or allocated by the legislative advisory commission for the purposes of sections 89.51 to 89.61, and such money as may be contributed or paid by the federal government, or any other public or private agency, organization or individual, shall be deposited in the state treasury, to the credit of the forest pest control fund account, which fund account is hereby created, and any moneys therein are appropriated to the commissioner for use in carrying out the purposes hereof.

Sec. 41. Minnesota Statutes 1988, section 115A.15, subdivision 6, is amended to read:

Subd. 6. [USE OF MATERIALS DISTRIBUTION REVOLVING FUND FUNDS.] All funds appropriated by the state for the resource recovery program, all revenues resulting from the sale of recyclable and reusable commodities made available for sale as a result of the resource recovery program and all reimbursements to the commissioner of expenses incurred by the commissioner in developing and administering resource recovery systems for state agencies, governmental units, and nonprofit organizations must be deposited in the materials distribution revolving fund created in section 16B.28. The fund may be used for all activities associated with the program including payment of administrative and operating costs general fund. The commissioner shall determine the waste disposal cost savings associated with recycling and reuse activities, collect those savings from the account responsible for disposing of wastes produced in state buildings, and credit the savings to the materials distribution revolving general fund.

Sec. 42. Minnesota Statutes 1989 Supplement, section 116J.617, subdivision 5, is amended to read:

Subd. 5. [TOURISM LOAN ACCOUNT.] The tourism loan account is created in the special revenue fund. The fund consists of money appropriated or transferred to the account and interest, repayment of principal and interest on loans collected through the tourism revolving loan program, and gifts, donations, and bequests made to the account. Money in the account is appropriated to the commissioner for purposes of this section. Fees collected through the

tourism revolving loan program must be credited to the general fund.

Sec. 43. Minnesota Statutes 1989 Supplement, section 116J.955, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The rural rehabilitation account is in the special revenue fund. The money transferred to the state as a result of liquidating the rural rehabilitation corporation trust, and money derived from transfer of the trust to the state, must be credited to the rural rehabilitation account. The principal amount of the rural rehabilitation account must be invested by the state investment board. The income attributable to investment of the principal is appropriated to the commissioner for the purposes of Laws 1987, chapter 386, article 1, section 6, subdivision 2.

Sec. 44. Minnesota Statutes 1989 Supplement, section 116J.9673, subdivision 4, is amended to read:

Subd. 4. [WORKING CAPITAL ACCOUNT.] An export finance authority working capital account is created as a special account in the state treasury. All premiums and interest collected under subdivision 3, clause (6), must be deposited into this account. Fees and earnings collected must be credited to the general fund. ~~The balance in the account may exceed \$1,000,000 through accumulated earnings.~~ Money in the account, including interest earned and appropriations made by the legislature for the purposes of this section, is appropriated annually to the finance authority for the purposes of this section. The balance in the account may decline below \$1,000,000 as required to pay defaults on guaranteed loans.

Sec. 45. Minnesota Statutes 1988, section 121.496, subdivision 3, is amended to read:

Subd. 3. [OPEN APPROPRIATION.] The fees charged and money accepted by the department under subdivision 2 shall be deposited in the state treasury and credited to a ~~special account.~~ ~~Money in the account is appropriated to the department to defray the costs of providing the information services~~ the general fund.

Sec. 46. Minnesota Statutes 1988, section 126.115, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION.] All funds in the motorcycle safety fund created by section 171.06, subdivision 2a, are hereby annually appropriated to the commissioner of public safety to carry out the purposes of subdivisions 1 and 2. The commissioner of public safety may make grants from the fund funds directly appropriated to the commissioner of education at such times and in such amounts as the commissioner deems necessary to carry out the purposes of subdi-

visions 1 and 2. Not more than five percent of the funds so appropriated shall be expended to defray the administrative costs of carrying out the purposes of subdivisions 1 and 2, and not more than 60 percent of the money so appropriated shall be expended for the combined purpose of training and coordinating the activities of motorcycle safety instructors and making reimbursements to schools and other approved organizations.

Sec. 47. Minnesota Statutes 1988, section 144.226, subdivision 3, is amended to read:

Subd. 3. [BIRTH CERTIFICATE COPY SURCHARGE.] In addition to any fee prescribed under subdivision 1, there shall be a surcharge of \$3 for each certified copy of a birth certificate. The local or state registrar shall forward this amount to the commissioner of finance for deposit into the ~~account for the children's trust fund for the prevention of child abuse established under section 299A.22~~ general fund. This surcharge shall not be charged under those circumstances in which no fee for a certified copy of a birth certificate is permitted under subdivision 1, paragraph (a). Upon certification by the commissioner of finance that the assets in that fund exceed \$20,000,000, this surcharge shall be discontinued.

Sec. 48. Minnesota Statutes 1988, section 144.8093, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT AND PURPOSE.] In order to develop, maintain, and improve regional emergency medical services systems, the department of health shall establish an emergency medical services system fund. ~~The fund~~ Funds directly appropriated to the department shall be used for the general purposes of promoting systematic, cost-effective delivery of emergency medical care throughout the state; identifying common local, regional, and state emergency medical system needs and providing assistance in addressing those needs; undertaking special projects of statewide significance that will enhance the provision of emergency medical care in Minnesota; providing for public education about emergency medical care; promoting the exchange of emergency medical care information; ensuring the ongoing coordination of regional emergency medical services systems; and establishing and maintaining training standards to ensure consistent quality of emergency medical services throughout the state.

Sec. 49. Minnesota Statutes 1988, section 144.8093, subdivision 3, is amended to read:

Subd. 3. [USE AND RESTRICTIONS.] Designated regional emergency medical services systems may use emergency medical services system funds to support local and regional emergency medical services as determined within the region, with particular emphasis given to supporting and improving emergency trauma and cardiac

care and training. No part of a region's share of the fund funding may be used to directly subsidize any ambulance service operations or rescue service operations or to purchase any vehicles or parts of vehicles for an ambulance service or a rescue service.

Sec. 50. Minnesota Statutes 1988, section 144.8093, subdivision 4, is amended to read:

Subd. 4. [DISTRIBUTION.] Money from the fund shall be Appropriations made by law to the department for emergency medical services shall be distributed according to this subdivision. Eighty percent of the fund appropriation shall be distributed annually on a contract for services basis with each of the eight regional emergency medical services systems designated by the commissioner of health. The systems shall be governed by a body consisting of appointed representatives from each of the counties in that region and shall also include representatives from emergency medical services organizations. The commissioner shall contract with a regional entity only if the contract proposal satisfactorily addresses proposed emergency medical services activities in the following areas: personnel training, transportation coordination, public safety agency cooperation, communications systems maintenance and development, public involvement, health care facilities involvement, and system management. If each of the regional emergency medical services systems submits a satisfactory contract proposal, then this part of the fund appropriation shall be distributed evenly among the regions. If one or more of the regions does not contract for the full amount of its even share or if its proposal is unsatisfactory, then the commissioner may reallocate the unused funds to the remaining regions on a pro rata basis. Six and two-thirds percent of the fund appropriation shall be used by the commissioner to support region-wide reporting systems and to provide other regional administration and technical assistance. Thirteen and one-third percent shall be distributed by the commissioner as discretionary grants for special emergency medical services projects with potential statewide significance.

Sec. 51. Minnesota Statutes 1988, section 144A.33, subdivision 4, is amended to read:

Subd. 4. [SPECIAL ACCOUNT MONEY COLLECTED.] All money collected by the commissioner of health under subdivision 3 must be deposited in the state treasury and credited to a special account called the nursing home advisory council fund. Money credited to the fund is appropriated to the Minnesota board on aging for the purposes of this section the general fund.

Sec. 52. Minnesota Statutes 1988, section 157.045, is amended to read:

157.045 [INCREASE IN FEES.]

For licenses issued for 1989 and succeeding years, the commissioner of health shall increase license fees for facilities licensed under this chapter and chapter 327 to a level sufficient to recover all expenses related to the licensing, inspection, and enforcement activities prescribed in those chapters. In calculating the fee increase, the commissioner shall include the salaries and expenses of 5.5 new positions required to meet the inspection frequency prescribed in section 157.04. Fees collected must be deposited in the special revenue account.

Sec. 53. Minnesota Statutes 1989 Supplement, section 169.686, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION; SPECIAL ACCOUNT.] The fines collected for a violation of subdivision 1 must be deposited in the state treasury and credited to a special account to be known as the emergency medical services relief account the general fund. Money in the account Funds directly appropriated for emergency medical services shall be distributed to the eight regional emergency medical services systems designated by the commissioner under section 144.8093, for personnel education and training, equipment and vehicle purchases, and operational expenses of emergency life support transportation services. The board of directors of each emergency medical services region shall establish criteria for funding.

Sec. 54. Minnesota Statutes 1988, section 171.06, subdivision 2a, is amended to read:

Subd. 2a. [FEE INCREASED.] The fee for any duplicate drivers license which is obtained for the purpose of adding a two-wheeled vehicle endorsement is increased by \$7.50 for each first such duplicate license and \$6 for each renewal thereof. The additional fee shall be paid into the state treasury and credited to the motorcycle safety fund which is hereby created general fund; provided that any fee receipts in excess of \$500,000 in a fiscal year shall be credited 90 percent to the trunk highway fund and ten percent to the general fund, as provided in section 171.26.

All application forms prepared by the commissioner for two-wheeled vehicle endorsements shall clearly contain the information that of the total fee charged for the endorsement, \$6 is dedicated to the motorcycle safety fund.

Sec. 55. Minnesota Statutes 1988, section 176B.02, is amended to read:

176B.02 [PEACE OFFICERS BENEFIT FUND ACCOUNT.]

There is hereby created in the state treasury an account to be known as peace officers benefit fund account. Funds in the peace

officers benefit fund account shall consist of money appropriated to that fund account. The administrator of the fund account is the commissioner of employee relations, who shall follow the procedures specified in section 176.541, subdivisions 2, 3, and 4.

Sec. 56. Minnesota Statutes 1988, section 176B.04, is amended to read:

176B.04 [DISBURSEMENTS.]

Upon certification to the governor by the administrator of the fund account that a peace officer employed by a state or governmental subdivision 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, subject to the approval of the workers' compensation court of appeals, pay \$100,000 as follows:

(a) if there is no dependent child, to the spouse;

(b) if there is no spouse, to the dependent child or children in equal shares;

(c) 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;

(d) 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;

(e) if there is no surviving spouse or dependent child, children or parent, then there shall be no payment made from the peace officers benefit fund account.

"Killed in the line of duty" does not include deaths from natural causes or deaths that occur during employment for a private employer other than an independent nonprofit firefighting corporation.

Sec. 57. Minnesota Statutes 1988, section 181.953, is amended to read:

181.953 [RELIABILITY AND FAIRNESS SAFEGUARDS.]

Subdivision 1. [USE OF LICENSED LABORATORY REQUIRED.] (a) An employer who requests or requires an employee or job applicant to undergo drug or alcohol testing shall use the services of a testing laboratory licensed by the commissioner under this subdivision, except that, a breath test as an initial screening test for alcohol may be performed by a medical clinic, hospital, or

other medical facility not owned or operated by the employer that does not meet the licensing requirements of this section, provided that the breath test meets the standards or requirements adopted by rule under paragraph (b), except clause (1), and any confirmatory test is performed according to the requirements of sections 181.950 to 181.957 and the rules adopted thereunder.

(b) The commissioner shall adopt rules by January 1, 1988, governing:

(1) standards for licensing, suspension, and revocation of a license;

(2) body component samples that are appropriate for drug and alcohol testing;

(3) procedures for taking a sample that ensure privacy to employees and job applicants to the extent practicable, consistent with preventing tampering with the sample;

(4) methods of analysis and procedures to ensure reliable drug and alcohol testing results, including standards for initial screening tests and confirmatory tests;

(5) threshold detection levels for drugs, alcohol, or their metabolites for purposes of determining a positive test result;

(6) chain-of-custody procedures to ensure proper identification, labeling, and handling of the samples being tested; and

(7) retention and storage procedures to ensure reliable results on confirmatory tests or confirmatory retests of original samples.

(c) With respect to paragraph (b), clause (4), the rules must allow testing for alcohol by breath test as an initial screening test, provided that the results are confirmed by blood analysis.

(d) The commissioner shall also grant licenses to laboratories conducting drug and alcohol testing that are located in another state, provided that either: (1) the laboratory is licensed by the other state or by a federal agency to conduct drug and alcohol testing and the other state's or federal agency's rules governing standards, methods, and procedures meet or exceed those adopted under this subdivision; or (2) the laboratory has agreed in writing with the commissioner to comply with the rules adopted under this subdivision. A laboratory licensed under this paragraph must also, as a condition of obtaining and retaining a license, agree in writing with the commissioner to comply with the other requirements for laboratories set forth in sections 181.950 to 181.954 and to be subject to the remedies set forth in section 181.956.

(e) The commissioner shall charge laboratories an annual license fee. The fee may vary depending on the number of Minnesota employee samples tested annually at a laboratory. Fee receipts must be deposited in the state treasury and credited to a special account and are appropriated to the commissioner to administer this subdivision and to purchase or lease laboratory equipment as accumulated fee receipts make equipment purchases or leases possible. Notwithstanding section 144.122, the commissioner shall set the license fee at an amount so that the total fees collected will recover the costs of administering this subdivision and allow an additional amount to be credited to the special account each year sufficient to allow the commissioner to obtain appropriate laboratory equipment for use in administering this subdivision by July 1, 1994 the general fund.

Sec. 58. Minnesota Statutes 1989 Supplement, section 183.357, subdivision 4, is amended to read:

Subd. 4. [DEPOSIT OF FEES.] Fees received under this section must be deposited in the state treasury and credited to the special revenue general fund.

Sec. 59. Minnesota Statutes 1988, section 183.545, subdivision 9, is amended to read:

Subd. 9. [DEPOSIT OF FEES.] Fees received under this section and section 183.57 must be deposited in the state treasury and credited to the special revenue general fund.

Sec. 60. Minnesota Statutes 1988, section 192.85, is amended to read:

192.85 [CIVIL OFFICERS SHALL BE GUILTY OF MISDEMEANORS FOR REFUSAL TO ACT.]

Any sheriff, constable, jailer, marshal or other civil officer named in the military code, who shall neglect or refuse to obey, execute or return the lawful warrant or other process of a military court, or make a false return thereon, shall be guilty of a misdemeanor and in addition to the penalties attaching thereto, shall forfeit \$50 for each offense or neglect of duty, the same to be recovered in civil action against such officer and the official sureties by the adjutant general for the benefit of the maintenance fund of the national guard general fund.

Sec. 61. Minnesota Statutes 1988, section 196.054, subdivision 2, is amended to read:

Subd. 2. [APPROPRIATION.] There is a veterans affairs resources fund in the state treasury. All money received by the department

pursuant to subdivision 1 must be deposited in the state treasury and credited to the ~~veterans affairs resources fund~~. The commissioner may only use money from the ~~veterans affairs resources fund~~ for operation, maintenance, repair of facilities, associated legal fees, and other related expenses used under subdivision 1 general fund.

Sec. 62. Minnesota Statutes 1988, section 197.23, subdivision 2, is amended to read:

Subd. 2. [ACCOUNT FUNDS FOR MARKER PURCHASE.] ~~An account must be created by the department of finance under the control of the commissioner of veterans affairs that must be used to purchase markers.~~ The commissioner shall provide the available funds for each county in the ratio of the number of markers placed in the county to the total number of markers placed in approximately the same ratio as funds that may be received from that county to the total amount of funds. The funds of each county includes the county government and any donations from organizations and individuals that are headquartered or resident in the county.

Sec. 63. Minnesota Statutes 1988, section 201.023, is amended to read:

201.023 [VOTER REGISTRATION ACCOUNT.]

The voter registration account is established as an account in the state treasury. Amounts received by the secretary of state to pay the cost of producing lists of registered voters under section 201.091, subdivision 5, by the statewide computerized registration system must be deposited in the state treasury and credited to the voter registration account. Money in the voter registration account is continually appropriated to the secretary of state to produce lists of registered voters under section 201.091, subdivision 5 general fund.

Sec. 64. Minnesota Statutes 1989 Supplement, section 216D.08, subdivision 3, is amended to read:

Subd. 3. [CREDITED TO PIPELINE SAFETY ACCOUNT GENERAL FUND.] Penalties collected under this section must be deposited in the state treasury and credited to the pipeline safety account general fund to be applied to the reduction of expenses or costs assessed by the commissioner against persons regulated under this chapter.

Sec. 65. Minnesota Statutes 1988, section 243.48, subdivision 1, is amended to read:

Subdivision 1. [GENERAL SEARCHES.] The commissioner of corrections, the governor, lieutenant governor, members of the

legislature, state officers, and the corrections ombudsman, may visit the inmates at pleasure, but no other persons without permission of the chief executive officer of the facility, under rules prescribed by the commissioner. A moderate fee may be required of visitors, other than those allowed to visit at pleasure. All fees so collected shall be reported and remitted to the state treasurer under rules as the commissioner may deem proper, and when so remitted shall be placed to the credit of the current expense fund of the facility general fund.

Sec. 66. Minnesota Statutes 1989 Supplement, section 246.18, subdivision 3a, is amended to read:

Subd. 3a. [CONTINGENCY FUND ACCOUNT.] A separate ~~interest-bearing~~ account must be established in accordance with subdivision 3 for use by the commissioner of human services in contingency situations related to chemical dependency programs operated by the regional treatment centers or state nursing homes. Within the limits of appropriations made available for this purpose, money must be provided to each regional treatment center to enable each center to continue to provide chemical dependency services.

Sec. 67. Minnesota Statutes 1988, section 268.026, subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of any other law to the contrary, all moneys collected as rent under the terms of any lease entered into pursuant to the provisions of subdivision 1, shall be deposited in the state treasury and credited to the ~~account known as the economic security administration~~ general fund.

Sec. 68. Minnesota Statutes 1988, section 268.677, subdivision 2, is amended to read:

Subd. 2. Reimbursement to the commissioner for the costs of administering wage subsidies must not exceed one-half percent of the money appropriated. Reimbursements must be deposited in the general fund. Reimbursement to an eligible local service unit for the costs of administering wage subsidies must not exceed five percent and for the purchase of supplies and materials necessary to create permanent improvements to public property must not exceed one percent of the money allocated to that local service unit. The commissioner and the eligible local service units shall reallocate money from other sources to cover the costs of administering wage subsidies whenever possible.

Sec. 69. Minnesota Statutes 1988, section 268.681, subdivision 3, is amended to read:

Subd. 3. [PAYBACK.] A business receiving wage subsidies shall

repay 70 percent of the amount initially received for each eligible job applicant employed, if the employee does not continue in the employment of the business beyond the six-month subsidized period. If the employee continues in the employment of the business for one year or longer after the six-month subsidized period, the business need not repay any of the funds received for that employee's wages. If the employee continues in the employment of the business for a period of less than one year after the expiration of the six-month subsidized period, the business shall receive a proportional reduction in the amount it must repay. If an employer dismisses an employee for good cause and works in good faith with the eligible local service unit or its contractor to employ and train another person referred by the eligible local service unit or its contractor, the payback formula shall apply as if the original person had continued in employment.

A repayment schedule shall be negotiated and agreed to by the eligible local service unit and the business prior to the disbursement of the funds and is subject to renegotiation. The eligible local service unit shall forward 25 percent of the payments received under this subdivision to the commissioner on a monthly basis and shall retain the remaining 75 percent for local program expenditures. Notwithstanding section 268.677, subdivision 2, the local service unit may use up to 20 percent of its share of the funds returned under this subdivision for any administrative costs associated with the collection of the funds under this subdivision. At least 80 percent of the local service unit's share of the funds returned under this subdivision must be used as provided in section 268.677. The commissioner shall deposit payments forwarded to the commissioner under this subdivision in the Minnesota wage subsidy account created by subdivision 4 general fund.

Sec. 70. [268.99] [EMERGENCY SHELTER.]

Funds appropriated for emergency shelter services and support services to battered women must be matched by local money for 20 percent of the costs and by state money for 80 percent. The commissioner may use money directly appropriated by law for the administration of a displaced homemaker program regardless of the date on when the program was established.

Sec. 71. Minnesota Statutes 1988, section 297.03, subdivision 5a, is amended to read:

Subd. 5a. [REVOLVING ACCOUNT DEPOSIT OF PROCEEDS.]
A heat applied cigarette tax stamp revolving account is created. The commissioner shall use the amounts in this fund appropriated by law to purchase heat applied stamps for resale. The commissioner shall charge the purchasers for the costs of the stamps along with the tax value plus shipping costs. The costs recovered along with shipping costs must be deposited into this revolving account the

general fund and are available to the commissioner for further purchases and shipping costs. The revolving account must be funded by reducing the stamping discounts allowed in subdivision 5 for the first three months of fiscal year 1989. The stamping discounts are 0.75 percent of the face amount of any stamps purchased in the first three months for the first \$1,500,000 of the stamps and 0.50 percent on the remainder of the stamps purchased.

At the end of each of the first three months of fiscal year 1989, the commissioner shall notify the commissioner of finance of the amount of reduced stamping discounts that have accrued to the tobacco tax revenue general fund. The commissioner of finance shall then transfer the amounts to the heat applied cigarette tax stamp revolving account general fund from the tobacco tax revenue fund.

Sec. 72. 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.

Sec. 73. Minnesota Statutes 1989 Supplement, section 299F.641, subdivision 8, is amended to read:

Subd. 8. [CIVIL RELIEF.] The safety standards adopted under this section may be enforced as is provided for gas pipeline facilities under sections 299F.60 and 299F.61, and penalties collected must be paid to the commissioner for deposit in the state treasury and credit to the pipeline safety account general fund.

Sec. 74. Minnesota Statutes 1989 Supplement, section 299J.12, subdivision 1, is amended to read:

Subdivision 1. [ASSESSMENT AND DEPOSIT OF FEE.] For each quarter following the delegation to the state of the inspection authority described in section 299J.04, the commissioner shall assess and collect from every interstate pipeline operator an inspection fee in an amount calculated under subdivisions 2 and 3. If an operator does not pay the fee within 60 days after the assessment was mailed, the commissioner may impose a delinquency fee of ten percent of the quarterly inspection fee and interest at the rate of 15 percent per year on the portion of the fee not paid. Fees collected by the commissioner under this section must be deposited in the pipeline safety account general fund.

Sec. 75. Minnesota Statutes 1988, section 326.47, subdivision 3, is amended to read:

Subd. 3. [SURCHARGE.] For the purpose of defraying the cost of administering sections 326.46 to 326.52, there is imposed on all municipalities except municipalities which have a letter of agreement with the department of labor and industry to perform inspections, a surcharge on the filing fees, inspection fees and permits issued after December 31, 1984, in connection with the construction or installation of high pressure piping systems. The surcharge shall be set by the commissioner pursuant to section 16A.128, but shall not be less than \$25, nor greater than \$5,000. All surcharges collected under this section must be paid to the commissioner for deposit in the state treasury for credit to the special revenue general fund.

Sec. 76. Minnesota Statutes 1988, section 326.52, is amended to read:

326.52 [DEPOSIT OF FEES.]

All fees received under sections 326.46 to 326.52 shall be deposited by the department of labor and industry to the credit of the special revenue general fund in the state treasury. The salaries and per diem of the inspectors and examiners hereinbefore provided, their expenses, and all incidental expenses of the department in carrying out the provisions of sections 326.46 to 326.52 shall be paid from the appropriations made to the department of labor and industry.

Sec. 77. Minnesota Statutes 1988, section 326.75, subdivision 4, is amended to read:

Subd. 4. [DEPOSIT OF FEES.] Fees collected under this section shall be deposited in the asbestos abatement revolving fund created by section 326.82 general fund.

Sec. 78. Minnesota Statutes 1989 Supplement, section 336.9-413, is amended to read:

336.9-413 [UNIFORM COMMERCIAL CODE ACCOUNT PROCEEDS.]

(a) The uniform commercial code account is established as an account in the state treasury.

(b) The filing officer with whom a financing statement, amendment, assignment, statement of release, or continuation statement is filed, or to whom a request for search is made, shall collect a \$3 surcharge on each filing or search. By the 15th day following the end of each fiscal quarter, each county recorder shall forward the receipts from the surcharge accumulated during that fiscal quarter to the secretary of state. The surcharge does not apply to a search request made by a natural person who is the subject of the data to be searched except when a certificate is requested as a part of the search.

(c) The surcharge amounts received from county recorders and the surcharge amounts collected by the secretary of state's office must be deposited in the state treasury and credited to the general fund.

(d) Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing a service under sections 336.9-411 to 336.9-413 must be deposited in the state treasury and credited to the uniform commercial code account general fund.

(e) Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing information contained in the computerized records maintained by the secretary

of state must be deposited in the state treasury and credited to the uniform commercial code account general fund.

(f) Money in the uniform commercial code account is continuously appropriated to the secretary of state to implement and maintain the computerized uniform commercial code filing system under section 336.9 411 and to provide electronic view-only access to other computerized records maintained by the secretary of state.

Sec. 79. Minnesota Statutes 1988, section 349.52, subdivision 3, is amended to read:

Subd. 3. [VIDEO GAMING LICENSE ACCOUNT.] (a) Fees collected by the commissioner under sections 349.50 to 349.60 must be deposited in the state treasury in a special account to be known as the "video gaming license account." Money in the account is appropriated to the commissioner for distribution under paragraph (b) the general fund.

(b) The operator shall, by January 31 of each year, certify to the commissioner the number of video games of chance located in each city, and in each county outside of incorporated areas, on December 31 of the previous year. Within 15 days of receiving this certification the commissioner shall pay from the video gaming license account amounts appropriated to the commissioner to each city and county \$30 for each video game of chance located in the city or in the county outside city limits. After making these payments the commissioner shall transfer the unexpended balance in the account to the general fund.

Sec. 80. Minnesota Statutes 1989 Supplement, section 469.204, subdivision 2, is amended to read:

Subd. 2. [ALLOCATION.] Each city of the first class, as defined in section 410.01, may receive a part of the appropriations made available that is the proportion that the population of such city bears to the combined population of such cities of the first class. One city may agree to reduce its entitlement amount and to make it available to another city. For the purposes of this subdivision the population of each city is determined according to the most recent estimates available to the commissioner. Interest earned by a city from money paid to the city must be repaid to the commissioner annually unless the revitalization program identifies the interest as necessary to implement the revitalization program and the requirement for city matching money is satisfied with respect to the interest and must be deposited in the general fund.

Sec. 81. Laws 1988, chapter 648, section 3, is amended to read:

Sec. 3. [APPROPRIATION.]

\$750,000 is appropriated from the emergency medical services relief account general fund for the fiscal year ending June 30, 1989, to the commissioner of health for equal distribution to the eight regional emergency medical service systems designated by the commissioner under section 144.8093.

Sec. 82. Laws 1989, chapter 335, article 4, section 107, is amended to read:

Sec. 107. [SPECIAL INSTRUCTION.]

The department of finance may adjust appropriations made to individual agencies for the 1990-1991 biennium to reflect the fund consolidation structure contained in this article while developing agency spending plans for the biennium. In addition, all funds and accounts to be consolidated to the general fund as a result of this article shall have open appropriation authority through June 30, 1991. Agency base level for funding the 1992-1993 biennium for programs currently funded from the accounts affected by this article shall be calculated according to 1992-1993 anticipated revenues. The department shall also have authority to resolve inconsistencies between existing statutes and this article through June 30, 1991. The department shall report adjustments made in agency budgets to implement this article to the chairs of the house appropriations and senate finance committees with specific recommendations on any statutory changes needed to clarify the inconsistency between this article and existing statute. The consolidations in this article are effective beginning July 1, 1991.

Sec. 83. Laws 1988, chapter 648, section 3, is amended to read:

Sec. 3. [APPROPRIATION.]

\$750,000 is appropriated from the emergency medical services relief account general fund for the fiscal year ending June 30, 1989, to the commissioner of health for equal distribution to the eight regional emergency medical service systems designated by the commissioner under section 144.8093.

Sec. 84. [REPEALER.]

Minnesota Statutes 1988, sections 3C.056; 14.32, subdivision 2; 84A.51, subdivision 1; 85.30; 268.681, subdivision 4; 299J.18; and 326.82; Minnesota Statutes 1989 Supplement, sections 3C.035, subdivision 2; and 8.15.

Sec. 85. [INSTRUCTION TO REVISOR.]

(a) In the next edition of Minnesota Statutes, the revisor shall amend the following headnotes:

[16B.48] [GENERAL ADMINISTRATIVE SERVICES AND COMPUTER SERVICES REVOLVING FUNDS FUND.]

[17B.15] [FEE WEIGHING; DEDICATED ACCOUNT FOR INSPECTION AND WEIGHING.]

[184A.51] [CONSOLIDATED CONSERVATION AREAS FUND ACCOUNT.]

[144.8093] [EMERGENCY MEDICAL SERVICES FUND ACCOUNT.]

[237.52] [FUND ACCOUNT; ASSESSMENT.]

[508.75] [ASSURANCE FUND; INVESTMENT TRANSMITTAL OF PROCEEDS.]

[508.78] [LIABILITY OF ASSURANCE FUND.]

[508A.78] [LIABILITY OF ASSURANCE FUND.]

(b) Change the references in column A to Column B.

Section	A	B
299J.12, <u>subdivision 3</u>	299J.18	299J.17
326.70	326.82	326.81
326.71, <u>subdivision 1</u>	326.82	326.81
326.76	326.82	326.81
326.78, <u>subdivision 1</u>	326.82	326.81
326.79	326.82	326.81
326.80	326.82	326.81
326.81	326.82	326.81

Sec. 86. [EFFECTIVE DATE.]

Sections 1 to 80 are effective July 1, 1991. Sections 81 to 83 are effective the day after final enactment.

ARTICLE 4

STATE PLANNING

Section 1. [STATEMENT OF PURPOSE.]

The legislature finds the need to capitalize on opportunities to restructure services in such a way that the level and quality of service provided to the public can be maintained while reducing the cost and size of government through a program of investiture and divestiture. The legislature further recognizes that the long-term

goal of streamlining state government can only be accomplished by focusing on restructuring or redesigning state programs during the 1990 session that have an impact on the 1992-1993 biennium. In keeping with the goal of streamlining state government based on sound fiscal management principles, the legislature has chosen to reassign those essential duties housed within the state planning agency to other, more organizationally suitable agencies and divest those functions that are not essential.

Sec. 2. Minnesota Statutes Second 1989 Supplement, section 3.885, subdivision 3, is amended to read:

Subd. 3. [STAFF.] (a) The commission may:

(1) employ and fix the salaries of professional, technical, clerical, and other staff of the commission;

(2) employ and discharge staff solely on the basis of their fitness to perform their duties and without regard to political affiliation;

(3) buy necessary furniture, equipment, and supplies;

(4) enter into contracts for necessary services, equipment, office, and supplies;

(5) provide its staff with computer capability necessary to carry out assigned duties. The computer should be capable of receiving data and transmitting data to computers maintained by the executive and judicial departments of state government that are used for budgetary and revenue purposes; and

(6) use other legislative staff.

(b) The commission may hire an executive director and delegate any of its authority under paragraph (a) to that person. The executive director shall be appointed by the chair and vice-chair to a four-year term, shall serve in the unclassified service, and is subject to removal by a majority vote of the members of either the senate or the house of representatives.

(c) The legislative coordinating commission shall provide office space and administrative support to the committee. The state planning agency shall report to the committee, and the committee may make recommendations to the state planning agency.

Sec. 3. Minnesota Statutes Second 1989 Supplement, section 3.885, subdivision 6, is amended to read:

Subd. 6. [MANDATE, STATE AID, AND STATE PROGRAM REVIEWS.] (a) The commission shall, after consultation with the

governor and with the chairs of the standing committees of the legislature, select mandates and state programs for review. When selecting mandates, state aids, or state programs to be reviewed, the commission shall give priority to those that involve state payments to local units of government.

(b) The governor is responsible for the performance of the reviews. Staff from affected agencies, staff from the department of finance and the state planning agency, and legislative staff shall participate in the reviews.

(c) At the direction of the commission, reviews of state programs shall include:

- (1) a precise and complete description of the program;
- (2) the need the program is intended to address;
- (3) the recommended goals and measurable objectives of the program to meet those needs;
- (4) program outcomes and measures which identify:
 - (i) results in meeting stated needs, goals, and objectives;
 - (ii) administrative efficiency, which, when appropriate, shall include number of program staff and clients served, timeliness in processing clients and rates and administrative cost as a percent of total program expenditures;
 - (iii) unanticipated program outcomes;
 - (iv) program expenditures compared with program appropriations;
 - (v) historical cost trends and projected program growth, including reasons for fiscal and program growth, for all levels of government involved in the program;
 - (vi) if rules or guidelines or instructions have been promulgated for a program, a review of their efficacy in helping to meet program goals and objectives and in administering the program in a cost-effective way; and
 - (vii) quality control monitoring and sanctions including a review of the level of training, experience, skill, and standards of staff;
- (5) recommended changes in the program that would lead to its policy objectives being achieved more efficiently or effectively, or at lower cost; and

(6) additional issues requested by the commission.

(d) The following state aids and associated state mandates shall be reviewed:

(1) local aids and credits including local government aid, homestead and agricultural credit aid, disparity reduction aid, taconite homestead credit and aids, tax increment financing, and fiscal disparities;

(2) human services aids including community health services aids, correctional program aids, and social service program and administrative aids;

(3) elementary and secondary education aids including school district general fund aids and levies, school district capital expenditure fund aids and levies, school district debt service fund aids and levies, and school district community service fund aids and levies; and

(4) general government aids including natural resource aids, environmental protection aids, transportation aids, economic development aids, and general infrastructure aids.

(e) At the direction of the commission, the reviews of state aids and state mandates involving state financing of local government activities listed in paragraph (d) shall include:

(1) the employment status, wages, and benefits of persons employed in administering the programs;

(2) the desirable applicability of state procedural laws and rules;

(3) methods for increasing political subdivision options in providing their share, if any, of program costs;

(4) desirable redistributions of funding responsibilities for the program and the time period during which any recommended funding distribution should occur;

(5) opportunities for reducing program mandates and giving political subdivisions more flexibility in meeting program needs;

(6) comparability of treatment of similar units of government;

(7) the effect of the state aid or mandate on the distribution of tax burdens among individuals, based upon ability to pay;

(8) coordination of the payment or allocation formula with other state aid programs;

(9) incentives that have been created for local spending decisions, and whether the incentives should be changed;

(10) ways in which political subdivisions have changed their revenue-raising behavior since receiving these grants; and

(11) consideration of the program's consistency with the policies set forth in section 3.882.

(f) Each review shall also include an assessment of the accountability of all government agencies that participate in administration of the program.

(g) Each review that is intended to be considered in the development of the governor's budget recommendations for the following year shall be completed and submitted to the commission no later than November 15.

Sec. 4. [4.46] [WASHINGTON OFFICE.]

The governor may appoint employees in the Washington, D.C., office of the state of Minnesota in accordance with chapter 43A and prescribe their duties.

In the operation of the Washington, D.C., office of the state of Minnesota, the governor may expend money appropriated by the legislature for promotional purposes in the same manner as private persons, firms, corporations, and associations expend money for promotional purposes. Promotional expenditures for food, lodging, or travel are not governed by the travel rules of the commissioner of employee relations.

Any seminars or training sessions regarding federal issues or federal budgeting that are conducted by the Washington office shall be made available to legislators and legislative staff. The Washington office shall notify the legislature regarding the timing of such seminars.

Sec. 5. Minnesota Statutes 1988, section 15.06, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] This section applies to the following departments or agencies: the departments of administration, agriculture, commerce, corrections, jobs and training, education, employee relations, trade and economic development, finance, health, human rights, labor and industry, natural resources, public safety, public service, human services, revenue, transportation, and veterans affairs; the housing finance, state planning, and pollution control agencies; the office of commissioner of iron range resources and rehabilitation; the bureau of mediation services; and their

successor departments and agencies. The heads of the foregoing departments or agencies are "commissioners."

Sec. 6. Minnesota Statutes 1989 Supplement, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range

Effective

July 1, 1987

\$57,500-\$78,500

Commissioner of finance;
 Commissioner of education;
 Commissioner of transportation;
 Commissioner of human services;
 Commissioner of revenue;
 Commissioner of public safety;
 Executive director, state board of investment;
 Commissioner of gaming;
 Director of the state lottery;

\$50,000-\$67,500

Commissioner of administration;
 Commissioner of agriculture;
 Commissioner of commerce;
 Commissioner of corrections;
 Commissioner of jobs and training;
 Commissioner of employee relations;
 Commissioner of health;
 Commissioner of labor and industry;
 Commissioner of natural resources;
 Commissioner of trade and economic development;
 Chief administrative law judge; office of administrative hearings;
 Commissioner, pollution control agency;
 Commissioner, state planning agency;
 Director, office of waste management;
 Commissioner, housing finance agency;
 Executive director, public employees retirement association;
 Executive director, teacher's retirement association;
 Executive director, state retirement system;
 Chair, metropolitan council;
 Chair, regional transit board;

\$42,500-\$60,000

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

Sec. 7. [16B.90] [INFORMATION AND FORECASTS.]

Subdivision 1. [DEVELOPMENT AND ANALYSIS OF INFORMATION.] The commissioner shall develop and analyze information and forecasts relating to the state's population, economy, natural resources and human services including, but not limited to: (1) collection and analysis of information necessary to enable the commissioner to report annually to the governor and the legislature on the status of the state's economy and on forecasts of medium and long-term economic prospects for the state; (2) analysis and reporting on the comparability of economic data, assumptions and analyses used by other planning entities, state agencies, and levels of government as the commissioner deems appropriate; (3) assessment of the implications of demographic, economic, and programmatic trends on state and local policies and institutions for providing health, education, and other human services; and (4) assessment of the availability and quality of data for long-range planning and policy development.

Subd. 2. [DEMOGRAPHICS.] 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, or federal agencies; or nongovernmental persons, institutions, or commissions;

(6) serve as the state liaison with the federal Bureau of the Census, and coordinate the activities of the department 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 section;

(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.

Subd. 3. [LAND MANAGEMENT INFORMATION CENTER.] (a) The land management information center is established to foster integration of environmental information and provide services in computer mapping and graphics, environmental analysis, and small systems development.

(b) The commissioner shall periodically compile studies of land use and natural resources on the basis of county, regional, and other political subdivisions.

(c) The commissioner shall charge fees to clients for information products and services. Fees shall be deposited in the state treasury and credited to the land management information center revolving account. Money in the account is appropriated to the department of administration for operation of the land management information system, including the cost of all services, supplies, materials, labor, and equipment, as well as the portion of the general support costs and statewide indirect costs of the agency that is attributable to the land management information system. The commissioner may require a state agency to make advance payments to the revolving account sufficient to cover the agency's estimated obligation for a

period of 60 days or more. If the revolving account is abolished or liquidated, the total net profit from operations shall be distributed to the various funds from which purchases were made. The amount to be distributed to each fund shall bear to the net profit the same ratio as the total purchases from each fund bears to the total purchases from all the funds during a period of time that fairly reflects the amount of net profit each fund is entitled to receive under this distribution. Employees paid from this account are in the unclassified service.

Subd. 4. [MODEL ZONING CRITERIA.] The commissioner shall, in consultation with the advisory council on state and local relations, develop and disseminate model zoning criteria for use by local units of government in siting recycling facilities.

Subd. 5. [POPULATION ESTIMATES AND PROJECTIONS; SUBMISSION BY STATE AGENCIES.] Each state agency shall submit to the commissioner for comment all population estimates and projections prepared by it prior to:

(1) submitting those estimates and projections to the state legislature or federal government to obtain appropriations or grants;

(2) the issuance of bonds based upon those estimates and projections; and

(3) releasing any plan based upon those estimates and projections.

Sec. 8. Minnesota Statutes 1989 Supplement, section 17.49, subdivision 1, is amended to read:

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

Sec. 9. Minnesota Statutes 1988, section 40A.08, is amended to read:

40A.08 [STATE PLANNING AGENCY; REGIONAL DEVELOPMENT COMMISSIONS.]

The state planning agency shall cooperate with and assist the commissioner in administering the agricultural land preservation program under this chapter. The commissioner may enter into

agreements with ~~the agency or~~ a regional development commission under which staff are loaned for the purpose of selecting pilot counties and reviewing plans and official controls for consistency with the state guidelines.

Sec. 10. Minnesota Statutes 1988, section 40A.16, is amended to read:

40A.16 [INTERAGENCY COOPERATION.]

The board, districts, ~~the agency,~~ and the department of natural resources shall cooperate with and assist the commissioner in developing and implementing the agricultural land preservation and conservation awareness and assistance programs. The commissioner may enter into agreements under which staff from those agencies are loaned for the purpose of administering the programs.

Sec. 11. Minnesota Statutes 1988, section 62D.122, is amended to read:

62D.122 [MEDIATION.]

When current parties to a health maintenance organization contract between providers of health care services and the health maintenance organization believe they will be unable to reach agreement on the terms of renewal or maintenance of the agreement, either party may request the commissioner of health to order that the dispute be submitted to mediation. The parties to the dispute shall enter mediation upon the order of the commissioner of health. Whether or not a request for mediation from one of the parties has been received, the commissioner shall order mediation if failure to reach agreement would significantly impair access to health care services on the part of current enrollees of that health maintenance organization. The commissioner shall be a participant in the mediation. In determining whether access to health care services for current enrollees will be significantly impaired, the commissioner shall consider:

- (1) the number of enrollees affected,
- (2) the ability of the plan to make alternate arrangements with other participating providers for the provision of health care services to the affected enrollees,
- (3) the availability of nonparticipating providers who may become participating providers for those with whom the health maintenance organization is in dispute,
- (4) the time remaining until termination of the provider contract, and

(5) whether failure to resolve the dispute may establish a precedent for similar disputes in other parts of the state or might impede competition among health plans.

During the period in which the dispute is in mediation, no action to terminate provider or enrollee contracts may be taken by either party. Participation in mediation shall be required of all parties for a period of not more than 30 days. Notice of termination of provider agreements, as required under section 62D.08, subdivision 5, shall take effect no earlier than 31 days after the first day of mediation under this section.

When mediation is ordered by the commissioner, arrangements for mediation shall be made through either the office of dispute resolution in the state planning agency, or the office of administrative hearings.

Costs of the mediation shall be borne equally by the health maintenance organization and the health care providers unless otherwise agreed to by the parties. The office of administrative hearings shall establish rates for mediation services comparable to those charged by mediators listed with the office of dispute resolution.

The mediator shall not have authority to impose a settlement or otherwise bind a participant to a nonvoluntary resolution of the dispute; however, any agreement reached as a result of the mediation shall be enforceable.

Except as otherwise provided under chapter 13 and sections 62D.03 and 62D.14, the commissioner shall make public the results of any mediation agreement.

Sec. 12. Minnesota Statutes 1988, section 62J.02, subdivision 2, is amended to read:

Subd. 2. [STAFF; OFFICE SPACE; EQUIPMENT.] The commission shall select a director to serve at its pleasure as the chief administrative officer of the commission. The director may hire advisors, consultants, and employees, as authorized by the commission, and prescribe their duties. Employees are not state employees, but are covered by section 3.736. At the option of the commission, the employees may participate in the following plans for employees in the unclassified service: the state retirement plan, the state deferred compensation plan, and the health insurance and life insurance plans. The commissioner of state planning health shall provide to the commission, at a reasonable cost, administrative assistance, office space, and access to office equipment and services.

Sec. 13. Minnesota Statutes 1988, section 62J.02, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The health care access commission, with the assistance of the ~~commissioner~~ commissioners of state planning health and human services, shall develop and recommend to the legislature a plan to provide access to health care for all state residents. In developing the plan, the commission shall:

(1) develop a system to estimate the total number of uninsured Minnesotans by age, sex, employment status, income level, geography, and other relevant characteristics;

(2) explore all potential insurance options including size and makeup of risk groups;

(3) prepare a legal analysis of restrictions and other potential legal issues of the Employee Retirement Income Security Act, United States Code, title 29, sections 1001 to 1461;

(4) study and make recommendations on insurance and health care law changes that will improve access to health care;

(5) study and make recommendations on incentives and disincentives to ensure that employers continue to provide health insurance coverage;

(6) study and make recommendations regarding benefits to be covered by health plans that would be available through the health care access program, including preventive, well-child, and prenatal care;

(7) identify cost savings to public programs that would result from implementation of the health care access program;

(8) develop a cost containment policy after reviewing cost containment methods such as hospital admission precertification, concurrent review of hospital stays, discharge planning, hospital bill audit prior to discharge, primary gatekeepers, claims data analysis, a drug formulary, pharmacy data analysis, bulk discounts, emergency room use, outpatient surgery oversight, protocols for preventive care and common acute care, practice data compared to peers, practitioner rewards and penalties, and other cost containment methods;

(9) develop a system to administer the health care access program, including recommendations for eligibility criteria, enrollment procedures, and options for contracting with carriers, health plans, and providers, to ensure access to affordable health care in all geographic areas of the state;

(10) define the number, functions, and duties of administrative staff;

(11) study alternatives for financing the state share of the cost of the premiums in an amount sufficient to generate one-half of the total costs of the health care access program, but not more than \$150,000,000 a year, including, but not limited to, an actuarial analysis, a sliding fee scale analysis, and reserve fund requirements;

(12) develop a system for collection of premium payments;

(13) examine and make recommendations on gatekeeping mechanisms for access to health care services, different benefit and service packages for the minimum core coverage plan, and dollar limitations for prescription drug costs;

(14) consider limits on provider reimbursement and covered services and make recommendations;

(15) examine the effect of different copayment levels on access to health care for persons with low incomes and provide recommendations based on this analysis;

(16) examine and make recommendations on maximum lifetime benefits;

(17) develop methods to ensure representation in service delivery by eligible practitioners, without regard to race, color, or sex;

(18) develop methods to coordinate the health care access program with other government-subsidized programs; and

(19) conduct other activities it considers necessary to carry out the intent of the legislature as expressed in section 62J.01 and this section.

Sec. 14. Minnesota Statutes 1988, section 84.027, is amended by adding a subdivision to read:

Subd. 11. [LOCAL LAND USE PLANNING; GRANTS.] (a) In order to improve the land use decision-making capability of local government, the commissioner shall make grants to the metropolitan council under section 116J.992 and to towns, counties, municipalities, and Indian reservations. The commissioner shall give priority when granting money to those areas that show a special need under clauses (1) and (2). The grants may be used to employ staff or contract with other units of government or qualified consultants for the following purposes:

(1) to prepare and implement plans which are required for certain areas by law or by designation as a critical area under chapter 116G;

(2) to prepare and implement plans which the unit of government is authorized by law to undertake for the management of problems resulting from rapid population or economic growth or decline and potential development in environmentally sensitive areas including, but not limited to, flood plains, wild and scenic rivers, and shorelands; and

(3) to analyze and prepare plans to preserve and protect agricultural land as defined in section 500.24.

(b) Grants shall not exceed 75 percent of the cost of the land use planning program, except that grants made within a designated critical area may be up to 100 percent of the cost of the planning program.

(c) For the purpose of this subdivision, municipality has the definition stated in Minnesota Statutes 1974, section 462.352, subdivision 2.

(d) The commissioner shall determine priorities pursuant to this section and shall adopt rules for the submittal and review of applications in accordance with the provisions of chapter 14.

Sec. 15. Minnesota Statutes 1989 Supplement, section 103H.101, subdivision 4, is amended to read:

Subd. 4. [INFORMATION GATHERING.] The commissioner of natural resources shall coordinate the collection of state and local information to identify sensitive areas. Information must be automated on or accessible to systems developed at the land management information center of the state planning agency department of administration.

Sec. 16. Minnesota Statutes 1989 Supplement, section 103H.175, is amended to read:

103H.175 [GROUNDWATER QUALITY MONITORING.]

Subdivision 1. [MONITORING RESULTS TO BE SUBMITTED TO THE STATE PLANNING AGENCY ENVIRONMENTAL QUALITY BOARD.] The results of monitoring groundwater quality by state agencies and political subdivisions must be submitted to the state planning agency environmental quality board.

Subd. 2. [COMPUTERIZED DATA BASE.] The state planning pollution control agency shall maintain a computerized data base compatible with the data base at the department of administration's

land management information center of the results of groundwater quality monitoring in a manner that is accessible to the pollution control agency, department of agriculture, department of health, and department of natural resources. The state planning pollution control agency shall assess the quality and reliability of the data and organize the data in a usable format.

Sec. 17. Minnesota Statutes 1988, section 105.485, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER'S DUTIES.] The commissioner of natural resources shall adopt, under chapter 14, model standards and criteria, other than a model ordinance, for the subdivision, use, and development of shoreland in municipalities. The standards and criteria must include but not be limited to those listed in clauses (1) to (7). The commissioner of natural resources shall adopt, under chapter 14, model standards and criteria for the subdivision, use, and development of shoreland in unincorporated areas, including but not limited to the following:

- (1) the area of a lot and length of water frontage suitable for a building site;
- (2) the placement of structures in relation to shorelines and roads;
- (3) the placement and construction of sanitary and waste disposal facilities;
- (4) designation of types of land uses;
- (5) changes in bottom contours of adjacent public waters;
- (6) preservation of natural shorelands through the restriction of land uses;
- (7) variances from the minimum standards and criteria; and
- (8) a model ordinance.

The following agencies shall provide information and advice necessary to prepare or amend the rules: the state departments of agriculture, health, and trade and economic development; the state planning and pollution control agencies agency; the board of water and soil resources; and the Minnesota historical society. In addition to other requirements of chapter 14, the model standards and ordinance adopted under this section, or amendments to them must not be finally adopted unless approved by the state commissioner of health and the commissioner of the pollution control agency.

Sec. 18. Minnesota Statutes 1988, section 110B.04, subdivision 7, is amended to read:

Subd. 7. [DATA ACQUISITION.] The data collected under this section that has common value as determined by the state ~~planning agency environmental quality board~~ for natural resources planning must be provided and integrated into the Minnesota land management information systems geographic and summary data bases according to published data compatibility guidelines.

Sec. 19. Minnesota Statutes 1988, section 110B.08, subdivision 5, is amended to read:

Subd. 5. [STATE REVIEW.] (a) After conducting the public hearing but before final adoption, the county board must submit its comprehensive water plan, all written comments received on the plan, a record of the public hearing under subdivision 4, and a summary of changes incorporated as a result of the review process to the board for review. The board shall complete the review within 90 days after receiving a comprehensive water plan and supporting documents. The board shall consult with the departments of agriculture, health, and natural resources; the pollution control agency; the state ~~planning agency~~; the environmental quality board; and other appropriate state agencies during the review.

(b) The board may disapprove a comprehensive water plan if the board determines the plan is not consistent with state law. If a plan is disapproved, the board shall provide a written statement of its reasons for disapproval. A disapproved comprehensive water plan must be revised by the county board and resubmitted for approval by the board within 120 days after receiving notice of disapproval of the comprehensive water plan, unless the board extends the period for good cause. The decision of the board to disapprove the plan may be appealed by the county to district court.

Sec. 20. Minnesota Statutes 1988, section 115.103, subdivision 1, is amended to read:

Subdivision 1. [PROJECT COORDINATION TEAM; MEMBERSHIP.] The commissioner shall establish and chair a project coordination team made up of representatives of the pollution control agency, department of natural resources, soil and water conservation board, department of agriculture, department of health, ~~state planning agency~~, Minnesota extension service, University of Minnesota agricultural experiment stations, United States Army Corps of Engineers, United States Environmental Protection Agency, United States Department of Agriculture Agricultural Stabilization and Conservation Service, United States Department of Agriculture Soil Conservation Service, board of water and soil resources, metropolitan council, Association of Minnesota Counties, League of Min-

nesota Cities, Minnesota Association of Townships, and other agencies as the commissioner may determine.

Sec. 21. Minnesota Statutes 1988, section 115A.072, subdivision 1, is amended to read:

Subdivision 1. [WASTE EDUCATION COALITION.] (a) The office 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 shall appoint an advisory task force, to be called the waste education coalition, of up to 18 members to advise the office in carrying out its responsibilities under this section and whose membership represents the agencies and entities listed in this subdivision.

Sec. 22. Minnesota Statutes 1989 Supplement, section 116C.03, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The members of the board are the commissioner of the state planning agency, the commissioner of public service, the commissioner of the pollution control agency, the commissioner of natural resources, the director of the office of waste management, the commissioner of agriculture, the commissioner of health, the commissioner of transportation, the chair of the board of water and soil resources, and a representative of the governor's office designated by the governor. The governor shall appoint five members from the general public to the board, subject to the advice and consent of the senate. At least two of the five public members must have knowledge of and be conversant in water management issues in the state. Notwithstanding the provisions of section 15.06, subdivision 6, members of the board may not delegate their powers and responsibilities as board members to any other person.

Sec. 23. Minnesota Statutes 1988, section 116C.03, subdivision 4, is amended to read:

Subd. 4. Staff and consultant support for board activities shall be provided by the state planning agency governor's office. This support shall be provided based upon an annual budget and work program developed by the board and certified to the commissioner of the state planning agency by the chair of the board. The board shall have the authority to request and require staff support from all other agencies of state government as needed for the execution of the responsibilities of the board.

Sec. 24. Minnesota Statutes 1988, section 116C.03, subdivision 5, is amended to read:

Subd. 5. The board shall contract with the commissioner of the state planning agency for governor's office shall provide administrative services necessary to the board's activities. The services shall include personnel, budget, payroll and contract administration.

Sec. 25. Minnesota Statutes 1988, section 116C.712, subdivision 3, is amended to read:

Subd. 3. [COUNCIL STAFF.] Staff support for council activities must be provided by the state planning pollution control agency. State departments and agencies must cooperate with the council in the performance of its duties. Upon the request of the chair of the council, the governor may, by order, require a state department or agency to furnish assistance necessary to carry out the council's functions under this chapter.

Sec. 26. Minnesota Statutes 1988, section 116C.712, subdivision 5, is amended to read:

Subd. 5. [ASSESSMENT.] (a) A person, firm, corporation, or association in the business of owning or operating a nuclear fission electrical generating plant in this state shall pay an assessment to cover the cost of:

(1) monitoring the federal high-level radioactive waste program under the Nuclear Waste Policy Act, United States Code, title 42, sections 10101 to 10226;

(2) advising the governor and the legislature on policy issues relating to the federal high-level radioactive waste disposal program;

(3) surveying existing literature and activity relating to radioactive waste management, including storage, transportation, and disposal, in the state; and

(4) other general studies necessary to carry out the purposes of this subdivision.

The assessment must not be more than the appropriation to the state planning pollution control agency for these purposes.

(b) The state planning pollution control agency shall bill the owner or operator of the plant for the assessment at least 30 days before the start of each quarter. The assessment for the second quarter of each fiscal year must be adjusted to compensate for the amount by which actual expenditures by the state planning pollution control agency for the preceding year were more or less than the estimated expenditures previously assessed. The billing may be made as an addition to the assessments made under section 116C.69. The owner or operator of the plant must pay the assessment within 30 days after receipt of the bill. The assessment must be deposited in the state treasury and credited to the special revenue fund.

(c) The authority for this assessment terminates when the department of energy eliminates Minnesota from further siting consideration for high-level radioactive waste by starting construction of a high-level radioactive waste disposal site in another state. The assessment required for any quarter must be reduced by the amount of federal grant money received by the state planning pollution control agency for the purposes listed in this section.

Sec. 27. Minnesota Statutes 1989 Supplement, section 116J.58, subdivision 1, is amended to read:

Subdivision 1. [ENUMERATION.] The commissioner shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

development of such neighboring states, counties, and municipalities and the development of this state;

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

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

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

(17) develop and maintain, in consultation with local government elected officials, a process and procedures for the review of federal grant applications, and the coordination of planning activities including state and local responsibilities as existed on January 1, 1983, in federal Office of Management and Budget Circular A-95, Parts I, II, III, and IV; and the federal Executive Order 12372.

Sec. 28. [116J.991] [REGIONAL DEVELOPMENT COMMISSION REVIEW.]

An application for grants from this program shall be submitted to the appropriate regional development commission for review under section 462.391, subdivision 3, before submittal to the commissioner. The regional development commission shall complete its review within 45 days after receipt of the application. If an application is not reviewed within the requisite time limit or if an extension of time is not agreed to by the affected parties, the application shall be considered approved. Until units of local government in the metropolitan area, as defined by section 473.121, subdivision 2, are required by law to prepare and adopt comprehensive plans or portions of plans, the review required by this section shall be made by the metropolitan council for those units.

Sec. 29. [116J.992] [MANDATORY TRANSFER OF FUNDS.]

If part or all of the units of government within the metropolitan area as defined by section 473.121, subdivision 2, are required by law to prepare and adopt comprehensive plans or specified portions,

50 percent of the funds appropriated for the purposes of section 84.027, subdivision 11, less the amount previously granted to units of government within the metropolitan area, shall be transferred to the metropolitan council on the effective date of such a law. Funds so transferred are reappropriated to the metropolitan council and shall be used for making grants to units of government within the metropolitan area for the preparation and adoption of comprehensive plans and controls required by law. Not more than five percent of the transferred funds shall be available to the metropolitan council for grant administration.

Sec. 30. Minnesota Statutes 1989 Supplement, section 129B.13, subdivision 2, is amended to read:

Subd. 2. [MEMBERS; MEETINGS; OFFICERS.] The interagency adult learning advisory council shall have 16 to 18 members. Members must have experience in educating adults or in programs addressing welfare recipients and incarcerated, unemployed, and underemployed people.

The members of the interagency adult learning advisory council are appointed as follows:

(1) one member appointed by the commissioner of the state planning agency;

(2) one member appointed by the commissioner of jobs and training;

(3) (2) one member appointed by the commissioner of human services;

(4) (3) one member appointed by the director of the refugee and immigrant assistance division of the department of human services;

(5) (4) one member appointed by the commissioner of corrections;

(6) (5) one member appointed by the commissioner of education;

(7) (6) one member appointed by the director of the state board of vocational technical education;

(8) (7) one member appointed by the chancellor of community colleges;

(9) (8) one member appointed by the Minnesota adult literacy campaign or by another nonprofit literacy organization, as designated by the commissioner of the state planning agency governor;

~~(10)~~ (9) one member appointed by the council on Black Minnesotans;

~~(11)~~ (10) one member appointed by the Spanish-speaking affairs council;

~~(12)~~ (11) one member appointed by the council on Asian-Pacific Minnesotans;

~~(13)~~ (12) one member appointed by the Indian affairs council; and

~~(14)~~ (13) one member appointed by the disability council.

Up to four additional members of the council may be nominated by the participating agencies. Based on the council's recommendations, ~~commissioner of the state planning agency~~ the governor must appoint at least two, but not more than four, additional members. Nominees shall include, but are not limited to, representatives of local education, government, nonprofit agencies, employers, labor organizations, and libraries.

The council shall elect its officers.

Sec. 31. Minnesota Statutes 1989 Supplement, section 129B.13, subdivision 3, is amended to read:

Subd. 3. [STAFF.] ~~The commissioner of the state planning agency~~ governor's office shall provide space and administrative services to the council. ~~The commissioner may contract for staff for the council.~~

Sec. 32. Minnesota Statutes 1989 Supplement, section 129B.13, subdivision 8, is amended to read:

Subd. 8. [STANDARDS FOR QUALIFIED PROGRAMS.] (a) Except as provided in paragraph (b) and subdivision 9, a program qualifying for a grant must:

(1) be directed to the unemployed, the underemployed, the incarcerated, public assistance recipients, or to non-English speaking immigrants;

(2) integrate learning and support services such as child care, transportation, and counseling;

(3) have intensive learning that maximizes the weekly hours available to learners;

(4) be accessible year-round and during daytime or evening hours as needed, except where otherwise appropriate to learners' needs;

(5) have individualized learning plans and outcome based learning;

(6) provide instruction in transferable basic skills;

(7) have context based learning linked to individual occupational or self-sufficiency goals;

(8) provide for reporting and evaluation;

(9) have appropriate coordination and differentiation of services among adult literacy services and agencies in the local area;

(10) be coordinated with human services and employment and training agencies, as appropriate to the target population; and

(11) maximize use of available local resources.

(b) The commissioner of the state planning agency education may waive a standard because of client need or local conditions. The reason for the waiver must be documented.

Sec. 33. Minnesota Statutes 1989 Supplement, section 129B.13, subdivision 9, is amended to read:

Subd. 9. [INNOVATION GRANTS.] The commissioner of the state planning agency education may award grants for innovative programs. An innovation grant need not comply with the standards in subdivision 8. The nature and extent of the proposed innovation must be described in the award.

Sec. 34. Minnesota Statutes 1989 Supplement, section 129B.13, subdivision 10, is amended to read:

Subd. 10. [NO FUNDING REQUIRED.] The commissioner of the state planning agency education need not award a grant for any proposal that, in the determination of the commissioner does not meet the standards in subdivision 8.

Sec. 35. Minnesota Statutes 1989 Supplement, section 129B.13, subdivision 12, is amended to read:

Subd. 12. [GEOGRAPHIC DISTRIBUTION.] The commissioner of the state planning agency education shall seek to award grants throughout the state, taking into account the incidence of the target population. It shall provide technical assistance to local agencies to enhance fulfillment of this subdivision.

Sec. 36. Minnesota Statutes 1989 Supplement, section 129B.13, subdivision 14, is amended to read:

Subd. 14. [GRANT SCHEDULE.] The commissioner of the state planning agency education must award initial grants by April 1, 1990. Beginning in 1991, grants must be awarded by July 1 of each year. Grants may be awarded for a period not to exceed 24 months.

Sec. 37. Minnesota Statutes 1989 Supplement, section 129B.13, subdivision 15, is amended to read:

Subd. 15. [LOCAL AND REGIONAL JOINT PLANNING.] The commissioner of the state planning agency education may require grant applicants and existing adult basic education providers in a locality to present a joint services plan as a condition of receiving a grant under this section.

Sec. 38. Minnesota Statutes 1989 Supplement, section 129B.13, subdivision 16, is amended to read:

Subd. 16. [REPORTING AND EVALUATION.] The commissioner of the state planning agency education shall evaluate the performance of the grantees and report to the legislature by November 15 of each year, except that a preliminary report may be submitted by February 15, 1991.

Sec. 39. Minnesota Statutes 1988, section 144.70, subdivision 2, is amended to read:

Subd. 2. [INTERAGENCY COOPERATION.] In completing the report required by subdivision 1, in fulfilling the requirements of sections 144.695 to 144.703, and in undertaking other initiatives concerning health care costs, access, or quality, the commissioner of health shall cooperate with and consider potential benefits to other state agencies that have a role in the market for health services or the market for health plans. Other agencies include the department of employee relations, as administrator of the state employee health benefits program; the department of human services, as administrator of health services entitlement programs; the department of commerce, in its regulation of health plans; the department of labor and industry, in its regulation of health service costs under workers' compensation; and the state planning agency, in its planning for the state's health service needs.

Sec. 40. Minnesota Statutes 1989 Supplement, section 144.861, is amended to read:

144.861 [STUDY ON ABATEMENT COSTS.]

The commissioner of state planning governor's office shall convene a task force of representatives of the Minnesota housing finance agency, the pollution control agency, the department of health, the state planning agency, abatement contractors, realtors,

community residents including both tenants and landowners, lead advocacy organizations, and cultural groups at high risk of lead poisoning to evaluate the costs of providing assistance to property owners and local communities required to do abatement under this law and of providing subsidized programs to assist them. The task force shall also present recommendations for a statewide subsidized abatement service program. The agency shall report its findings and recommendations to the legislature by January 1990.

Sec. 41. Minnesota Statutes 1988, section 144A.071, subdivision 5, is amended to read:

Subd. 5. [REPORT.] ~~The commissioner of the state planning agency, in consultation with~~ The commissioners of health and human services, shall report to the senate health and human services committee and the house health and welfare committee by January 15, 1986 and biennially thereafter regarding:

(1) projections on the number of elderly Minnesota residents including medical assistance recipients;

(2) the number of residents most at risk for nursing home placement;

(3) the needs for long-term care and alternative home and non-institutional services;

(4) availability of and access to alternative services by geographic region; and

(5) the necessity or desirability of continuing, modifying, or repealing the moratorium in relation to the availability and development of the continuum of long-term care services.

Sec. 42. Minnesota Statutes 1988, section 144A.31, subdivision 1, is amended to read:

Subdivision 1. [INTERAGENCY BOARD.] The commissioners of health and human services shall establish, by July 1, 1983, an interagency board of employees of their respective departments who are knowledgeable and employed in the areas of long-term care, geriatric care, long-term care facility inspection, or quality of care assurance. The number of interagency board members shall not exceed eight; three members each to represent the commissioners of health and human services and one member each to represent the ~~commissioners~~ commissioner of state planning and housing finance. The board shall identify long-term care issues requiring coordinated interagency policies and shall conduct analyses, coordinate policy development, and make recommendations to the commissioners for effective implementation of these policies. The commissioner of

human services and the commissioner of health or their designees shall annually alternate chairing and convening the board. The board may utilize the expertise and time of other individuals employed by either department as needed. The board may recommend that the commissioners contract for services as needed. The board shall meet as often as necessary to accomplish its duties, but at least quarterly. The board shall establish procedures, including public hearings, for allowing regular opportunities for input from residents, nursing homes, and other interested persons.

Sec. 43. Minnesota Statutes 1989 Supplement, section 145.926, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATION.] The commissioner of state planning education shall administer the way to grow/school readiness program, in consultation with the commissioners of human services and education, to promote intellectual, social, emotional, and physical development and school readiness of children prebirth to age five by coordinating and improving access to community-based and neighborhood-based services that support and assist all parents in meeting the health and developmental needs of their children at the earliest possible age.

Sec. 44. Minnesota Statutes 1989 Supplement, section 145.926, subdivision 4, is amended to read:

Subd. 4. [PILOT PROJECTS.] The commissioner of state planning education shall award grants for one pilot project in each of the following areas of the state:

(1) a first class city located within the metropolitan area as defined in section 473.121, subdivision 2;

(2) a second class city located within the metropolitan area as defined in section 473.121, subdivision 2;

(3) a city with a population of 50,000 or more that is located outside of the metropolitan area as defined in section 473.121, subdivision 2; and

(4) the area of the state located outside of the metropolitan area as defined in section 473.121, subdivision 2.

To the extent possible, the commissioner of state planning education shall award grants to applicants with experience or demonstrated ability in providing comprehensive, multidisciplinary, community-based programs with objectives similar to those listed in subdivision 2, or in providing other human services or social services programs using a multidisciplinary, community-based approach.

Sec. 45. Minnesota Statutes 1989 Supplement, section 145.926, subdivision 5, is amended to read:

Subd. 5. [APPLICATIONS.] Each grant application must propose a five-year program designed to accomplish the purposes of this section. The application must be submitted on forms provided by the commissioner of state planning education. The grant application must include:

(1) a description of the specific neighborhoods that will be served under the program and the name, address, and a description of each community agency or agencies with which the applicant intends to contract to provide services using grant money;

(2) a letter of intent from each community agency identified in clause (1) that indicates the agency's willingness to participate in the program and approval of the proposed program structure and components;

(3) a detailed description of the structure and components of the proposed program and an explanation of how each component will contribute to accomplishing the purposes of this section;

(4) a description of how public and private resources, including schools, health care facilities, government agencies, neighborhood organizations, and other resources, will be coordinated and made accessible to families in target neighborhoods, including letters of intent from public and private agencies indicating their willingness to cooperate with the program;

(5) a detailed, proposed budget that demonstrates the ability of the program to accomplish the purposes of this section using grant money and other available resources, including funding sources other than a grant; and

(6) a comprehensive evaluation plan for measuring the success of the program in meeting the objectives of the overall grant program and the individual grant project, including an assessment of the impact of the program in terms of at least three of the following criteria:

(i) utilization rates of community services;

(ii) availability of support systems for families;

(iii) birth weights of newborn babies;

(iv) child accident rates;

(v) utilization rates of prenatal care;

- (vi) reported rates of child abuse; and
- (vii) rates of health screening and evaluation.

Sec. 46. Minnesota Statutes 1989 Supplement, section 145.926, subdivision 7, is amended to read:

Subd. 7. [ADVISORY COMMITTEES.] The commissioner of state planning education shall establish a program advisory committee consisting of persons knowledgeable in child development, child and family services, and the needs of people of color and high risk populations; and representatives of the commissioners of state planning departments of human services and education. Each grantee must establish a program advisory board of 12 or more members to advise the grantee on program design, operation, and evaluation. The board must include representatives of local units of government and representatives of the project area who reflect the geographic, cultural, racial, and ethnic diversity of that community.

Sec. 47. Minnesota Statutes 1989 Supplement, section 145.926, subdivision 8, is amended to read:

Subd. 8. [REPORT.] The commissioner of state planning education shall provide a biennial report to the legislature on the program administration and the activities of projects funded under this section.

Sec. 48. Minnesota Statutes 1988, section 145A.02, subdivision 16, is amended to read:

Subd. 16. [POPULATION.] "Population" means the total number of residents of the state or any city or county as established by the last federal census, by a special census taken by the United States Bureau of the Census, by the state demographer under section ~~116K.04~~, subdivision 4 16B.90, or by an estimate of city population prepared by the metropolitan council, whichever is the most recent as to the stated date of count or estimate.

Sec. 49. Minnesota Statutes 1988, section 145A.09, subdivision 6, is amended to read:

Subd. 6. [BOUNDARIES OF COMMUNITY HEALTH SERVICE AREAS.] The community health service area of a multicounty or multicity community health board must be within a region designated under sections 462.381 to 462.398, unless this condition is waived by the commissioner with the approval of the regional development commission directly involved or the metropolitan council, if appropriate. In a region without a regional development commission, the commissioner of the state planning agency trade

and economic development shall act in place of the regional development commission.

Sec. 50. 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. 51. Minnesota Statutes 1988, section 204B.14, subdivision 5, is amended to read:

Subd. 5. [PRECINCT BOUNDARIES; DESCRIPTION; MAPS.] Each municipal clerk shall prepare and file with the county auditor of each county in which the municipality is located, with the secretary of state and with the state planning department of administration commissioner maps showing the correct boundaries of each election precinct in the municipality. At least 30 days before any change in an election precinct or in a corporate boundary becomes effective, the municipal clerk shall prepare maps showing the new boundaries of the precincts and shall forward copies of these maps to the secretary of state, the appropriate county auditors and the state planning department of administration commissioner. The clerk shall retain copies of the precinct maps for public inspection. The county auditor shall prepare and file precinct boundary maps for precincts in unorganized territories, and the municipal clerk designated in the combination agreement shall prepare and file precinct boundary maps in the case of municipalities combined for election purposes under subdivision 8, in the same manner as provided for precincts in municipalities. For every election held in the municipality the election judges shall be furnished precinct maps as provided in section 201.061, subdivision 6.

Sec. 52. Minnesota Statutes 1988, section 214.141, is amended to read:

214.141 [ADVISORY COUNCIL; MEMBERSHIP.]

There is established a human services occupations advisory council to assist the commissioner of health in formulating policies and rules pursuant to section 214.13. The commissioner shall determine the council's duties and shall establish procedures for its proper functioning, including, but not limited to, methods for selecting temporary members and methods of communicating recommendations and advice to the commissioner for consideration. The council shall consist of no more than 15 members. ~~Thirteen~~ Twelve mem-

bers shall be appointed by the commissioner, one of whom the commissioner shall designate as chair. The members shall be selected as follows: four members shall represent currently licensed or registered human services occupations; two members shall represent human services occupations which are not currently registered; two members shall represent licensed health care facilities, which can include a health maintenance organization as defined in section 62D.02; one member shall represent the higher education coordinating board; ~~one member shall represent the state planning agency~~; one member shall represent a third party payor to health care costs; and two members shall be public members as defined by section 214.02.

In cases in which the council has been charged by the commissioner to evaluate an application submitted under the provisions of section 214.13, the commissioner may appoint to the council as temporary voting members, for the purpose of evaluating that application alone, one or two representatives from among the appropriate licensed or registered human services occupations or from among the state agencies that have been identified under section 214.13, subdivision 2. In determining whether a temporary voting member or members should be appointed and which human services occupations or state agencies should be represented by temporary voting members, the commissioner shall attempt to systematically involve those who would be most directly affected by a decision to credential a particular applicant group and who are not already represented on the council. The terms of temporary voting members shall not exceed 12 months. The terms of the other council members, the compensation and removal of all members, and the expiration of the council shall be as provided in section 15.059.

Sec. 53. Minnesota Statutes 1989 Supplement, section 245.4873, subdivision 2, is amended to read:

Subd. 2. [STATE LEVEL; COORDINATION.] The commissioners or designees of commissioners of the departments of human services, health, education, ~~state planning~~, and corrections, and a representative of the Minnesota district judges association juvenile committee, in conjunction with the commissioner of commerce or a designee of the commissioner shall meet at least quarterly through 1992 to:

(1) educate each agency about the policies, procedures, funding, and services for children with emotional disturbances of all agencies represented;

(2) develop mechanisms for interagency coordination on behalf of children with emotional disturbances;

(3) identify barriers including policies and procedures within all agencies represented that interfere with delivery of mental health services for children;

(4) recommend policy and procedural changes needed to improve development and delivery of mental health services for children in the agency or agencies they represent;

(5) identify mechanisms for better use of federal and state funding in the delivery of mental health services for children; and

(6) prepare an annual report on the policy and procedural changes needed to implement a coordinated, effective, and cost-efficient children's mental health delivery system.

This report shall be submitted to the legislature and the state mental health advisory council annually until February 15, 1992, as part of the report required under section 245.487, subdivision 4. The report shall include information from each department represented on:

(1) the number of children in each department's system who require mental health services;

(2) the number of children in each system who receive mental health services;

(3) how mental health services for children are funded within each system;

(4) how mental health services for children could be coordinated to provide more effectively appropriate mental health services for children; and

(5) recommendations for the provision of early screening and identification of mental illness in each system.

Sec. 54. 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, 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 subdivision 1, except that terms of subcommittee members who are also members of the advisory council are coterminous with their terms on the advisory council. The subcommittee shall meet at the call of the subcommittee chair who is elected by the subcommittee from among its members. The subcommittee expires with the expiration of the advisory council.

Sec. 55. Minnesota Statutes 1989 Supplement, section 256H.25, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP] By January 1, 1990, the commissioner of ~~the state planning agency~~ human services shall convene and chair an interagency advisory committee on child care. In addition to the commissioner, members of the committee are the commissioners of each of the following agencies and departments:

health, human services, jobs and training, public safety, education, and the higher education coordinating board. The purpose of the committee is to improve the quality and quantity of child care and the coordination of child care related activities among state agencies.

Sec. 56. Minnesota Statutes 1989 Supplement, section 268.361, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of the state planning agency education.

Sec. 57. Minnesota Statutes Second 1989 Supplement, section 275.14, is amended to read:

275.14 [CENSUS.]

For the purposes of sections 275.124 to 275.16, the population of a city shall be that established by the last federal census, by a special census taken by the United States Bureau of the Census, by an estimate made by the metropolitan council, or by the state demographer made according to section ~~116K.04, subdivision 4~~ 16B.90, whichever has the latest stated date of count or estimate, before July 2 of the current levy year. The population of a school district must be as certified by the department of education from the most recent federal census.

In any year in which no federal census is taken pursuant to law in any school district affected by sections 275.124 to 275.16 a population estimate may be made and submitted to the state demographer for approval as hereinafter provided. The school board of a school district, in case it desires a population estimate, shall pass a resolution by July 1 containing a current estimate of the population of the school district and shall submit the resolution to the state demographer. The resolution shall describe the criteria on which the estimate is based and shall be in a form and accompanied by the data prescribed by the state demographer. The state demographer shall determine whether or not the criteria and process described in the resolution provide a reasonable basis for the population estimate and shall inform the school district of that determination within 30 days of receipt of the resolution. If the state demographer determines that the criteria and process described in the resolution do not provide a reasonable basis for the population estimate, the resolution shall be of no effect. If the state demographer determines that the criteria and process do provide a reasonable basis for the population estimate, the estimate shall be treated as the population of the school district for the purposes of sections 275.124 to 275.16 until the population of the school district has been established by the next federal census or until a more current population estimate is prepared and approved as provided herein, whichever occurs first. The state demographer shall establish guidelines for acceptable

population estimation criteria and processes. The state demographer shall issue advisory opinions upon request in writing to cities or school districts as to proposed criteria and processes prior to their implementation in an estimation. The advisory opinion shall be final and binding upon the demographer unless the demographer can show cause why it should not be final and binding.

In the event that a census tract employed in taking a federal or local census overlaps two or more school districts, the county auditor shall, on the basis of the best information available, allocate the population of said census tract to the school districts involved.

The term "council," as used in sections 275.124 to 275.16, means any board or body, whether composed of one or more branches, authorized to make ordinances for the government of a city within this state.

Sec. 58. 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 ~~16K.04~~, subdivision 4 16B.90, whichever is the most recent as to the stated date of count or estimate, for the calendar year preceding the current levy year.

Sec. 59. Minnesota Statutes 1989 Supplement, section 299A.30, subdivision 2, is amended to read:

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 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 health department or human services department~~ to perform this function. The assistant commissioner shall recommend to the commissioner recipients of grants under sections 299A.33 and 299A.34, after consultation with the drug abuse prevention resource council.

(c) The assistant commissioner shall:

(1) after consultation with all drug program 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 improve the effectiveness of demand reduction and supply reduction; and

(4) provide information and assistance to drug program agencies, both directly and by functioning as a clearinghouse for information from other drug program agencies.

Sec. 60. Minnesota Statutes 1989 Supplement, section 299A.31, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] A drug 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 abuse prevention, 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 abuse prevention services, volunteers in private, nonprofit drug prevention programs, and the business 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. 61. Minnesota Statutes 1989 Supplement, section 299A.40, subdivision 4, is amended to read:

Subd. 4. [ASSISTANT COMMISSIONER; ADMINISTRATION OF GRANTS.] The assistant commissioner shall develop a process for administering grants under subdivision 3. The process must be compatible with the community grant program administered by the

state planning agency under the Drug Free Schools and Communities Act, Public Law Number 100-690. The process for administering the grants must include establishing criteria the assistant commissioner shall apply in awarding grants. The assistant commissioner shall issue requests for proposals for grants under subdivision 3. The request must be designed to obtain detailed information about the applicant and other information the assistant commissioner considers necessary to evaluate and select a grant recipient. The applicant shall submit a proposal for a grant on a form and in a manner prescribed by the assistant commissioner. The assistant commissioner shall award grants under this section so that 50 percent of the funds appropriated for the grants go to the metropolitan area comprised of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties, and 50 percent of the funds go to the area outside the metropolitan area. The process for administering the grants must also include procedures for monitoring the recipients' use of grant funds and reporting requirements for grant recipients.

Sec. 62. Minnesota Statutes 1988, section 368.01, subdivision 1a, is amended to read:

Subd. 1a. [CERTAIN OTHER TOWNS.] Any town with a population of 1,000 or more that does not otherwise qualify pursuant to subdivision 1 to exercise the powers enumerated in this section, shall have and possess the enumerated powers upon an affirmative vote of the electors of the town at the annual town meeting. The population must be established by the most recent federal decennial census, special census as provided in section 368.015, or population estimate by the state demographer made according to section ~~116K.04, subdivision 4~~ 16B.90, whichever has the latest stated date of count or estimate.

Sec. 63. 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)~~ 16B.90.

(f) "Tax capacity" means total taxable tax capacity, but does not include captured tax capacity.

Sec. 64. Minnesota Statutes 1988, section 402.045, is amended to read:

402.045 [FUNCTION OF COMMISSIONER OF STATE PLANNING AGENCY HUMAN SERVICES.]

The commissioner of state planning agency human services shall have authority for human services development. The commissioner may appoint professional and clerical staff as the commissioner deems necessary. The commissioner of state planning agency human services shall:

(1) Support the development of human services boards and provide technical assistance to the boards;

(2) Disburse and monitor grants as may be available to assist human services board development;

(3) Receive and coordinate the review of annual human services board plans;

(4) Cooperate with other state agencies in assisting local human services integration projects; and

(5) Maintain a file on reports, policies and documents pertaining to human services boards.

Sec. 65. Minnesota Statutes 1988, section 462.384, subdivision 7, is amended to read:

Subd. 7. "Commissioner" means the commissioner of state planning agency jobs and training exercising the authority conferred by sections 116K.01 to 116K.13.

Sec. 66. Minnesota Statutes 1989 Supplement, section 466A.05, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT OF STATE MONEY.] Upon receiving from a city the certification that a community resources program has been adopted or modified, the commissioner of state planning trade and economic development shall, within 30 days after receiving the certification, pay to the city the amount of state money identified as necessary to implement the community resources program. State money may be paid to the city only to the extent that the appropriation limit for the city specified in subdivision 2 is not exceeded.

Sec. 67. 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 (c), 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) 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) 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) 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), the city council shall implement the revitalization program approval and certification process of this subdivision for the proposed modification.

Sec. 68. Minnesota Statutes 1989 Supplement, section 469.203, subdivision 5, is amended to read:

Subd. 5. [CITY OF SAINT PAUL APPROVAL.] (a) Notwithstanding any other law, including laws passed by the 1989 legislature, the city of St. Paul must use the process under this subdivision for developing and certifying an urban revitalization action program.

(b) For the purposes of this subdivision, "city" means the city of Saint Paul.

(c) A city may approve a preliminary revitalization program developed through a process that includes the citizen participation required under subdivision 2 only after holding a public hearing. Notice of the hearing must be provided in a newspaper of general circulation in the city and in the targeted neighborhoods not less than ten days nor more than 30 days before the date of the hearing. After the public hearing and after the city has incorporated any changes into the preliminary program as a result of the public hearing, the city may approve the preliminary program and shall submit the approved preliminary program for final approval to the review board.

(d) After approval, the city shall submit the preliminary program to the commissioner, the state planning agency, and the Minnesota housing finance agency for their comments. The state agencies have 30 days to provide comments to the preliminary program. State agency comments must be submitted in writing to the review board established under paragraph (e).

(e) The city shall establish a city urban revitalization action program review board whose purpose is to review the preliminary program submitted by the city, and approve all or portions of the program. The review board consists of two city council members who represent targeted neighborhoods, two members representing the city's business community appointed by the chamber of commerce representing businesses in the city, and three residents of targeted neighborhoods appointed by the city council. Two members of the

house of representatives and one member of the state senate appointed by the city's legislative delegation shall be nonvoting members of the review board. Nonvoting legislative members of the review board shall represent targeted neighborhoods. A member of the review board may not be an elected public official, or in any way be involved in preparing or implementing the program or any portion of the program. The review board may require the city to contract for staff assistance in reviewing and approving the program. Persons who provide staff assistance to the review board may not be city employees or in any way involved in a formal or informal organization representing residents of a targeted neighborhood. The city may use state money available under section 469.204 to pay for the costs of staffing the review board.

(f) The review board shall review the city's preliminary program and approve all or portions of the program. In reviewing the program, the review board shall take into account any comments submitted by state agencies under paragraph (d). The review board may only reject the revitalization program or portions of the program for the following reasons:

(1) the revitalization program does not include the information required under subdivision 1;

(2) the city did not follow the community-based process required under subdivision 2 for developing the revitalization program; or

(3) the revitalization program results in undue concentration of targeted neighborhood money in a single proposed activity or project.

The review board may approve all of the preliminary program and submit it to the city council for certification under paragraph (g) or submit for certification only those specific portions of the program approved by the review board. If the review board does not approve a portion of the program, it shall specify in writing to the city the reasons for not approving that portion of the program and any recommendations for changes. If the review board determines that a portion of the program needs significant changes, it may require the city to implement the community participation process under subdivision 2 and state review under this subdivision for making changes to that portion of the program.

(g) The city council may, by formal resolution, certify only those portions of a program approved by the review board under paragraph (f). A certification by the city council that all or portions of a revitalization program has been approved by the review board must

be provided to the commissioner together with a copy of the approved portions of the program. A copy of the approved portions of the program must be submitted to the state planning agency and Minnesota housing finance agency.

(h) A revitalization program may be modified at any time by the city after a public hearing and approval by the review board. Notice of the public hearing must be published in a newspaper of general circulation in the city and in the targeted neighborhoods not less than ten days nor more than 30 days before the date of the hearing. If the review board determines that the proposed modification is a significant modification to the program originally certified under paragraph (g), it must require the implementation of the revitalization program approval and certification process under this subdivision for the proposed modification.

Sec. 69. Minnesota Statutes 1989 Supplement, section 469.207, is amended to read:

469.207 [ANNUAL AUDIT AND REPORT.]

Subdivision 1. [ANNUAL FINANCIAL AUDIT.] In 1989 and subsequent years, at the end of each calendar year, the legislative auditor shall conduct a financial audit to review the spending of state money under sections 469.201 to 469.207. Before spending state money to implement a revitalization program, the city must consult with the legislative auditor to determine appropriate accounting methods and principles that will assist the legislative auditor in conducting its financial audit. The results of the financial audit must be submitted to the legislative audit commission, the commissioner, the state planning agency, and the Minnesota housing finance agency.

Subd. 2. [ANNUAL REPORT.] A city that begins to implement a revitalization program in a calendar year must, by March 1 of the succeeding calendar year, provide a detailed report on the revitalization program or programs being implemented in the city. The report must describe the status of the program implementation and analyze whether the intended outcomes identified in section 469.203, subdivision 1, clause (4), are being achieved. The report must include at least the following:

(1) the number of housing units, including lost units, removed, created, lost, replaced, relocated, and assisted as a result of the program. The level of rent of the units and the income of the households affected must be included in the report;

(2) the number and type of commercial establishments removed, created, and assisted as a result of a revitalization program. The report must include information regarding the number of new jobs created by category, whether the jobs are full-time or part-time, and the salary or wage levels of both new and expanded jobs in the affected commercial establishments;

(3) a description of a statement of the cost of the public improvement projects that are part of the program and the number of jobs created for each \$20,000 of money spent on commercial projects and applicable public improvement projects;

(4) the increase in the tax capacity for the city as a result of the assistance to commercial and housing assistance; and

(5) the amount of private investment that is a result of the use of public money in a targeted neighborhood.

The report must be submitted to the commissioner, the Minnesota housing finance agency, ~~the state planning agency~~, and the legislative audit commission, and must be available to the public.

Sec. 70. Minnesota Statutes 1989 Supplement, section 473.156, subdivision 1, is amended to read:

Subdivision 1. [PLAN COMPONENTS.] The metropolitan council shall develop a short-term and long-term plan for existing and expected water use and supply in the metropolitan area. The plan shall be submitted to and reviewed by the state planning agency environmental quality board. At a minimum, the plans must:

(1) update the data and information on water supply and use within the metropolitan area;

(2) identify alternative courses of action, including water conservation initiatives and economic alternatives, in case of drought conditions; and

(3) recommend approaches to resolving problems that may develop because of water use and supply. Consideration must be given to problems that occur outside of the metropolitan area, but which have an effect within the area.

Sec. 71. Minnesota Statutes Second 1989 Supplement, section 477A.011, subdivision 3, is amended to read:

Subd. 3. [POPULATION.] Population means the population established by the most recent federal census, by a special census conducted under contract with the United States Bureau of the Census, by a population estimate made by the metropolitan council, or by a population estimate of the state demographer made pursuant to section ~~116K.04, subdivision 4, clause (10)~~ 16B.90, whichever is the most recent as to the stated date of the count or estimate for the preceding calendar year. The term "per capita" refers to population as defined by this subdivision.

Sec. 72. Minnesota Statutes Second 1989 Supplement, section 477A.011, subdivision 3a, is amended to read:

Subd. 3a. [NUMBER OF HOUSEHOLDS.] Number of households means the number of households established by the most recent federal census, by a special census conducted under contract with the United States bureau of the census, by an estimate made by the metropolitan council, or by an estimate of the state demographer made pursuant to section ~~116K.04, subdivision 4~~ 16B.90, whichever is the most recent as to the stated date of the count or estimate for the preceding calendar year.

Sec. 73. Minnesota Statutes 1988, section 477A.014, subdivision 4, is amended to read:

Subd. 4. The commissioner of state planning shall annually bill the commissioner of revenue for one-half of the costs incurred by the ~~state planning agency department of administration in the preparation of materials required by section 116K.04, subdivision 4, clause (10)~~ 16B.90. The commissioner of revenue shall deduct these amounts from the next payments to be made to appropriate local units of government. Amounts deducted must be credited to the general fund.

Sec. 74. Minnesota Statutes 1989 Supplement, section 504.34, subdivision 5, is amended to read:

Subd. 5. [NOTICE; REQUEST FOR COMMENTS.] A government unit subject to this section must provide for public input in preparing the annual housing impact report, including a public comment period and a public hearing. The government unit must publish notice of its draft annual housing impact report in a newspaper of general circulation in the city by the deadline for completion of the draft annual housing impact report. The notice must include a request for comments on the draft annual housing impact report within the 30 days following the notice, and the date, time, and location of the public hearing on the draft annual housing impact report, to be held within 15 to 30 days following the date of notice. Copies of the notice must be sent to the neighborhood and citizen participation organizations, district planning councils, housing re-

ferral and information services, shelters, homeless and tenants advocacy groups, and legal aid offices in the city where the displaced low-income housing was located. Copies of the notice and the draft annual housing impact report must be submitted to the state planning agency and the Minnesota housing finance agency.

Sec. 75. Minnesota Statutes 1989 Supplement, section 504.34, subdivision 6, is amended to read:

Subd. 6. [FINAL ANNUAL HOUSING IMPACT REPORT.] In preparing and approving a final annual housing impact report, a government unit subject to this section must consider comments received during the comment period and at the public hearing on the draft report. The final report shall be prepared within 30 days following the deadline for receipt of comments on the draft annual housing impact report. The government unit shall publish notice of the final annual housing impact report in a newspaper of general circulation in the city. Copies of the notice must be sent to neighborhood and citizen participation organizations, district planning councils, housing referral and information services, shelters, homeless and tenants advocacy groups, and legal aid offices in the city where the displaced low-income housing was located. Copies of the notice and the draft annual housing impact report must be submitted to the state planning agency and the Minnesota housing finance agency.

Sec. 76. [REPEALER.]

Minnesota Statutes 1988, sections 40A.02, subdivision 2; 116E.01; 116E.02; 116E.04; 116K.01; 116K.02; 116K.03; 116K.04, as amended by Laws 1989, First Special Session chapter 1, article 18, section 17; 116K.05; 116K.06; 116K.07; 116K.08; 116K.09; 116K.10; 116K.11; 116K.12; and 116K.13 are repealed. Minnesota Statutes 1989 Supplement, sections 116E.03; 116E.035; and 116K.14 are repealed.

Delete the title and insert:

“A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; consolidating certain funds and accounts and making conforming changes; changing the organization, operation, financing, and management of certain courts and related offices; amending Minnesota

Statutes 1988, sections 2.722, subdivision 1; 3C.035, subdivision 3; 3C.11, subdivision 2; 5.13; 11A.07, subdivision 5; 14.07, subdivisions 1 and 2; 14.08; 14.26; 14.53; 15.054; 15.06, subdivision 1; 15.50, by adding a subdivision; 15.51; 15.52, subdivisions 2 and 3; 15.53, subdivision 1; 15.56, subdivision 5; 15.59; 16A.10, by adding a subdivision; 16A.127, subdivisions 3 and 8; 16B.24, subdivision 5, and by adding subdivisions; 16B.28, subdivision 2; 16B.48, subdivisions 4 and 5; 16B.51, subdivision 2; 16B.53, subdivision 3; 16B.85, subdivisions 2, 3, and 5; 17.102, subdivision 4; 40A.08; 40A.151; 40A.152, subdivision 3; 40A.16; 41A.04, subdivision 1; 41A.05, subdivision 2; 41A.051; 41A.066, subdivision 1; 62D.122; 62J.02, subdivisions 2 and 3; 84.027, by adding a subdivision; 84.154, subdivision 5; 84.943; 84A.53; 84A.54; 89.37, subdivision 4; 89.58; 92.67, subdivision 5; 97A.065, subdivision 2; 105.485, subdivision 3; 110B.04, subdivision 7; 110B.08, subdivision 5; 115.103, subdivision 1; 115A.072, subdivision 1; 115A.15, subdivision 6; 116.36, subdivision 1; 116.65, subdivision 3; 116C.03, subdivisions 4 and 5; 116C.712, subdivisions 3 and 5; 116D.04, subdivisions 5a and 10; 116D.045, subdivision 3; 116J.971, by adding a subdivision; 116J.980; 116L.03, by adding a subdivision; 116P.11; 121.496, subdivision 3; 126.115, subdivision 3; 144.226, subdivision 3; 144.70, subdivision 2; 144.8093, subdivisions 2, 3, and 4; 144A.31, subdivision 1; 144A.33, subdivision 4; 145A.02, subdivision 16; 145A.09, subdivision 6; 157.045; 169.126, subdivision 4b; 171.06, subdivision 2a; 176B.02; 176B.04; 181.953; 183.545, subdivision 9; 184.33, subdivision 1, and by adding a subdivision; 184.35; 190.08, by adding a subdivision; 192.85; 196.054, subdivision 2; 197.23, subdivision 2; 201.023; 204B.14, subdivision 5; 214.141; 240A.02, subdivisions 1 and 3; 240A.03, subdivision 13, and by adding a subdivision; 243.48, subdivision 1; 268.026, subdivision 2; 268.677, subdivision 2; 268.681, subdivision 3; 270.68, subdivision 1; 272.38, subdivision 1; 282.014; 290A.19; 296.06, subdivision 2; 296.12, subdivisions 1 and 2; 296.17, subdivisions 10 and 17; 297.03, subdivision 5a; 297.04, subdivision 4; 299D.03, subdivision 5; 326.37; 326.47, subdivision 3; 326.52; 326.75, subdivision 4; 349.22, subdivision 2; 349.36; 349.52, subdivision 3; 352.92, subdivision 2; 352B.02, subdivision 1c; 353D.01, subdivision 2; 354.42, subdivision 5; 363.073, by adding a subdivision; 368.01, subdivision 1a; 402.045; 462.384, subdivision 7; 477A.014, subdivision 4; 480A.01, subdivision 3; 481.14; 484.54, subdivision 1; 484.545, subdivision 1; 484.68, subdivision 2, and by adding a subdivision; 484.70, subdivision 1; 485.03; 486.01; 487.32, subdivisions 2 and 3; 487.33, by adding a subdivision; 611.20; 611.215, subdivision 1; 611.26, subdivision 3; 611.27; 611.271; 629.292, subdivision 1; Minnesota Statutes 1989 Supplement, sections 3.30, subdivisions 1 and 2; 5.18; 15A.081, subdivision 1; 16A.11, subdivision 3; 16A.133, subdivision 1; 16A.531, by adding a subdivision; 16B.24, subdivision 6; 16B.28, subdivision 3; 16B.465, subdivision 1; 16B.48, subdivision 2; 17.49, subdivision 1; 18.0225; 41A.05, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2; 84.928, subdivision 2; 84A.51, subdivision 2; 85.205; 89.035; 89.036; 97A.475, subdivision 2; 103H.101, subdivision 4; 103H.175; 105.41, subdivision 5a; 115A.54, subdivision 2a;

115A.923, subdivision 2; 116.85; 116C.03, subdivision 2; 116J.01, subdivision 3; 116J.58, subdivision 1; 116J.617, subdivision 5; 116J.955, subdivision 1; 116J.9673, subdivision 4; 116J.971; 116L.03, subdivision 2; 129B.13, subdivisions 2, 3, 8, 9, 10, 12, 14, 15, and 16; 144.861; 145.926, subdivisions 1, 4, 5, 7, and 8; 169.686, subdivision 3; 183.357, subdivision 4; 190.25, subdivision 3; 216D.08, subdivision 3; 245.4873, subdivision 2; 245.697, subdivision 2a; 246.18, subdivision 3a; 256H.25, subdivision 1; 268.361, subdivision 3; 270.06; 270.064; 299A.30, subdivision 2; 299A.31, subdivision 1; 299A.40, subdivision 4; 299E.641, subdivision 8; 299J.12, subdivision 1; 336.9-413; 352.04, subdivisions 2 and 3; 357.021, subdivision 2; 357.022; 357.08; 363.073, subdivision 1; 466A.05, subdivision 1; 469.203, subdivisions 4 and 5; 469.204, subdivision 2; 469.205, by adding a subdivision; 469.207; 473.156, subdivision 1; 480.242; 484.68, subdivision 5; 485.018, subdivision 5; 486.05, subdivisions 1 and 1a; 486.06; 487.31, subdivision 1; 504.34, subdivisions 5 and 6; 611.215, by adding a subdivision; and 611.26, subdivision 2; Minnesota Statutes Second 1989 Supplement, sections 3.885, subdivisions 3, 5, and 6; 275.14; 275.51, subdivision 6; 297A.44, subdivision 1; 357.021, subdivision 1a; 373.40, subdivision 1; 477A.011, subdivisions 3 and 3a; 477A.012, subdivision 4; Laws 1987, chapter 404, section 192, subdivision 2; Laws 1988, chapters 648, section 3; and 686, article 1, section 52; Laws 1989, chapter 335, article 1, sections 4, 36, and 42, subdivision 2; article 3, sections 38; and 58, as amended; and article 4, section 107; Laws 1989, First Special Session chapter 1, article 24, section 2; proposing coding for new law in Minnesota Statutes, chapters 4, 6, 15, 16A, 16B, 43A, 116, 116J, 174; 240A, 256, 268, 297C, 462A, and 484; proposing coding for new law as Minnesota Statutes, chapter 484A; repealing Minnesota Statutes 1988, sections 3C.056; 14.32, subdivision 2; 40A.02, subdivision 2; 84A.51, subdivision 1; 85.30; 116E.01; 116E.02; 116E.04; 116J.971, subdivisions 1, 2, 4, 5, and 10; 116K.01 to 116K.03; 116K.04, as amended; 116K.05 to 116K.13; 116N.01; 116N.02, as amended; 116N.03 to 116N.07; 116N.08, as amended; 184.34; 256.481; 256.482, as amended; 268.681, subdivision 4; 299J.18; 326.82; 480.252; 480.254; 484.55; 485.018, subdivision 2a; 486.07; 487.10, subdivisions 2 and 4; and 487.13; Minnesota Statutes 1989 Supplement, sections 3C.035, subdivision 2; 8.15; 97B.301, subdivision 5; 116E.03; 116E.035; 116J.970; 116J.971, subdivisions 3 and 9; 116K.14; 116O.03, subdivision 2a; 357.021, subdivision 2a; 469.203, subdivision 5; 480.241; 480.242, subdivision 4, as amended; 480.256; and 484.545, subdivisions 2 and 3; Minnesota Statutes Second 1989 Supplement, section 3.885, subdivision 1a; Laws 1988, chapter 686, article 1, section 3, paragraph (c); Laws 1989, chapter 303, section 10; Minnesota Rules, part 4410.3800, subparts 1 and 3."

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. 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:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. [HUMAN SERVICES; HEALTH; APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1990" and "1991," where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1990, or June 30, 1991, respectively.

	SUMMARY BY FUND		TOTAL
	1990	1991	
General	\$40,607,000	\$74,372,900	\$114,979,900
Special Revenue	\$ 50,000	\$ 6,091,000	\$ 6,141,000
TOTAL	\$40,657,000	\$80,463,900	\$121,120,900

APPROPRIATIONS
Available for the Year
Ending June 30,

1990 1991

Sec. 2. HUMAN SERVICES

Subdivision 1. Appropriation by Fund

General Fund	\$40,604,000	\$74,576,000
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This appropriation is added to the appropriation in Laws 1989, chapter 282, article 1, section 2.

Subd. 2. Human Services Administration	-0-	150,000
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Subd. 3. Legal and Intergovernmental Programs	-0-	(37,000)
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Subd. 4. Social Services	3,248,000	15,402,000
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Notwithstanding the provisions of Minnesota Statutes, section 254B.02, money appropriated for the consolidated chemical dependency treatment fund for fiscal year 1990 may be allocated as needed to the reserve accounts created by Minnesota Statutes, sections 254B.02, subdivision 3; 254B.09, subdivision 5; and 254B.09, subdivision 7.

Money appropriated in Laws 1989, chapter 282, article 1, section 2, subdivision 4, for the Joining Forces pilot projects does not cancel, but is available for fiscal year 1991.

Subd. 5. Mental Health	-0-	196,000
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Notwithstanding the provisions of Laws 1989, chapter 282, article 1, section 2, subdivision 5, \$102,000 is transferred in fiscal year 1991 from state mental health grants to state mental health administration, and 2.25 positions are authorized to implement federal requirements relating to nursing homes and people with mental illness.

	1990	1991
	\$	\$
\$500,000 is transferred from the appropriation in Laws 1989, chapter 282, article 1, section 2, subdivision 5, in fiscal year 1990 for state mental health grants to fiscal year 1991 for state mental health special projects. These funds are to be used for alternative placements for people being discharged from the Metro Regional Treatment Center.		
Subd. 6. Family Support Programs	(3,352,000)	(2,500,000)

(a) Aid to Families with Dependent Children, General Assistance, Work Readiness, and Minnesota Supplemental Aid

\$(2,352,000) \$(1,202,000)

(b) Family Support Programs Administration

\$(1,000,000) \$(1,298,000)

During the biennium ending June 30, 1991, the commissioner may request, and providers receiving General Assistance or Minnesota Supplemental Aid negotiated rate payments must provide, information about their operating costs and property costs used in determining their negotiated rates. This information must be provided in a format specified by the commissioner.

Money appropriated in Laws 1989, chapter 282, article 1, section 2, subdivision 6, for assisting in the development of a statewide negotiated rate setting system does not cancel to the general fund but is available in fiscal year 1991.

The commissioner of human services shall postpone the implementation of the establishment of program operating cost payment rates as provided in

	1990	1991
\$		\$

Minnesota Statutes, section 256B.501, subdivision 3g, until October 1, 1992. Beginning January 1, 1990, each facility's interdisciplinary team shall assess each new admission to the facility. The quality assurance and review teams in the department of health shall continue to assess all residents annually. The quality assurance and review teams and the interdisciplinary team shall assess residents using a uniform assessment instrument developed by the commissioner of human services and the ICF/MR reimbursement and quality assurance and review procedures manual. The commissioner of human services shall annually collect client statistical data based on assessments performed by the quality assurance and review teams and by the interdisciplinary team on the cost reports submitted by the facility and may use this data in the calculation of operating cost payment rates after October 1, 1992.

Money appropriated in Laws 1989, chapter 282, article 1, section 2, subdivision 6 for administration and maintenance of the child support enforcement information system does not cancel but is available for fiscal year 1991 to finalize development of the system.

Subd. 7. Health Care Programs	40,708,000	61,665,000
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(a) Medical Assistance, General Assistance Medical Care, Preadmission Screening and Alternative Care Grants, and Children's Health Plan

\$40,708,000	\$59,715,000
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Money appropriated for preadmission screening and alternative care grants in fiscal year 1991 may be used for these purposes in fiscal year 1990.

1990

1991

\$

\$

Effective for services rendered on or after July 1, 1990, payments for obstetrical and pediatric services to medical assistance recipients shall be increased by 15 percent. This increase shall be applied to the provider categories under section 6402(b) of the Omnibus Budget Reconciliation Act of 1989, and applicable federal guidelines. For obstetrical services, this increase is in addition to the ten percent increase effective October 1, 1988.

Notwithstanding the provisions of Laws 1989, chapter 282, article 1, section 2, subdivision 7, clause (a), the 50th percentile of the prevailing charge for 1982 will be estimated by the commissioner in the following situations:

- (1) there were less than ten billings in the calendar year specified in legislation governing maximum payment rates;
- (2) the service was not available in the calendar year specified in legislation governing maximum payment rates;
- (3) the payment amount is the result of a provider appeal;
- (4) the procedure code description has changed since the calendar year specified in legislation governing maximum payment rates, therefore, the prevailing charge information reflects the same code but a different procedure description; or
- (5) the 50th percentile reflects a payment which is grossly inequitable when compared with payment rates for procedures or services which are substantially similar.

When one of the above situations occur, the commissioner will use the following

	1990	1991
	\$	\$
methodology to reconstruct a rate comparable to the 50th percentile of the prevailing rate:		

(1) refer to information which exists for the first nine billings in the calendar year specified in legislation governing maximum payment rates; or

(2) refer to surrounding or comparable procedure codes; or

(3) refer to the 50th percentile of years subsequent to the calendar year specified in legislation governing maximum payment rates; and backdown the amount by applying an appropriate Consumer Price Index formula; or

(4) refer to relative value indexes; or

(5) refer to reimbursement information from other third parties, such as Medicare.

Pharmacies whose computer systems failed to recognize pharmacy claims for one or more nursing homes for the period May through December 1987 may be reimbursed for the state share of the medical assistance allowable payment for the cost of those claims.

The \$480,000 appropriated to the Children's Health Plan for outpatient mental health benefits, by Laws 1989, chapter 282, article 1, section 2, subdivision 7, paragraph (c), shall be used to serve children enrolled in the Children's Health Plan. The department of human services in preparing its 1992-1993 biennial budget shall calculate the expected costs of the outpatient mental health component of the Children's Health Plan on the basis of increasing the number of children enrolled for this service beyond the

1990

1991

\$

\$

number of children enrolled for the service on June 30, 1991.

(b) Health Care Programs Administration \$ 0 \$1,950,000

For fiscal years 1990 and 1991, federal receipts received for review of medical assistance prepaid health plan activities and for the study of utilization of outpatient mental health services by children enrolled in medical assistance are appropriated to the commissioner for these purposes.

For fiscal years 1990 and 1991, federal money received as a result of state expenditures for the development of an early childhood screening tool to screen for mental health problems in children through the early, periodic, screening, diagnosis, and treatment component of the medical assistance program is appropriated to the commissioner for this development work.

Notwithstanding Laws 1989, chapter 282, article 3, section 62, or any other law to the contrary, for the biennium ending June 30, 1991, the commissioner may transfer money from the contracts account to the salaries account to hire qualified persons to provide case management to brain injured persons.

Before collecting the changed parental contribution under article 2, section 35, counties must provide 30 days advance notice of an increased or new parental contribution.

The commissioner of human services, in consultation with the commissioners of revenue and commerce, shall study issues related to prescription drug costs. Issues to be examined shall include, but are not limited to: levels of

	1990	1991
	\$	\$
copayments and deductibles for prescription drug coverage, the cost of prescription drugs, the need for prescription drug coverage among the general population, and the feasibility of private and public initiatives to ensure affordable prescription drug coverage. The commissioner of human services shall report findings and recommendations to the legislature by February 15, 1991.		

\$70,000 is appropriated to the commissioner of human services for fiscal year 1991 for a regional demonstration project under Minnesota Statutes, section 256B.73, to provide health coverage to low-income uninsured persons. This appropriation is available when the planning for the project is complete, sufficient money has been committed from nonstate sources to allow the project to proceed, and the project is prepared to begin accepting and approving applications from uninsured individuals. The commissioner shall contract with the coalition formed for the nine counties named in Minnesota Statutes, section 256B.73, subdivision 2.

Subd. 8. State Residential Facilities	-0-	(300,000)
Sec. 3. VETERANS NURSING HOMES BOARD	-0-	(1,875,000)

The appropriation to the Veterans Nursing Homes Board for the operation of the Silver Bay Veteran's Nursing Home is reduced by \$1,700,000 for fiscal year ending June 30, 1991. This reduction shall not be a reduction in the budget base for the board in the biennium beginning July 1, 1991.

	1990	1991
	\$	\$
Sec. 4. COMMISSIONER OF JOBS AND TRAINING		
Subdivision 1. Appropriation by Fund		
General Fund	-0-	(550,000)
Special Revenue Fund	-0-	6,000,000

This appropriation is added to the appropriation in Laws 1989, chapter 282, article 1, section 5.

Subd. 2. Economic Opportunity Office

Special Revenue Fund

-0- 6,000,000

Subd. 3. Employment and Training

General Fund

-0- (550,000)

\$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. 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).

MEED service providers may retain 75 percent of outstanding payback funds they collect to be used for the cost of collection and for program closeout activities without regard to existing cost category requirements. The commis-

	1990	1991
	\$	\$
<p>sioner of jobs and training may retain the following money, up to a total of \$70,000, to be used to close out the MEED program: 25 percent of the outstanding payback funds collected by MEED service providers, 100 percent of payback funds collected by the collection agency under contract with the department, and any remaining unspent payback funds in the special revenue account.</p>		

The commissioner of jobs and training shall estimate the amount of unobligated funds anticipated by each service provider in the Minnesota employment and economic development program on June 30, 1990, and shall reduce the amount available to each local service unit service provider by the estimated amount. If the total estimated amount is less than \$500,000, the commissioner shall reduce each local service unit service provider proportionately to bring the total of unobligated funds to \$500,000.

Notwithstanding Laws 1989, chapter 282, article 1, section 5, subdivision 5, any balance remaining in the first year of the appropriation for the Minnesota employment and economic development program does not carry forward to the second year.

The commissioner of jobs and training may include as a budget change request in the fiscal year 1992 and 1993 detailed expenditure budget submitted to the legislature under Minnesota Statutes, section 16A.11, an annual adjustment in the extended employment program grants as of July 1 of each year, beginning July 1, 1991, by a percentage amount equal to the percentage increase, if any, in the consumer price index (CPI-U-U.S.) city average, as published by the Bureau of Labor Statistics, United States Depart-

	1990	1991
	\$	\$
ment of Labor, during the preceding calendar year for the biennium ending June 30, 1993.		

Sec. 5. CORRECTIONS

Subdivision 1. Total Appropriation	-0-	2,111,900
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This appropriation is added to the appropriation in Laws 1989, chapter 282, article 1, section 6.

Subd. 2. Correctional Institutions

-0-	1,754,900
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\$1,754,900 is appropriated to the commissioner of corrections for the biennium ending June 30, 1991, for the purpose of services to adult women commitments at the Moose Lake Regional Treatment Center. These funds may be used to fund these services at other sites or through contracts if locating at the Moose Lake Regional Treatment Center is not feasible.

For the biennium ending June 30, 1991, and effective May 1, 1990, the commissioner of corrections may, with the approval of the commissioner of finance and upon notification of the chairs of the health and human services divisions of the house appropriations committee and the health and human services subcommittee of the senate finance committee, transfer funds to or from salaries.

For the commissioner of corrections, any unencumbered balances remaining from fiscal year 1990 shall not cancel, but are available for the second year of the biennium.

Subd. 3. Community Services

-0-	357,000
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	1990	1991
	\$	\$
<p>Notwithstanding any law to the contrary, whenever the commissioner of corrections selects inmates under the commissioner's control for the purpose of any work under agreement with any other state department or agency or local unit of government, or any other government subdivision, the state department or agency or local unit, or any other government subdivision, must certify to the appropriate bargaining unit representative that the work performed by inmates will not result in the displacement of currently employed workers or workers on seasonal layoff or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits.</p>		

Sec. 6. SENTENCING GUIDELINES COMMISSION	3,000	5,000
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Funds provided to the sentencing guidelines commission to cover rent increases for staff offices shall be included in the calculation of their fiscal year 1992-1993 base.

The Minnesota sentencing guidelines commission is authorized to use the \$38,000 appropriated in fiscal year 1991 for a study on the mandatory minimum sentencing law to also complete the study on correctional resources.

Sec. 7. HEALTH

Subdivision 1. Appropriation by Fund

General Fund	-0-	105,000
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This appropriation is added to the appropriation in Laws 1989, chapter 282, article, section 9.

	1990	1991
	\$	\$

Subd. 2. Preventive and Protective Health Services

-0- (387,000)

\$56,450 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to validate the respiratory health findings of the Childhood Respiratory Health Feasibility Study. The commissioner shall present the results of this follow-up study and recommendations to the legislature by December 1, 1992.

For the fiscal year ending June 30, 1991, the commissioner of health is authorized to accept up to \$231,904 in federal funding for indoor radon abatement if granted by the United States Environmental Protection Agency (EPA).

Subd. 3. Health Delivery Systems

-0- 352,000

\$150,000 is appropriated to the commissioner of the department of health for the purpose of grants to rural hospitals in isolated areas of the state for the biennium ending June 30, 1991. In order to qualify for financial assistance, a hospital must be eligible to be classified as a sole-community hospital according the Code of Federal Regulations, title 42, section 412.92, have experienced net income losses in two of the most recent consecutive hospital fiscal years for which audited financial information is available, and consist of fewer than 50 licensed beds. Prior to application for state assistance, the hospital must have developed a strategic plan.

By January 15, 1991, the department of health shall submit to the legisla-

	1990	1991
	\$	\$

ture, a bill providing for the licensure of residential care homes. The bill shall be based on information contained in the joint report of the departments of health and human services to the legislature prepared in accordance with Laws 1989, chapter 282, article 2, section 213. The proposal for the licensure of residential care homes shall also estimate the fiscal impact associated with implementation of a licensure program on the state, counties, and on providers of these services. The department of human services and the inter-agency board for quality assurance shall cooperate with the department of health in developing the legislative proposal and fiscal data. \$100,000 is appropriated from the general fund to the department of health for the purposes of completing this activity.

Notwithstanding the provisions of Minnesota Statutes, section 245A.03, subdivision 2, board and lodging establishments licensed by the commissioner of health that provide services for five or more persons whose primary diagnosis is mental illness and who have refused an appropriate residential program offered by a county agency shall be exempt from licensure under Minnesota Statutes, sections 245A.01 to 245A.16, until the residential care home license is available. At that time, these establishments shall be licensed under the provisions of Minnesota Statutes, sections 245A.01 to 245A.16, or as a residential care home.

Notwithstanding the provisions of Minnesota Statutes, section 256I.05, subdivision 7, payments to recipients residing in a board and lodging establishment that must meet the special services licensing rules established by the commissioner of health under the provisions of Minnesota Statutes, section 157.031, for which the county has

1990

1991

\$

\$

a negotiated rate, shall be increased to cover the necessary additional costs incurred by the establishment to meet the rule requirements. The necessary additional costs shall be determined by the county in which the establishment is located and approved by the commissioner of human services. In order for a recipient to receive the increased payment, a board and lodging establishment must submit information to support the necessary additional costs on forms provided by the commissioner of human services.

The special service licensing rules for board and lodging establishments required under the provisions of Minnesota Statutes, section 157.031, shall be adopted by July 1, 1991.

Notwithstanding the provisions of Minnesota Statutes, section 144A.48, subdivision 2, clause (9), the commissioner of health may issue a hospice license to a free standing residential facility that was registered and was providing hospice services as of March 1, 1990, if such facility is licensed as a board and lodging facility, provides services to no more than six residents, meets Group R, Division 3 occupancy requirements and meets the fire protection provisions of chapter 21 of the 1985 Life Safety Code, NFPA 101, for facilities housing persons with impractical evacuation capabilities. Continued licensure as a hospice shall be contingent on the facility's compliance with the department of health rules for hospices and for board and lodging facilities providing health supervision services upon adoption of those rules.

For the fiscal year ending June 30, 1991, the commissioner of health may transfer funds between the emergency medical systems review and the rural hospital and health professional study.

	\$ 1990	\$ 1991
Subd. 4. Health Support Services		
-0-	140,000,	

Notwithstanding any law to the contrary, the commissioner of health may carry forward into fiscal year 1991 any unobligated balances of fiscal year 1990 appropriations in an amount not to exceed \$260,000. These balances are to be used solely for payment of increased rental costs in fiscal year 1991. If such balances are less than \$260,000, the commissioner of health may use unobligated salary appropriations in fiscal year 1991 to pay for increased rental costs so that the combined total of funds carried forward and use of unobligated salary appropriations spent for this purpose does not exceed \$260,000.

Sec. 8. HEALTH RELATED BOARDS

Subdivision 1. Total Appropriation

Special Revenue Fund	50,000	91,000
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Subd. 2. Social Work

-0-	82,000
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Subd. 3. Psychology

46,000	-0-
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Subd. 4. Optometry

4,000	4,000
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Subd. 5. Pharmacy

-0-	5,000
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Sec. 9. [EFFECTIVE DATE.]

Subdivision 1. [REED ACT MONEY.] The appropriation in section 4, subdivision 3, of REED Act money available to the state under United States Code, title 42, section 1103, is effective the day following final enactment.

Subd. 2. [UNOBLIGATED MEED PROGRAM MONEY.] The provision in section 4, subdivision 3, that requires a reduction in funds for the Minnesota employment and economic development program based upon unobligated funds is effective the day following final enactment.

ARTICLE 2

HEALTH DEPARTMENT; SOCIAL SERVICES

Section 1. Minnesota Statutes 1988, section 4.071, is amended to read:

4.071 [OIL OVERCHARGE MONEY.]

Subdivision 1. [APPROPRIATION REQUIRED.] "Oil overcharge money" means money received by the state as a result of litigation or settlements of alleged violations of federal petroleum pricing regulations. Oil overcharge money may not be spent until the legislative commission on Minnesota resources has reviewed the proposed projects and the money it is specifically appropriated by law.

Subd. 2. [MINNESOTA RESOURCES PROJECTS.] The legislature intends to appropriate one-half of the oil overcharge money for projects that have been reviewed and recommended by the legislative commission on Minnesota resources. A work plan must be prepared for each proposed project for review by the commission. The commission must recommend specific projects to the legislature.

Subd. 3. [ENERGY CONSERVATION PROJECTS.] The oil overcharge money that is not otherwise appropriated by law or dedicated by court order is appropriated to the commissioner of jobs and training for energy conservation projects that directly serve low-income Minnesotans. This appropriation is available until spent.

Sec. 2. Minnesota Statutes 1989 Supplement, section 116.76, subdivision 9, is amended to read:

Subd. 9. [GENERATOR.] "Generator" means a person whose activities produce infectious waste. "Generator" does not include a person who produces sharps as a result of administering medication to oneself. "Generator" does not include an ambulance service licensed under section 144.802, an eligible board of health, community health board, or public health nursing agency as defined in

section 116.78, subdivision 10, or a program providing school health service under section 123.35, subdivision 17.

Sec. 3. Minnesota Statutes 1989 Supplement, section 116.78, is amended by adding a subdivision to read:

Subd. 9. [DISPOSAL OF INFECTIOUS WASTE BY AMBULANCE SERVICES.] Any infectious waste, as defined in section 116.76, subdivision 12, produced by an ambulance service in the transport or care of a patient must be properly packaged and disposed of at the destination hospital or at the nearest hospital if the patient is not transported. A hospital must accept the infectious waste if it is properly packaged according to the standards the hospital uses for packaging its own infectious wastes. The hospital may charge the ambulance service a reasonable fee for disposal of the infectious waste. Nothing in this subdivision shall require a hospital to accept infectious waste if the waste is of a type not generated by the hospital or if the hospital cannot safely store the waste.

Sec. 4. Minnesota Statutes 1989 Supplement, section 116.78, is amended by adding a subdivision to read:

Subd. 10. [DISPOSAL OF INFECTIOUS WASTE BY PUBLIC HEALTH AGENCIES AND PROGRAMS PROVIDING SCHOOL HEALTH SERVICES.] Any infectious waste, as defined in section 116.76, subdivision 12, produced by an eligible board of health, community health board, or public health nursing agency or a program providing school health services under section 123.35, subdivision 17, must be properly packaged and may be disposed of at a hospital. For purposes of this subdivision, an "eligible 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 located in a county with a population of less than 40,000. A hospital must accept the infectious waste if it is properly packaged according to the standards the hospital uses for packaging its own infectious wastes. The hospital may charge an eligible board of health, community health board, or public health nursing agency or a program providing school health services a reasonable fee for disposal of the infectious waste. Nothing in this subdivision shall require a hospital to accept infectious waste if the waste is of a type not generated by the hospital or if the hospital cannot safely store the waste.

Sec. 5. [144.062] [VACCINE COST REDUCTION PROGRAM.]

The commissioner of administration, after consulting with the commissioner of health, may negotiate discounts or rebates on vaccine or may purchase vaccine at reduced prices, and offer it to medical care providers at the department's cost plus a fee for administrative costs. As a condition of receiving the vaccine at

reduced cost, a medical care provider must agree to pass on the savings to patients. The commissioner of health may transfer money appropriated for other department of health programs to the commissioner of administration for the initial cost of purchasing vaccine, provided the money is repaid by the end of each state fiscal year and the commissioner of finance approves the transfer. Proceeds from the sale of vaccines to medical care providers are appropriated to the commissioner of administration. If the commissioner of administration, in consultation with the commissioner of health, determines that a vaccine cost reduction program is not economically feasible or cost effective, the commissioner may elect not to implement the program, but shall provide a report to the legislature that explains the reasons for the decision.

Sec. 6. [144.1465] [FINDING AND PURPOSE.]

The legislature finds that rural hospitals are an integral part of the health care delivery system and are fundamental to the development of a sound rural economy. The legislature further finds that access to rural health care must be assured to all Minnesota residents. The rural health care system is undergoing a restructuring that threatens to jeopardize access in rural areas to quality health services. To assure continued rural health care access the legislature proposes to establish a grant program to assist rural hospitals and their communities with the development of strategic plans and transition projects, provide subsidies for geographically isolated hospitals facing closure, and examine the problem of recruitment and retention of rural physicians, nurses, and other allied health care professionals.

Sec. 7. [144.147] [RURAL HOSPITAL PLANNING AND TRANSITION GRANT PROGRAM.]

Subdivision 1. [DEFINITION.] "Eligible rural hospital" means any nonfederal, general acute care hospital that is either:

(1) located in a rural area, as defined in the federal Medicare regulations, United States Code, title 42, section 405.1041, or located in a community with a population of less than 5,000, according to United States Census Bureau statistics, outside the seven-county metropolitan area;

(2) has 100 or fewer beds; and

(3) is not for profit.

Subd. 2. [GRANTS AUTHORIZED.] The commissioner shall establish a program of grants to assist eligible rural hospitals. The commissioner shall award grants to hospitals and communities for the purposes set forth in paragraphs (a) and (b).

(a) Grants may be used by hospitals and their communities to develop strategic plans for preserving access to health services. At a minimum, a strategic plan must consist of:

(1) a needs assessment to determine what health services are needed and desired by the community. The assessment must include interviews with or surveys of area health professionals, local community leaders, and public hearings;

(2) an assessment of the feasibility of providing needed health services that identifies priorities and timeliness for potential changes; and

(3) an implementation plan.

The strategic plan must be developed by a committee that includes representatives from the hospital, local public health agencies, other health providers, and consumers from the community.

(b) The grants may also be used by eligible rural hospitals that have developed strategic plans to implement transition projects to modify the type and extent of services provided, in order to reflect the needs of that plan. Grants may be used by hospitals under this paragraph to develop hospital-based physician practices that integrate hospital and existing medical practice facilities that agree to transfer their practices, equipment, staffing, and administration to the hospital. Not more than one-third of any grant shall be used to offset losses incurred by physicians agreeing to transfer their practices to hospitals.

Subd. 3. [CONSIDERATION OF GRANTS.] In determining which hospitals will receive grants under this section, the commissioner shall take into account:

(1) improving community access to hospital or health services;

(2) changes in service populations;

(3) demand for ambulatory and emergency services;

(4) the extent that the health needs of the community are not currently being met by other providers in the service area;

(5) the need to recruit and retain health professionals; and

(6) the involvement and extent of support of the community and local health care providers.

Subd. 4. [ALLOCATION OF GRANTS.] (a) Eligible hospitals must apply to the commissioner no later than September 1, 1990, for grants awarded in the 1991 state fiscal year; and no later than September 1, 1990, for grants awarded in the 1992 state fiscal year.

(b) The commissioner may award up to two grants for each fiscal year. The commissioner must make a final decision on the funding of each application within 60 days of the deadline for receiving applications.

(c) Each relevant community health board has 30 days in which to review and comment to the commissioner on grant applications from hospitals in their community health service area.

(d) In determining which hospitals will receive grants under this section, the commissioner shall consider the following factors:

(1) Description of the problem, description of the project and the likelihood of successful outcome of the project. The applicant must explain clearly the nature of the health services problems in their service area, how the grant funds will be used, what will be accomplished, and the results expected. The applicant should describe achievable objectives, a timetable, and roles and capabilities of responsible individuals and organizations.

(2) The extent of community support for the hospital and this proposed project. The applicant should demonstrate support for the hospital and for the proposed project from other local health service providers and from local community and government leaders. Evidence of such support may include past commitments of financial support from local individuals, organization or government entities; and commitment of financial support, in-kind services or cash, for this project.

(3) The comments, if any, resulting from a review of the application by the community health board in whose community health service area the hospital is located.

(e) In evaluating applications, the commissioner shall score each application on a 100 point scale, assigning the maximum of 70 points for an applicant's understanding of the problem, description of the project, and likelihood of successful outcome of the project; and a maximum of 30 points for the extent of community support for the hospital and this project. The commissioner may also take into account other relevant factors.

(f) A grant to a hospital, including hospitals that submit applications as consortia, may not exceed \$50,000 a year, and may not exceed a term of two years. Prior to the receipt of any grant, the hospital must certify to the commissioner that at least one-half of

the amount, which may include in-kind services, is available for the same purposes from nonstate sources. A hospital receiving a grant under this section may use the grant for any expenses incurred in the development of strategic plans or the implementation of transition projects with respect to which the grant is made. Project grants may not be used to retire debt incurred with respect to any capital expenditure made prior to the date on which the project is initiated.

Subd. 5. [EVALUATION.] The commissioner shall evaluate the overall effectiveness of the grant program. The commissioner may collect, from the hospital, and communities receiving grants, the information necessary to evaluate the grant program. Information related to the financial condition of individual hospitals shall be classified as nonpublic data.

Sec. 8. Minnesota Statutes 1989 Supplement, section 144.562, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY FOR LICENSE CONDITION.] A hospital is not eligible to receive a license condition for swing beds unless (1) it either has a licensed bed capacity of less than 50 beds defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 482.66, or it has a licensed bed capacity of 50 beds or more and has swing beds that were approved for Medicare reimbursement before May 1, 1985, or it has a licensed bed capacity of less than 65 beds and, as of the effective date, the available nursing homes within 50 miles have had occupancy rates of 96 percent or higher in the past two years, or it has a licensed capacity of less than 63 beds and is a nonprofit facility; (2) it is located in a rural area as defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 482.66; and (3) it agrees to utilize no more than four hospital beds as swing beds at any one time, except that the commissioner may approve the utilization of up to three additional beds at the request of a hospital if no Medicare certified skilled nursing facility beds are available within 25 miles of that hospital.

Sec. 9. 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.

Sec. 10. Minnesota Statutes 1989 Supplement, section 144.802, subdivision 3, is amended to read:

Subd. 3. [APPLICATIONS; NOTICE OF APPLICATION; RECOMMENDATIONS.] (a) Each prospective licensee and each present licensee wishing to offer a new type or types of ambulance service, to establish a new base of operation, or to expand a primary service area, shall make written application for a license to the commissioner on a form provided by the commissioner.

(b) For applications for the provision of ambulance services in a service area located within a county, the commissioner shall promptly send notice of the completed application to the county board and to each community health service board, governing body of a regional emergency medical services system designated under section 144.8093, ambulance service, and municipality in the area in which ambulance service would be provided by the applicant. The commissioner shall publish the notice, at the applicant's expense, in the State Register and in a newspaper in the municipality in which the base of operation will be located, or if no newspaper is published in the municipality or if the service would be provided in more than one municipality, in a newspaper published at the county seat of the county in which the service would be provided.

(c) For applications for the provision of ambulance services in a

service area larger than a county, the commissioner shall promptly send notice of the completed application to the municipality in which the service's base of operation will be located and to each community health board, county board, governing body of a regional emergency medical services system designated under section 144.8093, and ambulance service located within the counties in which any part of the service area described by the applicant is located, and any contiguous counties. The commissioner shall publish this notice, at the applicant's expense, in the State Register.

(d) The commissioner shall request that the chief administrative law judge appoint an administrative law judge to hold a public hearing in the municipality in which the service's base of operation will be located. The public hearing shall be conducted as contested case hearing under chapter 14.

(e) Each municipality, county, community health service board, governing body of a regional emergency medical services system, ambulance service, and other person wishing to make recommendations concerning the disposition of the application shall make written recommendations to the administrative law judge within 30 days of the publication of notice of the application in the State Register.

(f) The administrative law judge shall:

(1) hold a public hearing in the municipality in which the service's base of operations is or will be located;

(2) provide notice of the public hearing in the newspaper or newspapers in which notice was published under paragraph (b) for two successive weeks at least ten days before the date of the hearing;

(3) allow any interested person the opportunity to be heard, to be represented by counsel, and to present oral and written evidence at the public hearing;

(4) provide a transcript of the hearing at the expense of any individual requesting it.

(g) The administrative law judge shall review and comment upon the application and shall make written recommendations as to its disposition to the commissioner within 90 days of receiving notice of the application. In making the recommendations, the administrative law judge shall consider and make written comments as to whether the proposed service, change in base of operations, or expansion in primary service area is needed, based on consideration of the following factors:

(1) the relationship of the proposed service, change in base of

operations or expansion in primary service area to the current community health plan as approved by the commissioner under section 145.918 145A.12, subdivision 4;

(2) the recommendations or comments of the governing bodies of the counties and municipalities in which the service would be provided;

(3) the deleterious effects on the public health from duplication, if any, of ambulance services that would result from granting the license;

(4) the estimated effect of the proposed service, change in base of operation or expansion in primary service area on the public health;

(5) whether any benefit accruing to the public health would outweigh the costs associated with the proposed service, change in base of operations, or expansion in primary service area.

The administrative law judge shall recommend that the commissioner either grant or deny a license or recommend that a modified license be granted. The reasons for the recommendation shall be set forth in detail. The administrative law judge shall make the recommendations and reasons available to any individual requesting them.

Sec. 11. Minnesota Statutes 1989 Supplement, section 144.804, subdivision 1, is amended to read:

Subdivision 1. [DRIVERS AND ATTENDANTS.] No publicly or privately owned basic ambulance service shall be operated in the state unless its drivers and attendants possess a current emergency medical care course certificate authorized by rules adopted by the commissioner of health according to chapter 14. Until August 1, 1994, a licensee may substitute a person currently certified by the American Red Cross in advanced first aid and emergency care or a person who has successfully completed the United States Department of Transportation first responder curriculum, and who has also been trained to use all of the equipment carried in the ambulance basic life support equipment as required by rules adopted by the commissioner under section 144.804, subdivision 2, for one of the persons on a basic ambulance, provided that person will function as the driver while transporting a patient. The commissioner may grant a variance to allow a licensed ambulance service to use attendants certified by the American Red Cross in advanced first aid and emergency care in order to ensure 24-hour emergency ambulance coverage. ~~The variance must expire no later than August 1, 1990.~~ The commissioner shall study the roles and responsibilities of first responder units and report the findings by January 1, 1991. This study shall address at a minimum: (1) education and training;

(2) appropriate equipment and its use; (3) medical direction and supervision; and (4) supervisory and regulatory requirements.

Sec. 12. 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.

Sec. 13. Minnesota Statutes 1989 Supplement, section 144.809, is amended to read:

144.809 [RENEWAL OF BASIC EMERGENCY MEDICAL TECHNICIAN'S CARE COURSE CERTIFICATE,; FEE.]

Subdivision 1. [STANDARDS FOR RECERTIFICATION.] The commissioner shall adopt rules establishing minimum standards for expiration and recertification of basic emergency care course certificates. These standards shall require:

(1) four years after initial certification, and every four years thereafter, formal classroom training and successful completion of a written test and practical examination, both of which must be approved by the commissioner; and

(2) two years after initial certification, and every four years thereafter, in-service continuing education, including knowledge and skill proficiency testing, all of which must be conducted under the supervision of a medical director or medical advisor and approved by the commissioner.

Course requirements under clause (1) shall not exceed 24 hours. Course requirements under clause (2) shall not exceed 36 hours, of which at least 12 hours may consist of course material developed by the medical director or medical advisor.

Individuals may choose to complete, two years after initial certification, and every two years thereafter, formal classroom training and successful completion of a written test and practical examination, both of which are approved by the commissioner, in lieu of completing requirements in clauses (1) and (2).

Subd. 2. [UPGRADING TO BASIC EMERGENCY CARE COURSE CERTIFICATE.] By August 1, 1994, the commissioner shall adopt rules authorizing the equivalence of the following as credit toward successful completion of the commissioner's basic emergency care course:

(1) successful completion of the United States Department of Transportation first responder curriculum;

(2) a minimum of two years of documented continuous service as an ambulance driver, as authorized in section 144.804, subdivision 7;

(3) documented clinical experience obtained through work or volunteer activity as a first responder; and

(4) documented continuing education in emergency care.

Subd. 3. [LIMITATION ON FEES.] No fee set by the commissioner for biennial renewal of ~~an~~ a basic emergency ~~medical technician's~~ care course certificate by a volunteer member of an ambulance service, fire department, or police department shall exceed \$2.

Sec. 14. Minnesota Statutes 1989 Supplement, section 144.8091, is amended to read:

144.8091 [REIMBURSEMENT TO NONPROFIT AMBULANCE SERVICES.]

Subdivision 1. [REPAYMENT FOR VOLUNTEER TRAINING.] Any political subdivision, or nonprofit hospital or nonprofit corporation operating a licensed ambulance service shall be reimbursed by the commissioner for the necessary expense of the initial training of a volunteer ambulance attendant upon successful completion by the attendant of a basic emergency ~~medical~~ care course, or a continuing education course for basic emergency ~~medical~~ care, or both, which has been approved by the commissioner, pursuant to section 144.804. Reimbursement may include tuition, transportation, food, lodging, hourly payment for the time spent in the training course, and other necessary expenditures, except that in no instance shall a volunteer ambulance attendant be reimbursed more than ~~\$210~~ \$350 for successful completion of a basic course, and ~~\$70~~ \$140 for successful completion of a continuing education course.

Subd. 2. [VOLUNTEER ATTENDANT DEFINED.] For purposes of this section, "volunteer ambulance attendant" means a person who provides emergency medical services for a Minnesota licensed ambulance service without the expectation of remuneration and who does not depend in any way upon the provision of these services for the person's livelihood. An individual may be considered a

volunteer ambulance attendant even though that individual receives an hourly stipend for each hour of actual service provided, except for hours on standby alert, even though this hourly stipend is regarded as taxable income for purposes of state or federal law, provided that this hourly stipend does not exceed \$500 \$3,000 within one year of the final certification examination. Reimbursement will be paid under provisions of this section when documentation is provided the department of health that the individual has served for one year from the date of the final certification exam as an active member of a Minnesota licensed ambulance service.

Sec. 15. [144.8095] [FUNDING FOR THE EMERGENCY MEDICAL SERVICES REGIONS.]

The commissioner of health shall distribute funds appropriated from the general fund equally among the emergency medical service regions. Each regional board may use this money to reimburse eligible emergency medical services personnel for continuing education costs related to emergency care that are personally incurred and are not reimbursed from other sources. Eligible emergency medical services personnel include, but are not limited to, dispatchers, emergency room physicians, emergency room nurses, first responders, emergency medical technicians, and paramedics. Any funds remaining after all eligible emergency medical services personnel are reimbursed may be used to fund the task force for medical directors and advisers required under section 144.8096. Any remaining funds may be used to purchase equipment for emergency medical services providers, or used as determined by each regional board.

Sec. 16. [144.8096] [MEDICAL DIRECTORS AND ADVISERS; TASK FORCES.]

(a) Each regional emergency medical services system designated under section 144.8093, subdivision 4, may establish a task force for medical advisers and medical directors of ambulance services in the region.

(b) Each task force established under paragraph (a) shall:

(1) evaluate problems facing medical directors and advisers;

(2) provide educational forums and programs for medical directors and medical advisers on regional topics relevant to the duties of medical directors and advisers;

(3) establish priorities for the region to address problems related to medical directors and advisers;

(4) advise and counsel medical advisers and directors in the region on problems they may be facing;

(5) provide medical directors and advisers in the region with technical assistance education, including continuing education opportunities;

(6) develop methods and incentives to recruit and retain physicians to serve as medical directors and advisers; and

(7) assist in recruiting a replacement medical director or medical adviser for an ambulance service seeking to hire a new medical director or medical adviser.

(c) Task force activities shall be funded as provided in section 144.8095.

Sec. 17. [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) Members of the council shall be compensated for expenses.

(d) The removal of all members and the expiration of the council shall be as provided in section 15.059.

Sec. 18. 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:

(a) 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; or

(b) is also certified as a chemical dependency practitioner.

Sec. 19. Minnesota Statutes 1988, section 148B.48, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF HEALTH.] The commissioner of health shall review the report of the office under sections 214.001, 214.13, and 214.141. The commissioner shall make recommendations to the legislature by January 15, 1991, on the need for registration or licensure of unlicensed mental health service providers and the need to retain the board of unlicensed mental health service providers.

Sec. 20. Minnesota Statutes 1988, section 151.06, subdivision 1, is amended to read:

Subdivision 1. (a) [POWERS AND DUTIES.] The board of pharmacy shall have the power and it shall be its duty:

- (1) to regulate the practice of pharmacy;
- (2) to regulate the manufacture, wholesale, and retail sale of drugs within this state;
- (3) to regulate the identity, labeling, purity, and quality of all drugs and medicines dispensed in this state, using the United States Pharmacopeia and the National Formulary, or any revisions thereof, or standards adopted under the federal act as the standard;
- (4) to enter and inspect by its authorized representative any and all places where drugs, medicines, medical gases, or veterinary drugs or devices are sold, vended, given away, compounded, dispensed, manufactured, wholesaled, or held; it may secure samples or specimens of any drugs, medicines, medical gases, or veterinary drugs or devices after paying or offering to pay for such sample; it shall be entitled to inspect and make copies of any and all records of shipment, purchase, manufacture, quality control, and sale of these items provided, however, that such inspection shall not extend to financial data, sales data, or pricing data;
- (5) to examine and license as pharmacists all applicants whom it shall deem qualified to be such;
- (6) to license wholesale drug distributors;
- (7) to deny, suspend, revoke, or refuse to renew any registration or license required under this chapter, to any applicant or registrant or licensee upon any of the following grounds:
 - (i) fraud or deception in connection with the securing of such license or registration;
 - (ii) in the case of a pharmacist, conviction in any court of a felony;
 - (iii) in the case of a pharmacist, conviction in any court of an offense involving moral turpitude;
 - (iv) habitual indulgence in the use of narcotics, stimulants, or depressant drugs; or habitual indulgence in intoxicating liquors in a manner which could cause conduct endangering public health;
 - (v) unprofessional conduct or conduct endangering public health;

- (vi) gross immorality;
 - (vii) employing, assisting, or enabling in any manner an unlicensed person to practice pharmacy;
 - (viii) conviction of theft of drugs, or the unauthorized use, possession, or sale thereof;
 - (ix) violation of any of the provisions of this chapter or any of the rules of the state board of pharmacy;
 - (x) in the case of a pharmacy license, operation of such pharmacy without a pharmacist present and on duty;
 - (xi) in the case of a pharmacist, physical or mental disability which could cause incompetency in the practice of pharmacy; or
 - (xii) in the case of a pharmacist, the suspension or revocation of a license to practice pharmacy in another state;
- (7) (8) to employ necessary assistants and make rules for the conduct of its business; and
- (8) (9) to perform such other duties and exercise such other powers as the provisions of the act may require.

(b) [TEMPORARY SUSPENSION.] In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend a license for not more than 60 days if the board finds that a pharmacist has violated a statute or rule that the board is empowered to enforce and continued practice by the pharmacist would create an imminent risk of harm to others. The suspension shall take effect upon written notice to the pharmacist, specifying the statute or rule violated. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held under the administrative procedure act. The pharmacist shall be provided with at least 20 days notice of any hearing held under this subdivision.

(c) [RULES.] For the purposes aforesaid it shall be the duty of the board to make and publish uniform rules not inconsistent herewith for carrying out and enforcing the provisions of this chapter.

Sec. 21. Minnesota Statutes 1988, section 151.25, is amended to read:

151.25 [REGISTRATION OF MANUFACTURERS OR WHOLESALE-
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 of drugs, medicines, chemicals, or poisons for medicinal purposes, or the person's agent, to sell legend drugs to other than a pharmacy, except as provided in this chapter.

Sec. 22. [151.42] [CITATION.]

Sections 151.42 to 151.51 may be cited as the "wholesale drug distribution licensing act of 1990."

Sec. 23. [151.43] [SCOPE.]

Sections 151.42 to 151.51 apply to any person, partnership, corporation, or business firm engaging in the wholesale distribution of prescription drugs within the state.

Sec. 24. [151.44] [DEFINITIONS.]

As used in sections 151.42 to 151.51, the following terms have the meanings given in paragraphs (a) to (f):

(a) "Wholesale drug distribution" means distribution of prescription drugs to persons other than a consumer or patient, but does not include:

(1) a sale between a division, subsidiary, parent, affiliated, or related company under the common ownership and control of a corporate entity;

(2) the purchase or other acquisition, by a hospital or other health care entity that is a member of a group purchasing organization, of a drug for its own use from the organization or from other hospitals or health care entities that are members of such organizations;

(3) the sale, purchase, or trade of a drug or an offer to sell, purchase, or trade a drug by a charitable organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended

through December 31, 1988, to a nonprofit affiliate of the organization to the extent otherwise permitted by law;

(4) the sale, purchase, or trade of a drug or offer to sell, purchase, or trade a drug among hospitals or other health care entities that are under common control;

(5) the sale, purchase, or trade of a drug or offer to sell, purchase, or trade a drug for emergency medical reasons;

(6) the sale, purchase, or trade of a drug, an offer to sell, purchase, or trade a drug, or the dispensing of a drug pursuant to a prescription;

(7) the transfer of prescription drugs by a retail pharmacy to another retail pharmacy to alleviate a temporary shortage;

(8) the distribution of prescription drug samples by manufacturers representatives; or

(9) the sale, purchase, or trade of blood and blood components.

(b) "Wholesale drug distributor" means anyone engaged in wholesale drug distribution, including but not limited to, manufacturers; repackers; own-label distributors; jobbers; brokers; warehouses, including manufacturers' and distributors' warehouses, chain drug warehouses, and wholesale drug warehouses; independent wholesale drug traders; and pharmacies that conduct wholesale drug distribution. A wholesale drug distributor does not include a common carrier or individual hired primarily to transport prescription drugs.

(c) "Manufacturer" means anyone who is engaged in the manufacturing, preparing, propagating, compounding, processing, packaging, repackaging, or labeling of a prescription drug.

(d) "Prescription drug" means a drug required by federal or state law or regulation to be dispensed only by a prescription, including finished dosage forms and active ingredients subject to United States Code, title 21, sections 811 and 812.

(e) "Blood" means whole blood collected from a single donor and processed either for transfusion or further manufacturing.

(f) "Blood components" means that part of blood separated by physical or mechanical means.

Sec. 25. [151.45] [WHOLESALE DRUG DISTRIBUTOR ADVISORY TASK FORCE.]

The board shall appoint a wholesale drug distributor advisory task force composed of five members, to be selected and to perform duties and responsibilities as follows:

(a) One member shall be a pharmacist who is neither a member of the board nor a board employee.

(b) Two members shall be representatives of wholesale drug distributors as defined in section 151.44, paragraph (b).

(c) One member shall be a representative of drug manufacturers.

(d) One member shall be a public member as defined by section 214.02.

(e) The advisory task force shall review and make recommendations to the board on the merit of all rules dealing with wholesale drug distributors and drug manufacturers that are proposed by the board; and no rule affecting wholesale drug distributors proposed by the board shall be adopted without first being submitted to the task force for review and comment.

(f) In making advisory task force appointments, the board shall consider recommendations received from each of the wholesale drug distributor, pharmacist, and drug manufacturer classes cited in paragraphs (a) to (c), and shall adopt rules that provide for solicitation of the recommendations.

Sec. 26. [151.46] [PROHIBITED DRUG PURCHASES OR RECEIPT.]

It is unlawful for any person to knowingly purchase or receive a prescription drug from a source other than a person or entity licensed under the laws of the state, except where otherwise provided. Licensed wholesale drug distributors other than pharmacies shall not dispense or distribute prescription drugs directly to patients. A person violating the provisions of this section is guilty of a misdemeanor.

Sec. 27. [151.47] [WHOLESALE DRUG DISTRIBUTOR LICENSING REQUIREMENTS.]

Subdivision 1. [REQUIREMENTS.] All wholesale drug distributors are subject to the requirements in paragraphs (a) to (e).

(a) No person or distribution outlet shall act as a wholesale drug distributor without first obtaining a license from the board and paying the required fee.

(b) No license shall be issued or renewed for a wholesale drug distributor to operate unless the applicant agrees to operate in a manner prescribed by federal and state law and according to the rules adopted by the board.

(c) The board may require a separate license for each facility directly or indirectly owned or operated by the same business entity within the state, or for a parent entity with divisions, subsidiaries, or affiliate companies within the state, when operations are conducted at more than one location and joint ownership and control exists among all the entities.

(d) As a condition for receiving and retaining a wholesale drug distributor license issued under sections 151.42 to 151.51, an applicant shall satisfy the board that it has and will continuously maintain:

(1) adequate storage conditions and facilities;

(2) minimum liability and other insurance as may be required under any applicable federal or state law;

(3) a viable security system that includes an after hours central alarm, or comparable entry detection capability; restricted access to the premises; comprehensive employment applicant screening; and safeguards against all forms of employee theft;

(4) a system of records describing all wholesale drug distributor activities set forth in section 151.44 for at least the most recent two-year period and which shall be reasonably accessible as defined by board regulations in any inspection authorized by the board;

(5) principals and persons, including officers, directors, primary shareholders, and key management executives who must at all times demonstrate and maintain their capability of conducting business in conformity with sound financial practices as well as state and federal law;

(6) complete, updated information, to be provided to the board as a condition for obtaining and retaining a license, about each wholesale drug distributor to be licensed, including all pertinent corporate licensee information, if applicable, or other ownership, principal, key personnel, and facilities information found to be necessary by the board;

(7) written policies and procedures that assure reasonable wholesale drug distributor preparation for, protection against, and handling of any facility security or operation problems, including, but not limited to, those caused by natural disaster or government emergency, inventory inaccuracies or product shipping and receive-

ing, outdated product or other unauthorized product control, appropriate disposition of returned goods, and product recalls;

(8) sufficient inspection procedures for all incoming and outgoing product shipments; and

(9) operations in compliance with all federal requirements applicable to wholesale drug distribution.

(e) An agent or employee of any licensed wholesale drug distributor need not seek licensure under this section.

Subd. 2. [REQUIREMENTS MUST CONFORM WITH FEDERAL LAW.] All requirements set forth in this section shall conform to wholesale drug distributor licensing guidelines formally adopted by the United States Food and Drug Administration; and in case of conflict between a wholesale drug distributor licensing requirement imposed by the board and a Food and Drug Administration wholesale drug distributor guideline, the latter shall control.

Sec. 28. [151.48] [OUT-OF-STATE WHOLESALE DRUG DISTRIBUTOR LICENSING REQUIREMENTS.]

(a) It is unlawful for an out-of-state wholesale drug distributor to conduct business in the state without first obtaining a license from the board and paying the required fee.

(b) Application for an out-of-state wholesale drug distributor license under this section shall be made on a form furnished by the board.

(c) The issuance of a license under sections 151.42 to 151.51 shall not change or affect tax liability imposed by the department of revenue on any out-of-state wholesale drug distributor.

(d) No person acting as principal or agent for any out-of-state wholesale drug distributor may sell or distribute drugs in the state unless the distributor has obtained a license.

(e) The board may adopt regulations that permit out-of-state wholesale drug distributors to obtain a license on the basis of reciprocity to the extent that an out-of-state wholesale drug distributor:

(1) possesses a valid license granted by another state under legal standards comparable to those that must be met by a wholesale drug distributor of this state as prerequisites for obtaining a license under the laws of this state; and

(2) can show that the other state would extend reciprocal treatment under its own laws to a wholesale drug distributor of this state.

Sec. 29. [151.49] [LICENSE RENEWAL APPLICATION PROCEDURES.]

Application blanks for renewal of a license required by sections 151.42 to 151.51 shall be mailed to each licensee on or before the first day of the month prior to the month in which the license expires and, if application for renewal of the license with the required fee is not made before the expiration date, the existing license or renewal shall lapse and become null and void upon the date of expiration.

Sec. 30. [151.50] [RULES.]

The board shall adopt rules to carry out the purposes and enforce the provisions of sections 151.42 to 151.51. All rules adopted under this section shall conform to wholesale drug distributor licensing guidelines formally adopted by the United States Food and Drug Administration; and in case of conflict between a rule adopted by the board and a Food and Drug Administration wholesale drug distributor guideline, the latter shall control.

Sec. 31. [151.51] [BOARD ACCESS TO WHOLESALE DRUG DISTRIBUTOR RECORDS.]

Wholesale drug distributors may keep records at a central location apart from the principal office of the wholesale drug distributor or the location at which the drugs were stored and from which they were shipped, provided that the records shall be made available for inspection within two working days of a request by the board. The records may be kept in any form permissible under federal law applicable to prescription drugs record keeping.

Sec. 32. Minnesota Statutes 1988, section 171.07, subdivision 1a, is amended to read:

Subd. 1a. [PHOTOGRAPHIC NEGATIVES; FILING; DATA CLASSIFICATION.] The department shall file, or contract to file, all photographic negatives obtained in the process of issuing driver licenses or Minnesota identification cards. The negatives shall be private data pursuant to section 13.02, subdivision 12. Notwithstanding section 13.04, subdivision 3, the department shall not be required to provide copies of photographic negatives to data subjects. The use of the files is restricted:

- (1) to the issuance and control of driver licenses and;
- (2) for law enforcement purposes in the investigation and prose-

cution of felonies and violations of section 169.09; 169.121; 169.123; 169.129; 171.22; 171.24; 171.30; 609.41; 609.487, subdivision 3; 609.631, subdivision 4, clause (3); or 609.821, subdivision 3, clauses (1), item (iv), and (3); and

(3) for child support enforcement purposes under section 256.978.

Sec. 33. Minnesota Statutes 1988, section 245A.14, subdivision 1, is amended to read:

Subdivision 1. [PERMITTED SINGLE-FAMILY RESIDENTIAL USE.] A licensed nonresidential program with a licensed capacity of 12 or fewer persons and a group family day care facility licensed under Minnesota Rules, parts 9502.0315 to 9502.0445, to serve 14 or fewer children shall be considered a permitted single-family residential use of property for the purposes of zoning and other land use regulations.

Sec. 34. Minnesota Statutes 1989 Supplement, section 252.025, subdivision 4, is amended to read:

Subd. 4. [STATE-PROVIDED SERVICES.] (a) It is the policy of the state to capitalize and recapitalize the regional treatment centers as necessary to prevent depreciation and obsolescence of physical facilities and to ensure they retain the physical capability to provide residential programs. Consistent with that policy and with section 252.50, and within the limits of appropriations made available for this purpose, the commissioner may establish, by June 30, 1991, the following state-operated, community-based programs for the least vulnerable regional treatment center residents: at Brainerd regional services center, two residential programs and two day programs; at Cambridge regional treatment center, four residential programs and two day programs; at Faribault regional treatment center, ten residential programs and six day programs; at Fergus Falls regional treatment center, two residential programs and one day program; at Moose Lake regional treatment center, four residential programs and two day programs; and at Willmar regional treatment center, two residential programs and one day program. With appropriations made available for the purpose of this subdivision, the commissioner may also establish in the catchment area of Willmar regional treatment center: by June 30, 1992, technical training, technical assistance, and crisis services provided for in sections 245.073, 252.038, subdivision 2, and 252.50, subdivision 7; by June 30, 1994, a total of eight state-operated residential program sites, two per year through June 30, 1994; and, as needed, two state-operated day programs.

(b) By January 15, 1991, the commissioner shall report to the legislature a plan to provide continued regional treatment center capacity and state-operated, community-based residential and day programs for persons with developmental disabilities at Brainerd,

Cambridge, Faribault, Fergus Falls, Moose Lake, St. Peter, and Willmar, as follows:

(1) by July 1, 1998, continued regional treatment center capacity to serve 350 persons with developmental disabilities as follows: at Brainerd, 80 persons; at Cambridge, 12 persons; at Faribault, 110 persons; at Fergus Falls, 60 persons; at Moose Lake, 12 persons; at St. Peter, 35 persons; at Willmar, 25 persons; and up to 16 crisis beds in the Twin Cities metropolitan area; and

(2) by July 1, 1999, continued regional treatment center capacity to serve 254 persons with developmental disabilities as follows: at Brainerd, 57 persons; at Cambridge, 12 persons; at Faribault, 80 persons; at Fergus Falls, 35 persons; at Moose Lake, 12 persons; at St. Peter, 30 persons; at Willmar, 12 persons, and up to 16 crisis beds in the Twin Cities metropolitan area. In addition, the plan shall provide for the capacity to provide residential services to 570 persons with developmental disabilities in 95 state-operated, community-based residential programs.

Sec. 35. Minnesota Statutes 1988, section 252.27, as amended by Laws 1989, chapter 282, article 2, section 92, is amended to read:

252.27 [COST OF BOARDING CARE OUTSIDE OF HOME OR INSTITUTION PARENTAL CONTRIBUTION FOR THE COST OF CHILDREN'S SERVICES.]

Subdivision 1. [COUNTY RESPONSIBILITY.] Whenever any child who has mental retardation or a related condition, or a physical or emotional handicap is in 24-hour care outside the home including respite care, in a facility licensed by the commissioner of human services, the cost of care services shall be paid by the county of financial responsibility determined pursuant to chapter 256G. If the child's parents or guardians do not reside in this state, the cost shall be paid by the responsible governmental agency in the state from which the child came, by the parents or guardians of the child if they are financially able, or, if no other payment source is available, by the commissioner of human services.

Subd. 1a. [DEFINITIONS.] A person has a "related condition" if that person has a severe, chronic disability that is (a) attributable to cerebral palsy, epilepsy, autism, Prader-Willi syndrome, or any other condition, other than mental illness, found to be closely related to mental retardation because the condition results in impairment of general intellectual functioning or adaptive behavior similar to that of persons with mental retardation or requires treatment or services similar to those required for persons with mental retardation; (b) is likely to continue indefinitely; and (c) results in substantial functional limitations in three or more of the following areas of major life activity: self-care, understanding and use of language, learning, mobility, self-direction, or capacity for independent living. For the

purposes of this section, a child has an "emotional handicap" if the child has a psychiatric or other emotional disorder which substantially impairs the child's mental health and requires 24-hour treatment or supervision.

Subd. 2. [PARENTAL RESPONSIBILITY.] Responsibility of the parents for the cost of care services shall be based upon ability to pay. The state agency shall adopt rules to determine responsibility of the parents for the cost of care services when:

(a) Insurance or other health care benefits pay some but not all of the cost of care services; and

(b) No insurance or other health care benefits are available.

Subd. 2a. [CONTRIBUTION AMOUNT.] (a) The natural or adoptive parents of a minor child, including a child determined eligible for medical assistance without consideration of parental income, must contribute monthly to the cost of services, unless the child is married or has been married, parental rights have been terminated, or the child's adoption is subsidized according to section 259.40 or through title IV-E of the Social Security Act.

(b) The parental contribution equals 15 percent of the natural or adoptive parents' income that exceeds 200 percent of the federal poverty guidelines for the applicable household size, reduced by the following amounts:

(1) \$200 if the child lives with the parent;

(2) the personal needs allowance under section 256B.35, if paid by the parent, and if the child resides in an institution specified in that section; and

(3) any amount required to be paid directly to the child pursuant to a court order, and only if actually paid.

(c) The household size to be used in determining the amount of contribution under paragraph (b) includes natural and adoptive parents and their dependents under age 21, including the child receiving services.

(d) For purposes of paragraph (b), "income" means the natural or adoptive parents' adjusted gross income determined according to the previous year's federal tax form.

(e) The contribution shall be explained to the parents when eligibility for services is determined. The contribution amount shall be reviewed upon eligibility redetermination or upon request of the responsible relative. The contribution shall be made on a monthly

basis beginning with the first month in which the child receives services. Annually upon redetermination or at termination of eligibility, if the contribution exceeded the cost of services provided, the local agency or the state shall reimburse that excess amount to the parents, either by direct reimbursement if the parent is no longer required to pay a contribution, or by a reduction in or waiver of parental fees until the excess amount is exhausted.

(f) The monthly contribution amount must be reviewed at least every 12 months; when there is a change in household size; and when there is a loss of or gain in income from one month to another in excess of ten percent.

(g) Divorced parents of a minor child shall each pay the contribution required under paragraph (a), except that a court-ordered child support payment actually paid on behalf of the child receiving services shall be deducted from the contribution of the parent making the payment.

(h) The contribution under paragraph (b) shall be increased by an additional five percent if the local agency determines that insurance coverage is available but not obtained for the child. For purposes of this section, "available" means the insurance is a benefit of employment for a family member at an annual cost of no more than five percent of the family's annual income. For purposes of this section, insurance means health and accident insurance coverage, enrollment in a nonprofit health service plan, health maintenance organization, self-insured plan, or preferred provider organization.

Parents who have more than one child in out-of-home care receiving services shall not be required to pay more than the amount for one the child in out-of-home care. In no event shall the parents be required to pay more than five percent of their income as defined in section 290A.03, subdivision 3 with the highest expenditures. There shall be no resource contribution from the parents. The parent shall not be required to pay a contribution in excess of the cost of the services provided to the child. Notice of an increase in fee payment must be given at least 30 days before the increased fee is due.

Subd. 2b. [CHILD'S RESPONSIBILITY.] Responsibility of the child for the cost of care shall be up to the maximum amount of the total income and resources attributed to the child except for the clothing and personal needs allowance as provided in section 256B.35, subdivision 1. Reimbursement by the parents and child shall be made to the county making any payments for care and treatment services. The county board may require payment of the full cost of caring for children whose parents or guardians do not reside in this state.

To the extent that a child described in subdivision 1 is eligible for benefits under chapter 62A, 62C, 62D, 62E, or 64B, the county is not

liable for the cost of care. A parent or legal guardian who discontinues payment of health insurance premiums, subscriber fees or enrollment fees for a child who is otherwise eligible for those benefits is ineligible for payment of the cost of care of that child under this section.

The commissioner's determination shall be conclusive in any action to enforce payment of the cost of care. Any appeals from the commissioner's determination shall be made pursuant to section 256.045, subdivisions 2 and 3 services.

Subd. 2c. [APPEALS.] A parent may appeal the determination of an obligation to make a contribution under this section, according to section 256.045.

Subd. 3. [CIVIL ACTIONS.] If the parent fails to make appropriate reimbursement as required in subdivision 2, the county attorney may initiate a civil action to collect any unpaid reimbursement.

Subd. 4. [ORDER OF PAYMENT.] If the parental contribution is for reimbursement for the cost of services to both the local agency and the medical assistance program, the local agency shall be reimbursed for its expenses first and the remainder shall be dedicated to the medical assistance program.

Sec. 36. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 1, is amended to read:

Subdivision 1. [RATES FOR CALENDAR YEARS 1989 AND 1990.] Payment rates to vendors, except regional centers, for county-funded day training and habilitation services and transportation provided to persons receiving day training and habilitation services established by a county board for calendar years 1989 and 1990 are governed by subdivisions 2 to 10 11.

"Payment rate" as used in subdivisions 2 to 10 11 refers to three kinds of payment rates: a full-day service rate for persons who receive at least six service hours a day, including the time it takes to transport the person to and from the service site; a partial-day service rate that must not exceed 75 percent of the full-day service rate for persons who receive less than a full day of service; and a transportation rate for providing, or arranging and paying for, transportation of a person to and from the person's residence to the service site.

Sec. 37. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 2, is amended to read:

Subd. 2. [1989 AND 1990 RATE MINIMUM.] Unless a variance is granted under subdivision 6, the minimum payment rates set by a

county board for each vendor for calendar years 1989 and 1990 must be equal to the payment rates approved by the commissioner for that vendor in effect January 1, 1988, and January 1, 1989, respectively of the previous calendar year.

Sec. 38. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 3, is amended to read:

Subd. 3. [~~1989 AND 1990 RATE MAXIMUM.~~] Unless a variance is granted under subdivision 6, the maximum payment rates for each vendor for calendar years 1989 and 1990 a calendar year must be equal to the payment rates approved by the commissioner for that vendor in effect December 1, 1988, and December 1, 1989, respectively, of the previous calendar year increased by no more than the projected percentage change in the urban consumer price index, all items, published by the United States Department of Labor, for the upcoming calendar year over the current calendar year.

Sec. 39. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 4, is amended to read:

Subd. 4. [NEW VENDORS.] Payment rates established by a county for calendar years 1989 and 1990, for a new vendor for which there were no previous rates must not exceed 125 percent of the average payment rates in the regional development commission district under sections 462.381 to 462.396 in which the new vendor is located. When at least 50 percent of the persons to be served by the new vendor are persons discharged from a regional treatment center on or after January 1, 1990, the recommended payment rates for the new vendor shall not exceed twice the current statewide average payment rates.

For purposes of this subdivision, persons discharged from the regional treatment center do not include persons who received temporary care under section 252A.111, subdivision 3.

Sec. 40. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 12, is amended to read:

Subd. 12. [RATES ESTABLISHED AFTER 1990.] Unless a variance is granted under subdivision 6, payment rates established by a county for calendar year 1990 and which are in effect December 31, 1990, remain in effect until June 30, 1991. Payment rates established by a county board to be paid to a vendor on or after January 1, 1991, must be determined under permanent rules adopted by the commissioner. Until permanent rules are adopted, the payment rates must be determined according to subdivisions 1 to 11 except for the period from July 1, 1991, through December 31, 1991, when the increase determined under subdivision 3 must not exceed the projected percentage change in the urban consumer price index, all items, published by the United States Department of Labor, for the

current calendar year over the previous calendar year. No county shall pay a rate that is less than the minimum rate determined by the commissioner.

In developing procedures for setting minimum payment rates and procedures for establishing payment rates, the commissioner shall consider the following factors:

- (1) a vendor's payment rate and historical cost in the previous year;
- (2) current economic trends and conditions;
- (3) costs that a vendor must incur to operate efficiently, effectively and economically and still provide training and habilitation services that comply with quality standards required by state and federal regulations;
- (4) increased liability insurance costs;
- (5) costs incurred for the development and continuation of supported employment services;
- (6) cost variations in providing services to people with different needs;
- (7) the adequacy of reimbursement rates that are more than 15 percent below the statewide average; and
- (8) other appropriate factors.

The commissioner may develop procedures to establish differing hourly rates that take into account variations in the number of clients per staff hour, to assess the need for day training and habilitation services, and to control the utilization of services.

In developing procedures for setting transportation rates, the commissioner may consider allowing the county board to set those rates or may consider developing a uniform standard.

Medical assistance rates for home and community-based services provided under section 256B.501 by licensed vendors of day training and habilitation services must not be greater than the rates for the same services established by counties under sections 252.40 to 252.47.

Sec. 41. [252.478] [METRO TRANSPORTATION SUPPORT GRANTS.]

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The commissioner of human services shall establish and operate a metro transportation support grants program to provide reimbursement for client transportation by metro mobility to day training and habilitation services for which client transportation is a required and funded component, and to maximize use of federal funds for this reimbursement. A metro transportation support grants account shall be established in the department of human services chart of accounts.

Subd. 2. [RATES.] Costs of transportation to and from a day training and habilitation service agency must be a part of the payment rate established for each day training and habilitation services agency.

The commissioner may approve payment rates for day training and habilitation services that exceed the limits in Minnesota Statutes, section 252.46, subdivision 6, for vendors whose transportation costs increase as a result of action taken by the regional transit board under Laws of Minnesota 1988, chapter 684, article 2, section 3, or Laws of Minnesota 1989, chapter 269, section 35, or Minnesota Statutes, section 473.386, subdivision 4.

Subd. 3. [COUNTY SHARE.] The county share of the metro transportation support grants program costs will be distributed by the department to all metropolitan counties from the metro transportation support grants account. For state fiscal year 1991, the funds transferred from the regional transit board to this account shall be distributed to: Ramsey county, 48 percent; Hennepin county, 46 percent; Dakota county, five percent; and Anoka county, one percent. For subsequent fiscal years, funds shall be distributed annually based on each county's percentage of total expenses incurred for trips provided on metro mobility to and from day training and habilitation services during the preceding 12-month period. Counties should deposit these funds into the program accounts that will incur the transportation expenses.

Sec. 42. [252.53] [TASK FORCE ON COMPENSATION FOR DIRECT CARE EMPLOYEES.]

The commissioner of human services shall establish a task force on the compensation and training of direct care employees. 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 that provide direct care services to individuals. Programs include nursing homes, intermediate care facilities for persons with mental retardation, semi-independent living services, day training and habilitation, waived services, supported employment, rehabilitation facilities, services for persons with mental illness, child care, and chemical dependency. 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, and the department of health, advocates, direct care staff from unionized and nonunionized 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. 43. 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 individ-

uals 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. 44. [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. 45. 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. 46. 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. 47. 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 dependency services. The commissioner may seek amendments to the waivers or apply for additional waivers to contain costs. The commissioner shall ensure that payment for the cost of providing chemical dependency services under the federal waiver plan does not exceed the cost of chemical dependency services that would have been provided without the waived services.

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. 48. Minnesota Statutes 1989 Supplement, section 256.74, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for the dependent child shall be determined by the county agency in accordance with rules promulgated by the commissioner and shall be sufficient, when added to all other income and support available to the child, to provide the child with a reasonable subsistence compatible with decency and health. The amount shall be based on the method of budgeting required in Public Law Number 97-35, section 2315, United States Code, title 42, section 602, as amended and federal regulations at Code of Federal Regulations, title 45, section 233. Nonrecurring lump sum income received by an assistance unit must be budgeted in the normal retrospective cycle. The number of months of ineligibility is determined by dividing the amount of the lump sum income and all other income, after application of the applicable disregards, by the standard of need for the assistance unit. An amount remaining after this calculation is income in the first month of eligibility. If the total monthly income including the lump sum income is larger than the standard of need for a single month the first month of ineligibility is the payment month that corresponds with the budget month in which the lump sum income was received. In making its determination the county agency shall disregard the following from family income:

(1) all of the earned income of each dependent child receiving aid to families with dependent children who is a full-time student or part-time student, and not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit students for gainful employment as well as all the earned income derived from the job training and partnership act (JTPA) for a dependent child for six calendar months per year, together with unearned income derived from the job training and partnership act;

(2) all educational grants and loans;

(3) the first \$90 of each individual's earned income. For self-employed persons, the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;

(4) thirty dollars plus one-third of each individual's earned income for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause any earned income of any person who has: (a) reduced earned income without good cause within 30 days preceding any month in which an assistance payment is made; (b) refused without good cause to accept an offer of suitable employment; (c) left employment or reduced earnings without good cause and applied for assistance so as to be able later to return to employment with the advantage of the income disregard; or (d) failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of human services. Persons who are already employed and who apply for assistance shall have their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment. The disregard of \$30 and one-third of earned income in this clause shall be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this disregard because of the provisions of subclauses (a) to (d) shall be considered as one of the four months. An additional \$30 work incentive must be available for an eight-month period beginning in the month following the last month of the combined \$30 and one-third work incentive. This period must be in effect whether or not the person has earned income or is eligible for AFDC. To again qualify for the earned income disregards under this clause, the individual must not be a recipient of aid for a period of 12 consecutive months. When an assistance unit becomes ineligible for aid due to the fact that these disregards are no longer applied to income, the assistance unit shall be eligible for medical assistance benefits for a 12-month period beginning with the first month of AFDC ineligibility;

(5) an amount equal to the actual expenditures for the care of each dependent child or incapacitated individual living in the same home and receiving aid, not to exceed: (a) \$175 for each individual age two and older, and \$200 for each individual under the age of two, when the family member whose needs are included in the eligibility determination is employed for 30 or more hours per week; or (b) \$174

for each individual age two or older, and \$199 for each individual under the age of two, when the family member whose needs are included in the eligibility determination is not employed throughout the month or when employment is less than 30 hours per week. The dependent care disregard must be applied after all other disregards under this subdivision have been applied;

(6) the first \$50 per assistance unit of the monthly support obligation collected by the support and recovery (IV-D) unit. The first \$50 of periodic support payments collected by the public authority responsible for child support enforcement from a person with a legal obligation to pay support for a member of the assistance unit must be paid to the assistance unit within 15 days after the end of the month in which the collection of the periodic support payments occurred and must be disregarded when determining the amount of assistance;

(7) that portion of an insurance settlement earmarked and used to pay medical expenses, funeral and burial costs, or to repair or replace insured property; and

(8) all earned income tax credit payments received by the family as a refund of federal income taxes or made as advance payments by an employer.

A review of a payment decision under clause (6) must be requested within 30 days after receiving the notice of collection of assigned support, or within 90 days after receiving the notice if good cause can be shown for not making the request within the 30-day limit.

Sec. 49. [256.9791] [MEDICAL SUPPORT BONUS INCENTIVES.]

Subdivision 1. [BONUS INCENTIVE.] (a) A bonus incentive program is created to increase the identification and enforcement by county agencies of dependent health insurance coverage for persons who are receiving medical assistance under section 256B.055 and for whom the county agency is providing child support enforcement services.

(b) The bonus shall be awarded to a county child support agency for each person for whom coverage is identified and enforced by the child support enforcement program when the obligor is under a court order to provide dependent health insurance coverage.

Subd. 2. [DEFINITIONS.] For the purpose of this section, the following definitions apply.

(a) "Case" means a family unit that is receiving medical assis-

tance under section 256B.055 and for whom the county agency is providing child support enforcement services.

(b) "Commissioner" means the commissioner of the department of human services.

(c) "County agency" means the county child support enforcement agency.

(d) "Coverage" means initial dependent health insurance benefits for a case or individual member of a case.

(e) "Enforceable order" means a child support court order containing the statutory language in section 518.171 or other language ordering an obligor to provide dependent health insurance coverage.

(f) "Enforce" or "enforcement" means obtaining proof of current or future dependent health insurance coverage through an overt act by the county agency.

(g) "Identify" or "identification" means obtaining proof of dependent health insurance coverage through an overt act by the county agency.

Subd. 3. [ELIGIBILITY; REPORTING REQUIREMENTS.] (a) In order for a county to be eligible to claim a bonus incentive payment, the county agency must report to the commissioner no later than August 1 of each fiscal year the number of cases as of June 30 of the preceding fiscal year in which: (1) the court has established an obligation for coverage by the obligor and (2) the number of cases in which coverage was in effect as of June 30. The ratio resulting when the number of cases reported in clause (2) is divided by the number of cases reported under (1) shall be used to determine the amount of the bonus incentive according to subdivision 4.

(b) A county that fails to submit the required information by August 1 of each fiscal year will be ineligible for any bonus payments under this section for that fiscal year.

Subd. 4. [RATE OF BONUS INCENTIVE.] The rate of the bonus incentive shall be determined according to paragraphs (a) to (c).

(a) When a county agency has identified or enforced coverage in up to and including 50 percent of its cases, the county shall receive \$15 for each person for whom coverage is identified or enforced.

(b) When a county agency has identified or enforced coverage in more than 50 percent but less than 80 percent of its cases, the county shall receive \$20 for each person for whom coverage is identified or enforced.

(c) When a county agency has identified or enforced coverage in 80 percent or more of its cases, the county shall receive \$25 for each person for whom coverage is identified or enforced.

Subd. 5. [CLAIMS FOR BONUS INCENTIVE.] (a) Beginning July 1, 1990, county agencies shall file a claim for a medical support bonus payment by reporting to the commissioner the following information for each case where dependent health insurance is identified or enforced as a result of an overt act of the county agency:

(1) child support enforcement system case number or county specific case number;

(2) names and dates of birth for each person covered; and

(3) effective date of coverage.

(b) The report shall be made upon enrollment in coverage but no later than September 30 for coverage identified or established during the preceding fiscal year.

(c) The county agency making the initial contact resulting in the establishment of coverage shall be the county agency to claim the bonus incentive even if the case is transferred to another county agency prior to the actual establishment of coverage.

(d) Disputed claims shall be submitted to the commissioner whose decision shall be final.

Subd. 6. [DISTRIBUTION.] (a) Bonus incentives shall be issued to the county agency quarterly, within 45 days after the last day of each quarter for which a bonus incentive is being claimed, and shall be paid up to the limit of the appropriation in the order in which claims are received.

(b) Total bonus incentives shall be computed by multiplying the number of persons included in claims submitted in accordance with this section by the applicable bonus payment as determined in subdivision 4. A county agency must maintain a record of bonus incentives claimed and received for each quarter.

(c) The county agency will be required to pay back any bonus erroneously issued.

Sec. 50. [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 inten-

tional 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. 51. [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.

(c) The commissioner may adopt rules as necessary to conduct administrative fraud disqualification hearings in accordance with section 256.984 and this section.

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. 52. 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) Effective July 1, 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 15 beds. Effective July 1, 1993 ~~1998~~, 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.

Sec. 53. Minnesota Statutes 1988, section 256E.06, subdivision 2, is amended to read:

Subd. 2. [FORMULA LIMITATION.] The amounts computed pursuant to subdivision 1 shall be subject to the following limitations:

(a) No county shall be allocated more than 130 percent of the amount received prior to any penalty imposed under subdivision 7 in the immediately preceding year. If the amount allocated to any county pursuant to subdivision 1 is greater than this amount, the excess shall be reallocated to all counties in direct proportion to their initial allocations.

(b) Each county shall be guaranteed a percentage increase over the previous year's allocation equal to 0.2 percent for each percentage increase in the statewide allocation, up to a maximum guaranteed increase of one percent when the statewide allocation increases by five percent or more. If the amount allocated to any county pursuant to subdivision 1 is less than this amount, the shortage shall be recovered from all counties in direct proportion to their initial allocations.

(c) If the amount to be allocated statewide in any year is less than the amount allocated in the previous year, then the provisions of clause (b) shall not apply, and each county's allocation shall be equal to its previous year's allocation reduced by the same percentage that the statewide allocation was reduced.

Sec. 54. Minnesota Statutes 1988, section 256E.06, subdivision 7, is amended to read:

Subd. 7. [FAILURE TO LEVY.] A county which levies less than the levy required in subdivision 5, shall receive a reduction in the aid calculated pursuant to subdivisions 1 and 2. The commissioner shall calculate the reduced aid as follows:

(a) Divide the amount levied by the amount required to be levied in subdivision 5; and

(b) Multiply the ratio derived in clause (a) times the aid calculated under ~~subdivision~~ subdivisions 1 and 2.

The amount of the reduction in aid shall be returned to the general fund. The reduction in aid imposed under this subdivision shall be effective for one year, and aid in the following year shall be calculated under subdivisions 1 and 2 as though the reduction had not occurred.

Sec. 55. [PURPOSE OF JOB IMPACT STATEMENT AND PREFEASIBILITY STUDY.]

A public financing role in economic development is justified for two reasons: to create or retain jobs, and to increase the tax base. Therefore it is important to support development that provides employment growth and good wages and benefits, and to encourage and support labor market stability and long-term business presence in communities. It is also important to communities and their residents to protect existing jobs and assure that actions taken by employers and government units do not lead to the temporary or permanent displacement of existing jobs through plant closings or dislocation. The purpose of the jobs impact statement is to require government units that plan to provide financial assistance for new commercial or industrial development, or plan to undertake the development themselves, to examine the potential effects of the development and to discuss them publicly. It is also important to monitor development to ensure public accountability by measuring how accurate the information from the job impact statement proved to be.

Sec. 56. [268.452] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 268.452 to 268.455, the following terms have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of jobs and training.

Subd. 3. [DEVELOPMENT.] "Development" means a multiunit rental property, or commercial or industrial project that in some way benefits from a governmental action or a project developed by a government unit, which will result or could potentially result in the displacement of jobs or which the parties involved claim to retain jobs or increase the number of jobs.

Subd. 4. [DISPLACEMENT.] "Displacement" means the loss of

employment by an individual resulting from a governmental action. An individual is not displaced if the employment loss at the site is the result of the relocation or consolidation of part or all of the employer's operations, and prior to the closing the government unit documents that: (1) the employer offers to transfer the individual to a different site of employment within a reasonable commuting distance, or (2) the employer's operations are relocated to a site within a reasonable commuting distance.

Subd. 5. [GOVERNMENTAL ACTION.] "Governmental action" means an effort made by a government unit to undertake, encourage, or promote development; or significantly restructure the administration or delivery of government services which could potentially result in a loss of jobs. These efforts include, but are not limited to, developments financed or administered directly by a government unit; a reduction in property taxes to encourage the development; and financial assistance through loans, loan guarantees, interest subsidies, tax increment financing, tax-exempt financing, grants, or other financing tools utilized by a government unit to encourage development.

Subd. 6. [GOVERNMENT UNIT.] "Government unit" means any state agency defined in section 16A.011, subdivision 2, the greater Minnesota corporation, metropolitan agency defined in section 473.121, subdivision 5a, University of Minnesota, statutory or home rule charter city, county, town, watershed district organized under chapter 112, or local economic development agency. Local economic development agencies include all entities or agencies authorized, organized, or created under chapter 469; and all port authorities created by special law.

Subd. 7. [JOB IMPACT STATEMENT; STATEMENT.] "Job impact statement" or "statement" means the detailed job impact statement required under section 268.453.

Subd. 8. [RETAIN.] "Retain" means that without the governmental action, the job could not be continued.

Sec. 57. [268.453] [JOB IMPACT STATEMENT.]

Subdivision 1. [JOB IMPACT STATEMENT REQUIREMENT.] When it is determined by the government unit that a governmental action or development will result or could potentially result in the displacement of jobs or the parties involved in the development or governmental action claim it will retain or increase the number of jobs, the government unit that is responsible for the governmental action must prepare a job impact statement before initiating the governmental action. If the responsible government unit does not prepare a statement, a person, community group, labor organization, or other organization may appeal to the commissioner to require the responsible government unit to prepare a statement.

The commissioner must determine within ten working days if a statement is required; and if a statement is required, the commissioner shall require the responsible government unit to prepare a statement. No job impact statement will be required if a government unit informs the commissioner that the governmental action under appeal is the result of a budgeting decision and the government unit has determined that the governmental action will not result in a significant restructuring of the administration or delivery of government services. When there is more than one government unit responsible for governmental actions affecting a specific development, the units involved must agree which unit is responsible for preparing the statement. This government unit may request information from all government units involved in the development.

Subd. 2. [JOB IMPACT STATEMENT CONTENTS.] (a) A job impact statement required under subdivision 1 must include the following information:

(1) number and types of permanent jobs that will be displaced, retained, or created as a result of the development;

(2) wage rates and benefits of the permanent jobs that will be displaced, retained, or created; and

(3) the total financial assistance provided by government units to the development.

(b) In addition to the information required under paragraph (a), the following information must be included in the job impact statement when there has been or potentially could be a displacement of jobs as a result of a governmental action or development:

(1) description of the demographic characteristics of the work force that could be displaced;

(2) description of skill levels and educational needs of the jobs that could be displaced;

(3) discussion of the likelihood of workers that may be displaced by the development of finding new jobs with comparable pay and benefits;

(4) past experience of parties involved in the development of meeting employment projections for other developments; and

(5) identification, if any, of alternatives to mitigate the job displacement due to the governmental action or development.

(c) In preparing the information required under this subdivision,

the commissioner must assist the government unit if so requested by the unit.

Subd. 3. [PUBLIC COMMENT.] The government unit must distribute the job impact statement to labor unions or other employee representatives that might be affected by the governmental action, community-based organizations that have expressed an interest in the development, and other persons or organizations that request a copy of the job impact statement. In addition, the job impact statement must be posted at the employment site where workers may be displaced as a result of the governmental action.

After the completion and distribution of the job impact statement, a public hearing must be held but only when the governmental action may or will result in the displacement of jobs. The appropriate governing board or senior official of the government unit must hold the public hearing on the completed statement prior to the government unit's approval of any development that receives or benefits from a governmental action. Notice of the public hearing must be provided in a newspaper of general circulation not less than ten days nor more than 30 days before the date of the hearing.

Subd. 4. [STATEMENT SUBMITTED TO COMMISSIONER; ANNUAL REPORT.] After the public meeting required under subdivision 3 and after any changes have been made as a result of testimony at the public hearing, the government unit must submit the statement to the commissioner. The commissioner must prepare and submit a report to the governor and legislature by February 1 of each year that compiles and summarizes the results of the individual statements and the monitoring reports required in section 268.455 submitted to the commissioner in the previous year. The annual report must also contain the commissioner's assessment of the overall process of preparing the statements and any recommendations the commissioner may have in improving the process.

Sec. 58. [268.454] [DISPLACED WORKER BENEFITS.]

If the statement finds that workers will be displaced or if the actual development or governmental action results in the displacement of existing workers, the government unit responsible for the governmental action must initiate and coordinate efforts with employers, developers, service providers, and other appropriate parties to attempt to secure necessary benefits for the displaced workers. The government unit must assess which of the following benefits are required by the displaced workers and must initiate and coordinate efforts to attempt to provide the required benefits. These benefits must include:

- (1) retraining and education expenses;
- (2) relocation expenses;

- (3) health insurance expenses;
- (4) supplemental unemployment insurance payments;
- (5) child care expenses when the displaced worker is enrolled in education or retraining; and
- (6) emergency expenses for shelter, clothing, and food.

The government unit must work with employment and training services providers, other government units, community organizations, labor organizations, and other organizations in efforts to administer and deliver these benefits. The government unit may contribute to but is not financially obligated for the benefits listed in clauses (1) to (6) and other benefits provided to dislocated workers under this subdivision; but is obligated for the costs of the initiation and coordination responsibilities required of the government unit under this subdivision. The government unit may participate in providing benefits.

Sec. 59. [268.455] [MONITORING.]

Each government unit must submit an annual report by February 1 of each year. The purpose of the report is to summarize all job impact statements completed during the previous year which will provide public accountability of governmental action. An explanation of any significant changes in actual employment and wage information compared to the jobs impact statement prepared for that development or governmental action in any of the three previous years must be included in the report.

Sec. 60. [268.981] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 268.981 to 268.989, the following terms have the meanings given them.

Subd. 2. [ACQUISITION.] "Acquisition" means a transaction where a person assumes control of a business entity either by (1) acquiring through the purchase or transfer of the stock and assets of another business entity, or (2) merging with another business entity. Acquisition includes mergers, corporate takeovers, and leveraged buyouts.

Subd. 3. [AFFECTED EMPLOYEE.] "Affected employee" means a worker laid off by an employer because of a plant closing or mass layoff.

Subd. 4. [CITY.] "City" means a home rule charter or statutory city.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of jobs and training.

Subd. 6. [COMMUNITY RESPONSE COMMITTEE.] "Community response committee" or "committee" is the community response committee established under section 268.982.

Subd. 7. [CONTROL.] "Control" means: (1) the ownership, direct, indirect, or by acting through one or more other persons, the control of, or the power to vote 25 percent or more of, any class of voting securities; (2) control in any manner over the election of a majority of the directors; or (3) the power to exercise, directly or indirectly, a controlling influence over management and policies.

Subd. 8. [EMPLOYER.] "Employer" means the person who, as a result of a merger, leveraged buyout, corporate takeover, or other acquisition, owns or operates an establishment within this state where the employment is (1) 25 or more employees, excluding part-time employees, or (2) 25 or more employees who in the aggregate work at least 1,000 hours per week exclusive of hours of overtime. Employer does not include a unit of government or an organization that is exempt from taxation under section 501 of the Internal Revenue Code of 1986, as amended through December 31, 1988.

Subd. 9. [ESTABLISHMENT.] "Establishment" means a single site of employment or one or more facilities or operating units within a single site of employment owned by an employer.

Subd. 10. [MASS LAYOFF.] "Mass layoff" means a reduction in the work force at an establishment, within three years of an acquisition by an employer, that:

(1) is not the result of a plant closing; and

(2) results in an employment loss at the single site of employment or an establishment during any 30-day period for at least:

(i) 25 percent of the employees, excluding any part-time employees, and at least 25 employees, excluding any part-time employees; or

(ii) 50 employees, excluding any part-time employees.

Subd. 11. [PART-TIME EMPLOYEE.] "Part-time employee" means an employee who is employed for an average of fewer than 20 hours per week in the three months preceding the date of plant closing or mass layoff or an employee who has been employed for fewer than six of the 12 months preceding the date of the plant closing or mass layoff.

Subd. 12. [PERSON.] "Person" means a natural person, organization, sole proprietorship, public or private corporation, partnership, or other business entity.

Subd. 13. [PLANT CLOSING.] "Plant closing" means the shutdown or termination of operations of an establishment, within three years of an acquisition by an employer, if the shutdown results in an employment loss at the single site of employment during any 30-day period for 25 or more employees excluding any part-time employees.

Subd. 14. [PUBLIC ASSISTANCE.] "Public assistance" means financial assistance provided to a person by the state, city, county, or town. Financial assistance includes loans, grants, interest subsidies, property acquisition writedowns, tax credits, tax abatements, interest cost savings from tax-exempt bonds and other securities issued on behalf of the employer, wage subsidies provided under this chapter, and utility connections paid by the public entity to the business entity.

Sec. 61. [268.982] [COMMUNITY RESPONSE COMMITTEE.]

A community response committee may be created in each community in which an employer has engaged in a plant closing or mass layoff. The committee must consist of at least 11 members and have representatives of the city or town in which the establishment is located, the appropriate county, employees that were laid off due to the plant closing or mass layoff, and recognized leaders of community groups in the area in which the establishment is located. When the establishment is located within the boundaries of a city, the mayor of that city shall appoint the members of the community response committee. When the establishment is located outside a city's boundaries, the committee shall be appointed by the governing body of the county in which the establishment is located. The committee may elect a chair and officers. Before funds made available under section 268.983 may be spent or distributed, a committee must be established and the commissioner must certify that the membership meets the requirements of this section.

The committee must:

(1) undertake a needs analysis of the community and the workers laid off because of the plant closing or mass layoff;

(2) distribute the funds made available under section 268.983 based on the needs analysis required under clause (1);

(3) determine the necessary eligibility criteria required under section 268.983, subdivisions 4 and 5, for the community service emergency grants and wage subsidies; and

(4) work closely with the commissioner and employment and training service providers in ensuring that services are made available to employees laid off because of a plant closing or mass layoff.

Sec. 62. [268.983].[COMMUNITY SUPPORT RESOURCES.]

Subdivision 1. [EMPLOYER FINANCIAL RESPONSIBILITIES.] An employer that engages in a plant closing or mass layoff within three years after an acquisition must pay the appropriate local unit of government an amount equal to ten percent of the total wages and salaries paid to affected employees of the establishment during the 12 months prior to the plant closing or mass layoff. The payment required under this subdivision is paid to the city when the establishment is located within the boundaries of a city and to the county when the establishment is located outside a city's boundaries. The payment must be made within two weeks of the date of the plant closing or mass layoff. The money collected under this subdivision may only be used for:

- (1) economic development planning grants under subdivision 3;
- (2) community service emergency grants under subdivision 4;
- (3) wage subsidies under subdivision 5; or
- (4) administrative cost reimbursement under subdivision 2.

Subd. 2. [FISCAL AGENT.] The city or county which receives the required payment from an employer under subdivision 1 must act as the fiscal agent for the money and only disburse the money for eligible uses outlined under this section at the direction of the community response committee established under section 268.982. The city or county shall provide administrative support to the committee. Up to five percent of the money received under subdivision 1 may be used to reimburse the city or county for the administrative support.

Subd. 3. [ECONOMIC DEVELOPMENT PLANNING GRANTS.] The community response committee may award economic development planning grants to government units or other public agencies, nonprofit organizations, for-profit organizations, or other persons to examine the short-term and long-term alternatives for strengthening the economy in the area surrounding the establishment that has experienced the plant closing or mass layoff. The committee shall award grants under this subdivision to public agencies, organizations, or persons that have the qualifications and experience for examining the alternatives. The examination of alternatives must address the following:

(1) an estimate of the economic effect of the plant closing or mass layoff in terms of direct and indirect jobs lost and, if possible, the reduction in the area's income;

(2) an estimate of the ability of other employers in the area to absorb in their work force the laid-off workers;

(3) an identification of area businesses that have the potential for expansion and the financial and other resources as well as the worker skills required of such an expansion;

(4) an identification of financial and other incentives that might be required to reopen the establishment under new ownership and management;

(5) a statement of whether the closed establishment can be reopened as an employee-owned establishment;

(6) identify the industries that might be candidates for expansion in the area and the incentives that might be required to encourage their development or location in the area; and

(7) identify the skills required by the laid-off workers to increase their chances of finding employment in the area or other regions of the state.

Subd. 4. [COMMUNITY SERVICE EMERGENCY GRANTS.] The community response committee may provide emergency grants to workers and their families directly affected by the plant closing or mass layoff. The emergency grants may be used for the immediate food, clothing, shelter, transportation, training, and relocation needs of these workers. The committee may contract with a local unit of government, other public agency, community action program, or a nonprofit organization to provide the emergency grants awarded under this subdivision. The committee or organization contracting with the committee shall coordinate their efforts with existing area providers of these emergency needs.

Subd. 5. [WAGE SUBSIDIES.] The community response committee may contract with a certified local service provider defined in section 268.673, subdivision 4a, to provide wage subsidies to workers laid off because of a plant closing or mass layoff. Wage subsidy money under this subdivision must be distributed in the same manner that wage subsidies are used under section 268.677. Wage subsidies under this subdivision must be given to businesses and other employers who have jobs available that offer potential for long-term employment. Business and other employers that receive wage subsidy payments under this subdivision are subject to section 268.681.

Sec. 63. [268.984] [SEVERANCE PAYMENT.]

Subdivision 1. [SEVERANCE PAYMENT.] Each employer owning or operating a facility engaged in a plant closing or mass layoff shall make a severance payment to an affected employee if the affected employee has been employed by the employer for three or more years. The payment may, at the option of the employer, be made before or at the termination of the affected employee. The severance payment must be equal to the gross weekly wage of the affected employee at the time of termination, multiplied by the number of full and partial years for which the employee has been employed by the employer. For an affected employee whose gross weekly wage has been reduced within one year of a plant closing as a result of a reduction in the average weekly number of hours worked by the employee, the severance payment must be equal to the affected employee's gross weekly wage before the reduction in the average weekly number of hours worked, multiplied by the number of full and partial years for which the employee has been employed by the employer.

Subd. 2. [OTHER PAYMENTS.] Vacation pay, accrued wages, and other types of payments made for a reason other than compensation for termination of employment are not severance payments under subdivision 1.

Sec. 64. [268.985] [HEALTH CARE COVERAGE.]

Each employer who engages in a plant closing or mass layoff and who has had an employer-paid health insurance plan in place within the previous three-year period preceding the date of the plant closing or mass layoff shall pay to each affected employee an amount equal to 12 times the most recent monthly premium paid by the employer on behalf of the employee. The employer is not obligated to make this payment if the employer chooses to continue the health insurance plan for one year after the plant closing or mass layoff, with the employer paying at least the same portion of the premium that the employer paid before the employee was terminated. The employer shall also continue to make the health insurance plan available to each affected employee as required in section 62A.17 or in federal law.

Sec. 65. [268.986] [PRIORITY OF CLAIMS.]

To the extent not otherwise determined by federal law, a money claim on behalf of an affected employee against an employer engaged in a plant closing has priority over all other claims against an employer, except wage and salary claims.

Sec. 66. [268.987] [EMPLOYER APPEAL PROCESS.]

Subdivision 1. [APPEALS PANEL.] The governor shall appoint a seven-member appeals panel consisting of three members representing business interests, three members representing labor interests, and one member representing the general public who acts as chair. At least four of the members must have experience or knowledge of business financing or public accounting. The terms, compensation, expenses, vacancies, and removal of members are as provided in section 15.0575. The commissioner of jobs and training must provide administrative support to the panel.

The employer may not cause a plant closing or mass layoff until the appeals board has rendered a decision on an appeal by the employer under subdivision 2 or 3. The panel must render its decision within 30 days of the appeal request by an employer. The 30-day limit may be extended if both the employer and the panel agrees to the extension.

The commissioner may contract with a public accounting firm or others to provide technical assistance to the panel. Members of the panel, the commissioner, or any of the persons the panel has contracted with must have access to all the employer's financial records and other related information for the past five years to assist in rendering a decision on an appeal made by an employer under subdivision 2 or 3.

Subd. 2. [APPEAL OF PAYMENT.] An employer may appeal to the appeals panel established under subdivision 1 to reduce or eliminate the payment required under section 268.983, the severance and health benefit payments required under sections 268.984 and 268.985, and the repayments of public assistance required under section 268.988. The employer must appeal under this subdivision at least 30 days before the date of the plant closing or mass layoff. The employer may appeal under this subdivision only if the employer determines that the plant closing or mass layoff is likely to be due to one or more of the following:

(1) a natural disaster including, but not limited to, a flood, damage or destruction due to weather, earthquakes, or drought;

(2) a decrease in sales of the employer resulting from economic or market factors that directly affect the demand for the products produced or provided at the establishment; or

(3) the plant closing or mass layoff was required to prevent the acquired business entity from becoming insolvent.

The employer must establish by a preponderance of the evidence that the plant closing or mass layoff was due to one of the reasons outlined in clause (1), (2), or (3), and not because of the financial needs of the employer to pay for debt incurred because of an acquisition or because of a reorganization or duplication of the

operations of the employer. In cases where the operations of the establishment have been terminated or significantly affected by a fire, flood, or other unexpected natural disaster and the result is a plant closing or mass layoff, the employer is not required to appeal 30 days before the plant closing or mass layoff. The employer may appeal under this subdivision but is not required to make payments to the community or affected employees until the appeals decision is rendered by the appeals panel.

Subd. 3. [APPEAL OF REPAYMENT OF PUBLIC ASSISTANCE.] The employer may appeal the amount of public assistance the employer must pay back under section 268.988. The panel must render its decision within 30 days of the appeals request of the employer. The commissioner may contract with public accounting firms or others to provide technical assistance to the panel in determining the correct amount of the repayment.

Sec. 67. [268.988] [REPAYMENT OF PUBLIC ASSISTANCE.]

An employer who causes a plant closing or mass layoff shall pay back or reimburse an amount equal to the amount of public assistance which it or the acquired business entity has received in the past five-year period from a government unit. The amount of public assistance to be repaid under this section equals the sum of the following:

(1) the reduction in the employer's capital expenditures at the establishment as a result of the public assistance including, but not limited to, assistance in acquiring land, buildings, and equipment;

(2) the reduction of the employer's financing costs at the establishment including, but not limited to, savings in interest costs resulting from tax exempt financing;

(3) the reduction in the employer's taxes on the operations at the establishment; and

(4) the reduction in the employer's operating costs at the establishment as the result of other assistance besides tax reductions or abatements.

The amount of public assistance to be repaid that is calculated in clauses (1) to (4) must be adjusted to reflect any amounts that have been recaptured or the employer has been required to repay under the provisions of another law or contractual agreement. The public assistance required to be repaid under this section must be made to the government unit authorizing or enabling the employer to receive the public assistance, regardless of whether the cost or reduction in revenues was borne by another government unit. The employer may appeal the payment amount to the appeals panel

established in section 268.987. The government unit that the public assistance is to be repaid to under this section may enter into an agreement with the recipient of public assistance for the repayment or reimbursement of the public assistance and the time of the repayment.

Sec. 68. [268.989] [NOTIFICATION OF INTENTIONS.]

An employer must provide notice to the commissioner of jobs and training and the home rule or statutory city or county, in which an establishment which the employer has acquired is located, of what the employer's intentions are relating to that specific establishment for the three-year period following the acquisition. The notice must state that the employer plans to cause a plant closing or mass layoff at the establishment if, at the time of the acquisition, the employer has determined that these actions will take place in the three-year period following acquisition. The notice must be provided within two months of the date of acquisition.

Sec. 69. Minnesota Statutes 1988, section 462.357, subdivision 7, is amended to read:

Subd. 7. [PERMITTED SINGLE FAMILY USE.] A state licensed residential facility serving six or fewer persons or, a licensed day care facility serving 12 or fewer persons, and a group family day care facility licensed under Minnesota Rules, parts 9502.0315 to 9502.0445 to serve 14 or fewer children shall be considered a permitted single family residential use of property for the purposes of zoning.

Sec. 70. Minnesota Statutes 1988, section 518.54, is amended by adding a subdivision to read:

Subd. 2a. [DEPOSIT ACCOUNT.] "Deposit account" means funds deposited with a financial institution in the form of a savings account, checking account, NOW account, or demand deposit account.

Sec. 71. Minnesota Statutes 1988, section 518.54, is amended by adding a subdivision to read:

Subd. 2b. [FINANCIAL INSTITUTION.] "Financial institution" means a savings association, bank, trust company, credit union, or industrial loan and thrift company, bank and trust company, building and loan association, and includes a branch or detached facility of a financial institution.

Sec. 72. Minnesota Statutes 1988, section 518.551, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT TO PUBLIC AGENCY.] The court shall direct that all payments ordered for maintenance and support be made to the public agency responsible for child support enforcement so long as the obligee is receiving or has applied for public assistance, or has applied for child support and maintenance collection services. An agent representing a public authority responsible for child support enforcement may act as the agent for any other public authority responsible for child support enforcement and collection of judgments, arrears and current child support, maintenance, or medical support. Amounts received by the public agency responsible for child support enforcement greater than the amount granted to the obligee shall be remitted to the obligee.

Sec. 73. 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 order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support agreement of the parties if each party is represented by independent counsel, unless the agreement is not in the interest of justice. In other cases the court shall order child support in accordance with the guidelines and the other factors set forth in paragraph (b) and any departure therefrom.

The court shall multiply the obligor's net income by the percentage indicated by the following guidelines:

Net Income Per Month of Obligor	Number of Children						
	1	2	3	4	5	6	7 or more
\$400 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.						
\$401 - 500	14%	17%	20%	22%	24%	26%	28%
\$501 - 550	15%	18%	21%	24%	26%	28%	30%
\$551 - 600	16%	19%	22%	25%	28%	30%	32%
\$601 - 650	17%	21%	24%	27%	29%	32%	34%
\$651 - 700	18%	22%	25%	28%	31%	34%	36%
\$701 - 750	19%	23%	27%	30%	33%	36%	38%
\$751 - 800	20%	24%	28%	31%	35%	38%	40%
\$801 - 850	21%	25%	29%	33%	36%	40%	42%

\$851 - 900	22%	27%	31%	34%	38%	41%	44%
\$901 - 950	23%	28%	32%	36%	40%	43%	46%
\$951 - 1000	24%	29%	34%	38%	41%	45%	48%
\$1001- 4000	25%	30%	35%	39%	43%	47%	50%

Guidelines for support for an obligor with a monthly income of \$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
- (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.

*Standard
Deductions apply-
use of tax tables
recommended

"Net income" does not include the income of the obligor's spouse, but does include in-kind payments received by the obligor in the course of employment, self-employment, or operation of a business if the payments reduce the obligor's living expenses.

(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 services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.

Any schedule prepared under paragraph (c), clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.

Any further departure below the guidelines 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. 74. Minnesota Statutes 1989 Supplement, section 518.551, subdivision 10, is amended to read:

Subd. 10. [ADMINISTRATIVE PROCESS FOR CHILD AND MEDICAL SUPPORT ORDERS.] An administrative process is established to obtain, modify, and enforce child and medical support orders and maintenance.

The commissioner of human services may designate counties to participate in the administrative process established by this section. All proceedings for obtaining, modifying, or enforcing child and medical support orders and maintenance and adjudicating uncontested parentage proceedings, required to be conducted in counties designated by the commissioner of human services in which the county human services agency is a party or represents a party to the action must be conducted by an administrative law judge from the office of administrative hearings, except for the following proceedings:

- (1) adjudication of contested parentage;
- (2) motions to set aside a paternity adjudication or declaration of parentage;
- (3) evidentiary hearing on contempt motions; and
- (4) motions to sentence or to revoke the stay of a jail sentence in contempt proceedings.

An administrative law judge may hear a stipulation reached on a contempt motion, but any stipulation that involves a finding of contempt and a jail sentence, whether stayed or imposed, shall require the review and signature of a district judge.

For the purpose of this process, all powers, duties, and responsibilities conferred on judges of the district court to obtain and enforce child and medical support obligations, subject to the limitation set forth herein, are conferred on the administrative law judge conducting the proceedings, including the power to issue orders to show cause and to issue bench warrants for failure to appear.

Before implementing the process in a county, the chief administrative law judge, the commissioner of human services, the director of the county human services agency, the county attorney, and the county court administrator shall jointly establish procedures and the county shall provide hearing facilities for implementing this process in a county.

Nonattorney employees of the public agency responsible for child support in the counties designated by the commissioner, acting at

the direction of the county attorney, may prepare, sign, serve, and file complaints and motions for obtaining, modifying, or enforcing child and medical support orders and maintenance and related documents, appear at prehearing conferences, and participate in proceedings before an administrative law judge. This activity shall not be considered to be the unauthorized practice of law.

The hearings shall be conducted under the rules of the office of administrative hearings, Minnesota Rules, parts 1400.7100 to 1400.7500, 1400.7700, and 1400.7800, as adopted by the chief administrative law judge. All other aspects of the case, including, but not limited to, pleadings, discovery, and motions, shall be conducted under the rules of family court, the rules of civil procedure, and chapter 518. The administrative law judge shall make findings of fact, conclusions, and a final decision and issue an order. Orders issued by an administrative law judge are enforceable by the contempt powers of the county and district courts.

The decision and order of the administrative law judge shall be a final agency decision for purposes of sections 14.63 to 14.69 is appealable to the court of appeals in the same manner as a decision of the district court.

Sec. 75. Minnesota Statutes 1988, section 518.611, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] Whenever an obligation for support of a dependent child or maintenance of a spouse, or both, is determined and ordered by a court of this state, the amount of child support or maintenance as determined by court order must be withheld from the income, regardless of source, of the person obligated to pay the support or maintenance. Every order for maintenance or support must include the obligor's social security number and date of birth and the name and address of the obligor's employer or other payor of funds.

Sec. 76. Minnesota Statutes 1988, section 518.611, subdivision 2, is amended to read:

Subd. 2. [CONDITIONS OF INCOME WITHHOLDING.] (a) Withholding shall result whenever the obligor fails to make the maintenance or support payments, and the following conditions are met:

(1) the obligor is at least 30 days in arrears;

(2) the obligee or the public authority serves written notice of income withholding, showing arrearage, on the obligor at least 15 days before service of the notice of income withholding and a copy of the court's order on the payor of funds;

(3) within the 15-day period, the obligor fails to move the court to deny withholding on the grounds that an arrearage of at least 30 days does not exist as of the date of the notice of income withholding, or on other grounds limited to mistakes of fact, and, ex parte, to stay service on the payor of funds until the motion to deny withholding is heard; and

(4) the obligee or the public authority serves a copy of the notice of income withholding, a copy of the court's order, and the provisions of this section on the payor of funds; and

(5) the obligee serves on the public authority a copy of the notice of income withholding, a copy of the court's order, an application, and the fee to use the public authority's collection services.

(b) To pay the arrearage specified in the notice of income withholding, the employer or payor of funds shall withhold from the obligor's income an additional amount equal to 20 percent of the monthly child support or maintenance obligation until the arrearage is paid.

(c) The obligor may, at any time, waive the written notice required by this subdivision.

(d) The obligor may move the court, under section 518.64, to modify the order respecting the amount of maintenance or support.

(e) Every order for support or maintenance shall provide for a conspicuous notice of the provisions of this subdivision. An order without this notice remains subject to this subdivision.

(f) Unless otherwise directed by court order, income withholding shall continue in effect after the termination of the ongoing obligation for the amount ordered under this subdivision and subdivision 1, until all arrearages have been paid in full.

Sec. 77. Minnesota Statutes 1988, section 518.611, is amended by adding a subdivision to read:

Subd. 2a. [PREAUTHORIZED TRANSFERS FROM OBLIGOR ACCOUNTS.] In any case where income withholding is ineffective due to the obligor's method of obtaining income, the court shall order the obligor to identify a child support deposit account owned solely by the obligor, or to establish such an account, in a financial institution located in this state for the purpose of depositing court ordered child support payments. The court shall order the obligor to execute an agreement with the appropriate public authority authorizing preauthorized transfers from the obligor's child support deposit account payable to an account of the public authority responsible for child support enforcement. The court shall order the

obligor to disclose to the court all deposit accounts owned by the obligor in whole or in part in any financial institution. The court may order the obligor to disclose to the court the opening or closing of any deposit account owned in whole or in part by the obligor within 30 days. The court may order the obligor to execute an agreement with the appropriate public authority authorizing pre-authorized transfers from any deposit account owned in whole or in part by the obligor to the obligor's child support deposit account if necessary to satisfy court-ordered child support payments. The court may order a financial institution to disclose to the court the account number and any other account identification information regarding accounts owned in whole or in part by the obligor. An obligor who fails to comply with this section, fails to deposit funds in at least one deposit account sufficient to pay court-ordered child support, or stops payment or revokes authorization of any preauthorized transfer is subject to contempt of court procedures under chapter 588.

Sec. 78. Minnesota Statutes 1989 Supplement, section 518.611, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] Notwithstanding any law to the contrary, the order is binding on the employer, trustee, or other payor of the funds, or financial institution when service under subdivision 2 has been made. Withholding must begin no later than the first pay period that occurs after 14 days following the date of the notice. In the case of a financial institution, preauthorized transfers shall occur in accordance with a court-ordered payment schedule. An employer or other payor of funds, or financial institution in this state is required to withhold income according to court orders for withholding issued by other states or territories. The payor shall withhold from the income payable to the obligor the amount specified in the order and amounts required under subdivision 2, paragraph (b), and section 518.613 and shall remit, within ten days of the date the obligor is paid the remainder of the income, the amounts withheld to the public authority. The payor shall identify on the remittance information the date the obligor is paid the remainder of the income. The financial institution shall execute preauthorized transfers from the deposit accounts of the obligor in the amount specified in the order and amounts required under subdivision 2 as directed by the public authority responsible for child support enforcement. Employers may combine all amounts withheld from one pay period into one payment to each public authority, but shall separately identify each obligor making payment. Amounts received by the public authority which are in excess of public assistance expended for the party or for a child shall be remitted to the party. An employer shall not discharge, or refuse to hire, or otherwise discipline an employee as a result of a wage or salary withholding authorized by this section. The employer or other payor of funds shall be liable to the obligee for any amounts required to be withheld. A financial institution is liable to the obligee if funds in any of the obligor's deposit accounts identified in the court order

equal the amount stated in the preauthorization agreement but are not transferred by the financial institution in accordance with the agreement.

Sec. 79. Minnesota Statutes 1988, section 518.611, subdivision 8, is amended to read:

Subd. 8. [EMPLOYER AND OBLIGOR NOTICE.] When an individual is hired for employment, the employer shall request that the individual disclose whether or not the individual has court-ordered child support obligations that are required by law to be withheld from income and the terms of the court order, if any. The individual shall disclose this information at the time of hiring. When an individual discloses that the individual owes child support that is required to be withheld, the employer shall begin withholding according to the terms of the order and under this section. When a withholding order is in effect and the obligor's employment is terminated or the periodic payment terminates, the obligor and the obligor's employer or the payor of funds shall notify the public agency responsible for child support enforcement of the termination within ten days of the termination date. The notice shall include the obligor's home address and the name and address of the obligor's new employer or payor of funds, if known. Information disclosed under this section shall not be divulged except to the extent necessary for the administration of the child support enforcement program or when otherwise authorized by law.

Sec. 80. Minnesota Statutes 1988, section 518.611, subdivision 8a, is amended to read:

Subd. 8a. [LUMP SUM PAYMENTS.] (a) Upon the transmittal of the last reimbursement payment to the employee, where a lump sum payment including, but not limited to, severance pay, accumulated sick pay or vacation pay is paid upon termination of employment, and where the employee is in arrears in making court ordered child support payments, the employer shall withhold an amount which is the lesser of (1) the amount in arrears or (2) that portion of the arrearages which is the product of the obligor's monthly court ordered support amount multiplied by the number of months of net income that the lump sum payment represents.

(b) An employer, trustee, or other payor of funds who has been served with a notice of income withholding under subdivision 2 or section 518.613 must:

(1) notify the public authority of any lump sum payment of \$500 or more that is to be paid to the obligor;

(2) hold the lump sum payment for 30 days after the date on which the lump sum payment would otherwise have been paid to the obligor; and

(3) upon order of the court, pay any specified amount of the lump sum payment to the public authority for support.

Sec. 81. Minnesota Statutes 1989 Supplement, section 518.613, subdivision 2, is amended to read:

Subd. 2. [ORDER; COLLECTION SERVICES.] Every order for child support must include the obligor's social security number and date of birth and the name and address of the obligor's employer or other payor of funds. Upon entry of the order for support or maintenance, the court shall mail a copy of the court's automatic income withholding order and the provisions of section 518.611 and this section to the obligor's employer or other payor of funds and to the public authority responsible for child support enforcement. An obligee who is not a recipient of public assistance shall apply for the collection services of the public authority when an order for support is entered unless the requirements of this section have been waived under subdivision 7. No later than January 1, 1990, the supreme court shall develop a standard automatic income withholding form to be used by all Minnesota courts. This form shall be made a part of any order for support or decree by reference.

Sec. 82. Minnesota Statutes 1988, section 518C.02, is amended by adding a subdivision to read:

Subd. 1a. [CENTRAL REGISTRY.] "Central registry" means a single unit within the department of human services that receives and disseminates incoming interstate actions filed under title IV-D of the Social Security Act, as amended, including any proceedings under this section.

Sec. 83. Minnesota Statutes 1988, section 518C.02, is amended by adding a subdivision to read:

Subd. 9a. [PUBLIC AUTHORITY.] "Public authority" means the public authority responsible for child support enforcement.

Sec. 84. Minnesota Statutes 1988, section 518C.03, is amended to read:

518C.03 [HOW DUTIES OF SUPPORT ENFORCED.]

Subdivision 1. [DUTIES OF SUPPORT.] All duties of support, including the duty to pay arrearages, are enforceable by a proceeding under sections 518C.01 to 518C.36, including a proceeding for civil contempt. The defense that the parties are immune to suit because of their relationship as husband and wife; or parent and child is not available to the obligor.

Subd. 2. [ARREARAGES.] Arrearages that have become a support

judgment, which is final by operation of law of this state or of any other jurisdiction, shall be given full faith and credit for enforcement purposes. No arrearages or judgment for support may be retroactively modified, except as provided in section 518.64.

Sec. 85. Minnesota Statutes 1988, section 518C.05, is amended to read:

518C.05 [JURISDICTION.]

Except in Hennepin and Ramsey counties, jurisdiction of a proceeding under sections 518C.01 to 518C.36 is vested in the county court. In Hennepin and Ramsey counties as provided for in section 518.551, subdivision 10, jurisdiction of a proceeding under sections 518C.01 to 518C.36 is vested in the district court.

Sec. 86. Minnesota Statutes 1988, section 518C.09, is amended to read:

518C.09 [DUTY OF INITIATING COURT.]

If the initiating court finds that the petition sets forth facts from which it may be determined that the obligor owes a duty of support, and that a court of the responding state may obtain jurisdiction of the obligor or the obligor's property, it shall so certify and cause three copies of the petition and its certificate and one copy of sections 518C.01 to 518C.36 to be sent to the responding court. If the complaint is filed by the public authority, the initiating court shall send the documents to the central registry in the responding state. Certification shall be in accordance with the requirements of the initiating state. If the name and address of the responding court are unknown and the responding state has an information agency comparable to that established in the initiating state, it shall cause the copies to be sent to the state information agency or other proper official of the responding state, with a request that the agency or official forward them to the proper court and that the court of the responding state acknowledge their receipt to the initiating court.

Sec. 87. Minnesota Statutes 1988, section 518C.12, is amended to read:

518C.12 [DUTY OF THE COURT AND THE PROSECUTING ATTORNEY OF THIS STATE AS RESPONDING STATE.]

Subdivision 1. [CENTRAL REGISTRY.] The central registry shall receive filings under title IV-D of the federal Social Security Act, as amended, from the initiating state and shall transmit the filings to the local public authority. The local public authority shall promptly submit the documents to the court administrator.

Subd. 1a. [DOCKETING CASE.] After the responding court receives copies of the petition, the certificate and the substantially similar reciprocal act from the initiating court, the court administrator of the court shall docket the case and notify the prosecuting attorney of the action.

Subd. 2. [PROSECUTION OF CASE.] The prosecuting attorney shall prosecute the case diligently, taking all action necessary in accordance with the laws of this state to enable the court to obtain jurisdiction over the obligor or the obligor's property and shall request the court to set a time and place for a hearing and give notice thereof to the obligor in accordance with law.

Subd. 3. [INVESTIGATION BY PROSECUTING ATTORNEY.] The prosecuting attorney, on personal initiative, shall use all means available to locate the obligor or the obligor's property, and if, because of inaccuracies in the petition or otherwise, the court cannot obtain jurisdiction, the prosecuting attorney shall inform the court of action taken and request the court to continue the case pending receipt of more accurate information or an amended petition from the initiating court.

Subd. 4. [OBLIGOR LOCATED IN ANOTHER COUNTY OR STATE.] If the obligor or the obligor's property is not found in the county, and the prosecuting attorney discovers that the obligor or the obligor's property may be found in another county of this state, or another state, the attorney shall so inform the court. Thereupon, the court administrator shall forward the documents received from the court in the initiating state to a court in the other county, or to a court in the other state, or to the information agency or other proper official of the other state, with a request that the documents be forwarded to the proper court. All powers and duties provided by sections 518C.01 to 518C.36 apply to the recipient of the documents so forwarded. If the court administrator of this state forwards documents to another court, the court administrator shall forthwith notify the initiating court.

Subd. 5. [NO INFORMATION.] If the prosecuting attorney has no information as to the location of the obligor or the obligor's property the attorney shall so inform the initiating court.

Sec. 88. Minnesota Statutes 1988, section 518C.27, subdivision 1, is amended to read:

Subdivision 1. [DUTIES OF RESPONDING COURT.] A responding court has the following duties that shall be carried out through the public authority responsible for support enforcement:

(1) according to the requirements of the initiating court, to collect and transmit to the initiating court, designated collection unit, county of the obligee's residence, or the obligee under section 518.551, subdivision 1, a payment made by the obligor pursuant to an order of the court or otherwise; and

(2) to furnish to the initiating court, upon request, a certified statement of each payment made by the obligor.

Sec. 89. Laws 1989, chapter 338, section 11, is amended to read:

Sec. 11. [OIL OVERCHARGE MONEY; APPROPRIATION.]

~~Subdivision 1. [LIMITATION.] The money appropriated by this section is money received by the state, or to be made available to the state in the future, as a result of litigation or settlements of alleged violations of federal petroleum pricing regulations that is not otherwise appropriated by law or dedicated by court order.~~

~~Subd. 2. [ENERGY RELATED PROJECTS.] \$3,100,000 of the money specified in subdivision 1 oil overcharge money, as defined in Minnesota Statutes, section 4.071, is appropriated for transfer to the housing development fund for home energy loans. Of that amount, \$2,200,000 must be made available as soon as federal approval is received. The balance must be made available from money received later in the fiscal years ending June 30, 1990, and June 30, 1991.~~

~~Subd. 2a. [ENERGY CONSERVATION PROJECTS.] \$6,000,000 of oil overcharge money, as defined in Minnesota Statutes, section 4.071, is appropriated to the commissioner of jobs and training for energy conservation projects that directly serve low-income Minnesotans. Of this amount, \$4,500,000 must be made available as soon as federal approval is received. The balance must be made available from money received later in the fiscal years ending June 30, 1990, and June 30, 1991. If the amount received by June 30, 1991, is not sufficient to fully fund all appropriations of oil overcharge money to that date, this appropriation is reduced to the amount that can be fully funded with those receipts.~~

~~Subd. 3. [OTHER PROJECTS.] One-half of the remainder of the money specified in subdivision 1 must be appropriated to the commissioner of jobs and training for energy conservation projects that directly serve low-income Minnesotans. Money appropriated under subdivision 2 and under this subdivision is not governed by Minnesota Statutes, section 4.071, and is available until spent.~~

Sec. 90. [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. 91. [PILOT PROJECT FOR SERVICES TO PREVENT CHILD ABUSE.]

Subdivision 1. [PILOT PROJECT AUTHORIZED.] The commissioner of human services is authorized to fund pilot projects designed to measure the effectiveness of early intervention and targeted family services in preventing child abuse. The projects must be designed to (1) 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; and (2) lower the incidence of maltreatment and improve the quality of attachment between mothers and children.

Subd. 2. [ELIGIBILITY.] Eligible families shall be those in which:

(1) family income is at or below 185 percent of the federal poverty guideline;

(2) the mother is 18 years of age or younger and has a high school diploma or less; and

(3) the family has had a history of child abuse.

Subd. 3. [DESIGN OF PROJECT.] Each project shall be designed to serve a minimum of 75 families with children from birth to age three and shall coordinate services with those offered by other public and nonprofit agencies.

Subd. 4. [MONITORING AND EVALUATION; REPORT.] The

county shall monitor and evaluate the program outcomes for the families participating in the program including changes in the developmental status of the children 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 programs and shall include recommendations for legislation as appropriate.

Sec. 92. [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. 93. [ALTERNATIVE DISPOSITIONS STUDY.]

The department of human services shall report and make recommendations regarding the use of permanency planning and alternative dispositions for children who are placed in out-of-home care, cannot be returned to their families, and for whom termination of parental rights is not in the child's best interest. The department shall consult with a multidisciplinary task force, including representatives of the Minnesota Indian Affairs Council, the Council on Black Minnesotans, the Spanish Speaking Affairs Council, the Council on Asian Pacific Minnesotans, public and private agencies, guardians ad litem, the judiciary, attorneys representing all parties in juvenile court proceedings, and community advocates. The department shall report and make recommendations to the legislature by January 7, 1991.

Sec. 94. [CHILD ABUSE PREVENTION GRANT.]

The commissioner of human services shall award a grant to a nonprofit, statewide child abuse prevention organization whose primary focus is parent self-help and support. Grant money may be used for one or more of the following activities:

(1) to provide technical assistance and consultation to individuals, organizations, or communities to establish local or regional parent self-help and support organizations for abusive or potentially abusive parents;

(2) to provide coordination and networking among existing parent self-help child abuse prevention organizations;

(3) to recruit, train, and provide leadership for volunteers working in child abuse prevention programs;

(4) to expand and develop child abuse programs throughout the state; or

(5) for statewide educational and public information efforts to increase awareness of the problems and solutions of child abuse.

Sec. 95. [SOBERING STATION PROGRAM ESTABLISHED.]

The commissioner of human services shall establish and provide grant funds for a pilot project sobering station program in order to deconcentrate detoxification facilities. In order to be eligible for grant funds, a sobering station program must be licensed to provide detoxification services and must be located in a nonresidential area and must be designed to serve the general public as well as the special needs of American Indian persons, as that term is defined in Minnesota Statutes, section 254A.02, subdivision 11, and veterans, as that term is defined in Minnesota Statutes, section 197.447. 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. 96. [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. 97. [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.

Sec. 98. [ANNUAL ADJUSTMENTS.]

Until June 30, 1993, the commissioner of human services shall provide an annual adjustment of not more than four percent for payment rates for private duty nursing services, personal care services, home and community-based waived services, and alternative care grant services for persons classified as 180-day eligible.

Sec. 99. [STUDY OF AMBULANCE SUBSCRIPTION PLANS.]

The commissioner of commerce and the commissioner of health shall study prepaid ambulance service plans that allow a person to prepay for ambulance services on a yearly basis. The commissioners shall study plans offered in other states and shall study the cost-effectiveness and feasibility of offering these plans in Minnesota. The commissioners shall study methods of funding the plans. The commissioners shall also address the issue of whether these plans should be regulated as insurance, health maintenance organizations, or as another type of entity. The commissioners shall conduct the study in conjunction with the attorney general. The commissioners shall report the findings of the study to the legislature by January 1, 1992.

Sec. 100. [COMPREHENSIVE REVIEW OF THE STATE EMERGENCY MEDICAL SERVICE SYSTEM.]

The commissioner of health shall conduct a comprehensive assessment of all aspects of the emergency medical service system in Minnesota. This assessment must include an inventory of current service capabilities by emergency medical service regions and an examination of the effectiveness of the present administrative structure for emergency medical services, actual or potential gaps in services or coverage, funding needs, problems in service coordination and administration, and the capabilities and availability of

hospital emergency services. The assessment must also include a study of the role of air ambulances and their coordination with and impact on local ambulance services. The commissioner shall present this assessment and provide recommendations to the legislature by January 1, 1992.

Sec. 101. [REPORT ON STATE EMPLOYEE PARTICIPATION IN EMERGENCY MEDICAL SERVICE SYSTEM.]

The commissioner of employee relations, in consultation with the commissioner of health, shall examine methods to reduce barriers to state employee participation as emergency medical service volunteers, such as limitations on the number of hours state employees can serve as volunteers during regular work hours. The commissioner shall present recommendations to the legislature by January 1, 1992.

Sec. 102. [STUDY OF BASIC AND ADVANCED LIFE SUPPORT REIMBURSEMENT.]

The commissioner of human services, in consultation with the commissioner of health, shall study the mechanisms of reimbursement for advanced and basic life support ambulance calls under medical assistance and general assistance medical care. The study shall examine methods of simplifying the claims process, interpretation of the "medically necessary" criteria and prior approval in light of the statutory mandate that service may not be denied, as well as other issues that create impediments to reimbursement. The commissioner shall report findings and offer recommendations to the legislature by January 1, 1991, on means of maximizing potential reimbursement levels.

Sec. 103. [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 com-

missioner of health shall present study findings and recommendations to the legislature by January 1, 1991.

Sec. 104. [MEDICAL ASSISTANCE RATES FOR AMBULANCE SERVICES.]

Effective with services rendered after June 30, 1990, payments to ambulance services for medical assistance recipients shall be increased by 7.5 percent from the lower of: (1) the submitted charges; or (2) the 50th percentile of prevailing charges in 1982.

Sec. 105. [MEDICAL SCHOOL GRADUATES.]

The commissioner of health shall encourage efforts by the University of Minnesota medical school, the Mayo medical school, and the University of Minnesota-Duluth medical school to develop and implement plans to increase the number of medical school graduates practicing in nonmetropolitan areas. The commissioner shall meet regularly with the administrators of the three medical schools to obtain information on progress toward this goal.

Sec. 106. [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. The commissioner may consider selective reimbursement increases for the following primary care services as defined by the commissioner by the appropriate current procedure terminology (CPT); preventive care, office visits, maternity and delivery services, and pediatric immunization, and may consider other changes in medical assistance reimbursement designed to target reimbursement increases to medical doctors and doctors of osteopathy providing primary care services. The commissioner shall present recommendations to the legislature by January 15, 1991.

Sec. 107. [RURAL HEALTH PROFESSIONALS AND HOSPITAL STUDY.]

The commissioner of health shall conduct an examination of: (1) the critical shortage of primary care health professionals, such as physicians and nurses, experienced by rural areas; and (2) the need for hospitals and specific hospital services in different areas of the state. The study may consider, at a minimum, the following:

(1) distribution of health care professionals, especially primary care physicians;

(2) geographic distribution of educational programs;

(3) geographic distribution of hospitals and specific hospital services;

(4) recruitment and retention programs;

(5) regulatory barriers;

(6) impediments caused by additional professional requirements;

(7) appropriate education and training programs directed to rural health care;

(8) competition from other health care providers, especially those located in urban settings providing similar services; and

(9) the shortage or oversupply of hospitals and specific hospital services in different areas of the state.

In conducting the study, the commissioner shall consult with rural health care providers, hospitals, and higher education institutions. The commissioner shall require state health care professional licensing boards to submit data upon request to the department by July 1 for each preceding calendar year. The commissioner must report the findings and present recommendations to relieve current and projected health care professional shortages, and address the shortage or oversupply of hospitals and specific hospital services in different areas of the state, to the legislature by February 1, 1991.

Sec. 108. [TRANSFER OF FUNDS.]

All money raised under section 109, through the license renewal surcharges for registered nurses and licensed practical nurses shall be transferred each year from the board of nursing to the higher education coordinating board for the purposes of the nursing grant programs for licensed practical nurses and registered nurses, provided in House File 2269, the first engrossment, article 3, sections 4 and 5, and shall be available until expended.

Sec. 109. [FUNDING FOR NURSING GRANTS.]

Subdivision 1. [REGISTERED NURSE FUNDING.] (a) The nursing grant program shall be funded by a \$5.50 fee on each registration renewal of registered nurses as provided under Minnesota Statutes, section 148.231, unless the applicant specifically indicates on the renewal form that the applicant does not wish to participate in the funding of this program. The board of nursing shall transfer all money received under this subdivision, less an amount sufficient to pay the costs of administering the program not to exceed 12 percent of the fee collected under this subdivision, to the higher

education coordinating board on a quarterly basis. This money is available until expended by the higher education coordinating board. By January 1, 1991, and each subsequent year, the board of nursing shall provide an estimate to the higher education coordinating board of the amount of money that may be available each year based on the number of anticipated registration renewals in that year.

(b) Notwithstanding paragraph (a), up to the first \$11,000 of fees collected under this subdivision may be used to program the board of nursing's computer system for purposes of administering this section.

Subd. 2. [LICENSED PRACTICAL NURSE FUNDING.] (a) The nursing grant program shall be funded by a \$5.50 fee on each registration renewal of licensed practical nurses as provided under Minnesota Statutes, section 148.231, unless the applicant specifically indicates on the renewal form that the applicant does not wish to participate in the funding of this program. The board of nursing shall transfer all money received under this subdivision, less an amount sufficient to pay the costs of administering the program not to exceed 12 percent of the fee collected under this subdivision, to the higher education coordinating board on a quarterly basis. This money is available until expended by the higher education coordinating board. By January 1, 1991, and each subsequent year, the board of nursing shall provide an estimate to the higher education coordinating board of the amount of money that may be available each year based on the number of anticipated registration renewals in that year.

(b) Notwithstanding paragraph (a), up to the first \$6,000 of fees collected under this subdivision may be used to program the board of nursing's computer system for purposes of administering this section.

Sec. 110. [REPEALER.]

Subdivision 1. [OIL OVERCHARGE MONEY.] Laws 1989, chapter 338, section 11, subdivisions 1 and 3, are repealed.

Subd. 2. [SOCIAL WORK AND MENTAL HEALTH BOARDS.] Minnesota Statutes 1988, sections 148B.01, subdivision 2; and 148B.02, are repealed.

Subd. 3. [INVENTORY, REFERRAL, AND INTAKE SERVICES.] Minnesota Statutes 1988, section 268.86, subdivision 10, is repealed.

Sec. 111. [EFFECTIVE DATES.]

Subdivision 1. [CHILD SUPPORT ENFORCEMENT.] Sections 48 and 74 are effective the day following final enactment. Section 49 is effective July 1, 1990 and applies to coverage identified or enforced on or after that date.

Subd. 2. [CHEMICAL DEPENDENCY.] Sections 43 to 47; and 90 are effective the day following final enactment.

Subd. 3. [WHOLESALE DRUG DISTRIBUTORS; LICENSING.] Sections 20 to 31 are effective on January 1, 1991.

Subd. 4. [OIL OVERCHARGE MONEY; ENERGY CONSERVATION.] Sections 1, subdivision 1; 89; and 110, subdivision 1, are effective the day following final enactment. Section 1, subdivisions 2 and 3, are effective July 1, 1991.

Subd. 5. [WELFARE FRAUD.] Sections 50 and 51 are effective July 1, 1990, and apply to assistance obtained wrongfully on or after that date.

Subd. 6. [JOBS AND TRAINING; PLANT CLOSINGS; PAYMENTS.] Sections 60 to 68 are effective the day following final enactment.

ARTICLE 3

HEALTH CARE

Section 1. Minnesota Statutes 1988, section 13.46, subdivision 5, is amended to read:

Subd. 5. [MEDICAL DATA; CONTRACTS.] Data relating to the medical, psychiatric, or mental health of any individual, including diagnosis, progress charts, treatment received, case histories, and opinions of health care providers, that is collected, maintained, used, or disseminated by any agency to the welfare system is private data on individuals and will be available to the data subject, unless the private health care provider has clearly requested in writing that the data be withheld pursuant to section 144.335. Data on individuals that is collected, maintained, used, or disseminated by a private health care provider under contract to any agency of the welfare system is private data on individuals, and is subject to the provisions of sections 13.02 to 13.07 and this section, except that the provisions of section 13.04, subdivision 3, shall not apply. Access to medical data referred to in this subdivision by the individual who is the subject of the data is subject to the provisions of section 144.335. Access to information that is maintained by the public authority responsible for support enforcement and that is needed to enforce medical support is subject to the provisions of section 518.171.

Sec. 2. [PURPOSE.]

It is the policy of the state to provide adequate health care and nutrition, and access to that care and nutrition, for all pregnant women, mothers, and children in this state. The legislature fully recognizes its commitment to the health of our families and acknowledges that an investment early in life will ensure healthier adults. The goal of the legislature is to achieve full and simple access to comprehensive health care and nutrition for all pregnant women and children under age six who are in need.

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.

Sec. 4. Minnesota Statutes 1989 Supplement, section 144.50, subdivision 6, is amended to read:

Subd. 6. [SUPERVISED LIVING FACILITY LICENSES.] (a) The commissioner may license as a supervised living facility a facility seeking medical assistance certification as an intermediate care facility for persons with mental retardation or related conditions for four or more persons as authorized under section 252.291.

(b) Class B supervised living facilities for six or less persons seeking medical assistance certification as an intermediate care facility for persons with mental retardation or related conditions shall be classified as follows for purposes of the state building code:

(1) Class B supervised living facilities for six or less persons shall meet Group R, Division 3 occupancy requirements.

(2) Class B supervised living facilities for seven to 16 persons shall meet Group R, Division 1 occupancy requirements.

Class B facilities classified under this paragraph, clauses (1) and (2) shall meet Group R, Division 3, occupancy requirements of the state building code, the fire protection provisions of chapter 21 of the 1985 life safety code, NFPA 101, for facilities housing persons with impractical evacuation capabilities, and except that Class B facilities licensed prior to the effective date of this enactment may continue to meet institutional fire safety provisions. Class B supervised living facilities shall provide the necessary physical plant

accommodations to meet the needs and functional disabilities of the residents. For Class B supervised living facilities licensed after the effective date of this enactment housing nonambulatory or nonmobile persons, the corridor access to bedrooms, common spaces, and other resident use spaces shall be at least five feet in clear width, except that a waiver may be requested in accordance with Minnesota Rules, part 4665.0600.

Sec. 5. 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. 6. Minnesota Statutes 1989 Supplement, section 145.894, is amended to read:

145.894 [STATE COMMISSIONER OF HEALTH; DUTIES, RESPONSIBILITIES.]

The commissioner of health shall:

(a) Develop a comprehensive state plan for the delivery of nutritional supplements to pregnant and lactating women, infants, and children;

(b) Contract with existing local public or private nonprofit organizations for the administration of the nutritional supplement program;

(c) Develop and implement a public education program promoting the provisions of sections 145.891 to 145.897, and provide for the delivery of individual and family nutrition education and counseling at project sites. The education programs must include a campaign to promote breast feeding;

(d) Develop in cooperation with other agencies and vendors a uniform state voucher system for the delivery of nutritional supplements;

(e) Authorize local health agencies to issue vouchers bimonthly to some or all eligible individuals served by the agency, provided the agency demonstrates that the federal minimum requirements for providing nutrition education will continue to be met and that the

quality of nutrition education and health services provided by the agency will not be adversely impacted;

(f) Investigate and implement ~~an infant formula cost reduction~~ a system ~~that will~~ reduce the cost of nutritional supplements so that ~~by October 1, 1988, additional mothers and children will be served~~ and maintain ongoing negotiations with nonparticipating manufacturers and suppliers to maximize cost savings;

(g) Develop, analyze, and evaluate the health aspects of the nutritional supplement program and establish nutritional guidelines for the program;

(h) Apply for, administer, and annually expend at least 99 percent of available federal or private funds;

(i) Aggressively market services to eligible individuals by conducting ongoing outreach activities and by coordinating with and providing marketing materials and technical assistance to local human services and community service agencies and nonprofit service providers;

(j) Determine, on July 1 of each year, the number of pregnant women participating in each special supplemental food program for women, infants, and children (W.I.C.) and, in 1986, 1987, and 1988, at the commissioner's discretion, designate a different food program deliverer if the current deliverer fails to increase the participation of pregnant women in the program by at least ten percent over the previous year's participation rate;

(k) Promulgate all rules necessary to carry out the provisions of sections 145.891 to 145.897;

(l) Report to the legislature by November 15 of every year on the expenditures and activities under sections 145.891 to 145.897 of the state and local health agencies for the preceding fiscal year; and

(m) Ensure that any state appropriation to supplement the federal program is spent consistent with federal requirements.

Sec. 7. Minnesota Statutes 1988, section 214.07, subdivision 1, is amended to read:

Subdivision 1. [BOARD REPORTS.] The health-related licensing boards and the non-health-related licensing boards shall prepare reports according to this subdivision and subdivision 1a by October 1 of each even-numbered year. Copies of the reports shall be delivered to the legislature in accordance with section 3.195, and to the governor. Copies of the reports of the health-related licensing boards shall also be delivered to the commissioner of health. The

reports shall contain the following information relating to the two-year period ending the previous June 30:

- (a) a general statement of board activities;
- (b) the number of meetings and approximate total number of hours spent by all board members in meetings and on other board activities;
- (c) the receipts and disbursements of board funds;
- (d) the names of board members and their addresses, occupations, and dates of appointment and reappointment to the board;
- (e) the names and job classifications of board employees;
- (f) a brief summary of board rules proposed or adopted during the reporting period with appropriate citations to the State Register and published rules;
- (g) the number of persons having each type of license and registration issued by the board as of June 30 in the year of the report;
- (h) the locations and dates of the administration of examinations by the board;
- (i) the number of persons examined by the board with the persons subdivided into groups showing age categories, sex, and states of residency;
- (j) the number of persons licensed or registered by the board after taking the examinations referred to in clause (h) with the persons subdivided by age categories, sex, and states of residency;
- (k) the number of persons not licensed or registered by the board after taking the examinations referred to in clause (h) with the persons subdivided by age categories, sex, and states of residency;
- (l) the number of persons not taking the examinations referred to in clause (h) who were licensed or registered by the board or who were denied licensing or registration with the reasons for the licensing or registration or denial thereof and with the persons subdivided by age categories, sex, and states of residency;
- (m) the number of persons previously licensed or registered by the board whose licenses or registrations were revoked, suspended, or otherwise altered in status with brief statements of the reasons for the revocation, suspension or alteration;

(n) the number of written and oral complaints and other communications received by the executive secretary of the board, a board member, or any other person performing services for the board (1) which allege or imply a violation of a statute or rule which the board is empowered to enforce and (2) which are forwarded to other agencies as required by section 214.10;

(o) a summary, by specific category, of the substance of the complaints and communications referred to in clause (n) and, for each specific category, the responses or dispositions thereof pursuant to section 214.10 or 214.11;

(p) any other objective information which the board members believe will be useful in reviewing board activities.

Sec. 8. Minnesota Statutes 1988, section 214.07, is amended by adding a subdivision to read:

Subd. 1a. [REPORT REQUIREMENT FOR BOARD OF MEDICAL EXAMINERS AND BOARD OF NURSING.] The board of medical examiners and the board of nursing shall include in the report required under subdivision 1, clause (o), specific information regarding complaints and communications involving obstetrics, gynecology, prenatal care, and delivery, and the boards' responses or dispositions.

Sec. 9. 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. 10. 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.

Sec. 11. [256.9365] [PURCHASE OF CONTINUATION COVERAGE FOR AIDS PATIENTS.]

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner of human services shall establish a program to pay private health plan premiums for persons who have contracted human immunodeficiency virus (HIV) to enable them to continue coverage under a group or individual health plan. If a person is determined to be eligible under subdivision 2, the commissioner shall pay the eligible person's group plan continuation coverage premium for 18 months after termination of employment, or pay the eligible person's individual plan premium for 24 months after initial application.

Subd. 2. [ELIGIBILITY REQUIREMENTS.] To be eligible for the program, an applicant must satisfy the following requirements:

(1) the applicant must provide a physician's statement verifying that the applicant is infected with HIV and is, or within three months is likely to become, too ill to work in the applicant's current employment because of HIV-related disease;

(2) the applicant's monthly gross family income must not exceed 300 percent of the federal poverty guidelines, after deducting medical expenses and insurance premiums;

(3) the applicant must not own assets with a combined value of more than \$25,000;

(4) if applying for payment of group plan premiums, the applicant must be covered by an employer's or former employer's group insurance plan and be eligible to purchase continuation coverage; and

(5) if applying for payment of individual plan premiums, the applicant must be covered by an individual health plan whose coverage and premium costs satisfy additional requirements established by the commissioner in rule.

Subd. 3. [RULES.] The commissioner shall establish rules as necessary to implement the program. Special requirements for the payment of individual plan premiums under subdivision 2, clause (5), must be designed to ensure that the state cost of paying an individual plan premium over a two-year period does not exceed the estimated state cost that would otherwise be incurred in the medical assistance program.

Sec. 12. Minnesota Statutes 1989 Supplement, section 256.969, subdivision 2c, is amended to read:

Subd. 2c. [PROPERTY PAYMENT RATES.] For each hospital's first two consecutive fiscal years beginning on or after July 1, 1988, the commissioner shall limit the annual increase in property payment rates for depreciation, rents and leases, and interest expense to the annual growth in the hospital cost index derived from the methodology in effect on the day before July 1, 1989. When computing budgeted and settlement property payment rates, the commissioner shall use the annual increase in the hospital cost index forecasted by Data Resources, Inc., consistent with the quarter of the hospital's fiscal year end. For admissions occurring on or after the rate year beginning January 1, 1991, the commissioner shall obtain property data from an updated base year and establish property payment rates per admission for each hospital. Property payment rates shall be derived from data from the same base year that is used

to establish operating payment rates. The property information shall include cost categories not subject to the hospital cost index and shall reflect the cost-finding methods and allowable costs of the Medicare program in effect during the base year. The property payment rate per admission shall be adjusted for positive percentage change differences in the net book value of hospital property and equipment by increasing the property payment rate per admission 85 percent of the percentage change from the base year through the most recent year ending prior to the rate year for which required information is available. The percentage change shall be derived from equivalent audited information in both years and shall be adjusted to account for changes in generally accepted accounting principles, reclassification of assets, allocations to nonhospital areas, and fiscal years. The cost, audit, and charge data used to establish property rates shall only reflect inpatient services covered by medical assistance and shall not include operating cost information. To be eligible for the property payment rate per admission adjustment, the hospital must provide the necessary information to the commissioner, in a format specified by the commissioner, by the October 1 preceding the rate year. The commissioner shall adjust rates for the rate year beginning January 1, 1991, to ensure that all hospitals are subject to the hospital cost index limitation for two complete years.

Sec. 13. Minnesota Statutes 1989 Supplement, section 256.969, subdivision 6a, is amended to read:

Subd. 6a. [SPECIAL CONSIDERATIONS.] (a) In determining the payment rates, the commissioner shall consider whether the following circumstances exist:

(1) [MINIMAL MEDICAL ASSISTANCE USE.] Minnesota hospitals with 30 or fewer annualized admissions of Minnesota medical assistance recipients in the base year, excluding Medicare crossover admissions, may have the base year operating rates, as adjusted by the case mix index, and property payment rates established at the 70th percentile of hospitals in the peer group in effect during the base year as established by the Minnesota department of health for use by the rate review program. Rates within a peer group shall be adjusted for differences in fiscal years and outlier percentage payments before establishing the 70th percentile. The operating payment rate portion of the 70th percentile shall be adjusted by the hospital cost index. To have rates established under this paragraph, the hospital must notify the commissioner in writing by November 1 of the year preceding the rate year. This paragraph shall be applied to all payment rates of the affected hospital.

(2) [UNUSUAL COST OR LENGTH OF STAY EXPERIENCE.] The commissioner shall establish day and cost outlier thresholds for each diagnostic category established under subdivision 2 at two standard deviations beyond the geometric mean length of stay or

allowable cost. Payment for the days and cost beyond the outlier threshold shall be in addition to the operating and property payment rates per admission established under subdivisions 2, 2b, and 2c. Payment for outliers shall be at 70 percent of the allowable operating cost calculated by dividing the operating payment rate per admission, after adjustment by the case mix index, hospital cost index, relative values and the disproportionate population adjustment, by the arithmetic mean length of stay for the diagnostic category. The outlier threshold for neonatal and burn diagnostic categories shall be established at one standard deviation beyond the geometric mean length of stay or allowable cost, and payment shall be at 90 percent of allowable operating cost calculated in the same manner as other outliers. A hospital may choose an alternative percentage outlier payment to a minimum of 60 percent and a maximum of 80 percent if the commissioner is notified in writing of the request by October 1 of the year preceding the rate year. The chosen percentage applies to all diagnostic categories except burns and neonates. The percentage of allowable cost that is unrecognized by the outlier payment shall be added back to the base year operating payment rate per admission. Cost outliers shall be calculated using hospital specific allowable cost data. If a stay is both a day and a cost outlier, outlier payments shall be based on the higher outlier payment.

(3) [DISPROPORTIONATE NUMBERS OF LOW-INCOME PATIENTS SERVED.] For admissions occurring on or after July 1, 1989, the medical assistance disproportionate population adjustment shall comply with federal law at fully implemented rates. The commissioner may establish a separate disproportionate population operating payment rate adjustment under the general assistance medical care program. For admissions occurring on or after the rate year beginning January 1, 1991, the disproportionate population adjustment shall be derived from base year Medicare cost report data and may be adjusted by data reflecting actual claims paid by the department.

(4) [SEPARATE BILLING BY CERTIFIED REGISTERED NURSE ANESTHETISTS.] Hospitals may exclude certified registered nurse anesthetist costs from the operating payment rate as allowed by section 256B.0625, subdivision 11. To be eligible, a hospital must notify the commissioner in writing by October 1 of the year preceding the rate year of the request to exclude certified registered nurse anesthetist costs. The hospital must agree that all hospital claims for the cost and charges of certified registered nurse anesthetist services will not be included as part of the rates for inpatient services provided during the rate year. In this case, the operating payment rate shall be adjusted to exclude the cost of certified registered nurse anesthetist services. Payments made through separate claims for certified registered nurse anesthetist services shall not be paid directly through the hospital provider

number or indirectly by the certified registered nurse anesthetist to the hospital or related organizations.

(5) [SPECIAL RATES.] The commissioner may establish special rate-setting methodologies, including a per day operating and property payment system, for hospice, ventilator dependent, and other services on a hospital and recipient specific basis taking into consideration such variables as federal designation, program size, and admission from a medical assistance waiver or home care program. The data and rate calculation method shall conform to the requirements of paragraph (7), except that hospice rates shall not exceed the amount allowed under federal law and payment shall be secondary to any other medical assistance hospice program. Rates and payments established under this paragraph must meet the requirements of section 256.9685, subdivisions 1 and 2, and must not exceed payments that would otherwise be made to a hospital in total for rate year admissions under subdivisions 2, 2b, 2c, 3, 4, 5, and 6. The cost and charges used to establish rates shall only reflect inpatient medical assistance covered services. Hospital and claims data that are used to establish rates under this paragraph shall not be used to establish payments or relative values under subdivisions 2, 2b, 2c, 3, 4, 5, and 6.

(6) [REHABILITATION DISTINCT PARTS.] Units of hospitals that are recognized as rehabilitation distinct parts by the Medicare program shall have separate provider numbers under the medical assistance program for rate establishment and billing purposes only. These units shall also have operating and property payment rates and the disproportionate population adjustment established separately from other inpatient hospital services, based on the methods of subdivisions 2, 2b, 2c, 3, 4, 5, and 6. The commissioner may establish separate relative values under subdivision 2 for rehabilitation hospitals and distinct parts as defined by the Medicare program. For individual hospitals that did not have separate medical assistance rehabilitation provider numbers or rehabilitation distinct parts in the base year, hospitals shall provide the information needed to separate rehabilitation distinct part cost and claims data from other inpatient service data.

(7) [NEONATAL TRANSFERS.] For admissions occurring on or after July 1, 1989, neonatal diagnostic category transfers shall have operating and property payment rates established at receiving hospitals which have neonatal intensive care units on a per day payment system that is based on the cost finding methods and allowable costs of the Medicare program during the base year. Other neonatal diagnostic category transfers shall have rates established according to paragraph (8). The rate per day for the neonatal service setting within the hospital shall be determined by dividing base year neonatal allowable costs by neonatal patient days. The operating payment rate portion of the rate shall be adjusted by the hospital cost index and the disproportionate population adjustment. The cost

and charges used to establish rates shall only reflect inpatient services covered by medical assistance. Hospital and claims data used to establish rates under this paragraph shall not be used to establish payments or relative values under subdivisions 2, 2b, 2c, 3, 4, 5, and 6.

(8) [TRANSFERS.] Except as provided in paragraphs (5) and (7), operating and property payment rates for admissions that result in transfers and transfers shall be established on a per day payment system. The per day payment rate shall be the sum of the adjusted operating and property payment rates determined in subdivisions 2b and 2c, divided by the arithmetic mean length of stay for the diagnostic category. Each admission that results in a transfer and each transfer is considered a separate admission to each hospital, and the total of the admission and transfer payments to each hospital must not exceed the total per admission payment that would otherwise be made to each hospital under paragraph (2) and subdivisions 2b and 2c.

(b) The computation of each hospital's payment rate and the relative values of the diagnostic categories are not subject to the routine service cost limitation imposed under the Medicare program.

(c) Indian health service facilities are exempt from the rate establishment methods required by this section and shall be reimbursed at the facility's usual and customary charges to the general public. This exemption is not effective for payments under general assistance medical care.

(d) Except as provided in paragraph (a), clauses (1) and (3), out-of-state hospitals that are located within a Minnesota local trade area shall have rates established using the same procedures and methods that apply to Minnesota hospitals. Hospitals that are not required by law to file information in a format necessary to establish rates shall have rates established based on the commissioner's estimates of the information. Relative values of the diagnostic categories shall not be redetermined under this paragraph until required by rule. Hospitals affected by this paragraph shall then be included in determining relative values. However, hospitals that have rates established based upon the commissioner's estimates of information shall not be included in determining relative values. This paragraph is effective for hospital fiscal years beginning on or after July 1, 1988. A hospital shall provide the information necessary to establish rates under this paragraph at least 90 days before the start of the hospital's fiscal year.

(e) Hospitals that are not located within Minnesota or a Minnesota local trade area shall have operating and property rates established at the average of statewide and local trade area rates or, at the commissioner's discretion, at an amount negotiated by the

commissioner. Relative values shall not include data from hospitals that have rates established under this paragraph. Payments, including third party liability, established under this paragraph may not exceed the charges on a claim specific basis for inpatient services that are covered by medical assistance.

(f) Medical assistance inpatient payment rates must include the cost incurred by hospitals to pay the department of health for metabolic disorder testing of newborns who are medical assistance recipients, if the cost is not recognized by another payment source.

(g) Medical assistance inpatient payments shall increase 20 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988, and December 31, 1990, if: (i) the hospital had 100 or fewer Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

(h) Medical assistance inpatient payments shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988, and December 31, 1990, if: (i) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

(i) Admissions occurring on or after July 1, 1990, that are classified to a diagnostic category of mental health or chemical dependency shall have rates established according to the methods of paragraph (a), clause (8), when a hold or commitment is ordered by the court for the days that inpatient hospital services are medically necessary. Stays which are medically necessary for inpatient hospital services and covered by medical assistance shall not be billable to any other governmental entity. Medical necessity shall be determined under criteria established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b).

Sec. 14. Minnesota Statutes 1989 Supplement, section 256.9695, subdivision 1, is amended to read:

Subdivision 1. [APPEALS.] A hospital may appeal a decision arising from the application of standards or methods under section

256.9685, 256.9686, or 256.969, if an appeal would result in a change to the hospital's payment rate or payments. Both overpayments and underpayments that result from the submission of appeals shall be implemented. Regardless of any appeal outcome, relative values shall not be recalculated. The appeal shall be heard by an administrative law judge according to sections 14.48 to 14.56, or upon agreement by both parties, according to a modified appeals procedure established by the commissioner and the office of administrative hearings. In any proceeding under this section, the appealing party must demonstrate by a preponderance of the evidence that the commissioner's determination is incorrect or not according to law.

(a) To appeal a payment rate or payment determination or a determination made from base year information, the hospital shall file a written appeal request to the commissioner within 60 days of the date the payment rate determination was mailed. The appeal request shall specify: (i) the disputed items; (ii) the authority in federal or state statute or rule upon which the hospital relies for each disputed item; and (iii) the name and address of the person to contact regarding the appeal. A change to a payment rate or payments that results from a successful appeal to the Medicare program of the base year information establishing rates for the rate year beginning in 1991 and after is a prospective adjustment to subsequent rate years. After December 31, 1990, payment rates shall not be adjusted for appeals of base year information that affect years prior to the rate year beginning January 1, 1991. Facts to be considered in any appeal of base year information are limited to those in existence at the time the payment rates of the first rate year were established from the base year information. In the case of Medicare settled appeals, the 60-day appeal period shall begin on the mailing date of the notice by the Medicare program or the date the medical assistance payment rate determination notice is mailed, whichever is later.

(b) To appeal a payment rate or payment change that results from a difference in case mix between the base year and a rate year, the procedures and requirements of paragraph (a) apply. However, the appeal must be filed with the commissioner within ~~60~~ 120 days after the end of a rate year. A case mix appeal must apply to the cost of services to all medical assistance patients that received inpatient services from the hospital during the rate year appealed. For this paragraph, hospital means a facility holding the provider number as an inpatient service facility.

Sec. 15. Minnesota Statutes 1989 Supplement, section 256.9695, subdivision 3, is amended to read:

Subd. 3. [TRANSITION.] Except as provided in section 256.969, subdivision 6a, paragraph (a), clause (3), the commissioner shall establish a transition period for the calculation of payment rates

from July 1, 1989, to December 31, 1990, as follows the implementation date of the upgrade to the Medicaid management information system.

During the transition period:

(a) Changes resulting from section 256.969, subdivision 6a, paragraph (a), clauses (1), (2), (4), (5), (6), and (8), shall not be implemented, except as provided in section 256.969, subdivision 6a, paragraph (a), clause (7), and paragraph (i).

(b) Rates established for hospital fiscal years beginning on or after July 1, 1989, shall not be adjusted for the one percent technology factor included in the hospital cost index. The beginning of the 1991 rate year shall be delayed and the rates notification requirement shall not be applicable.

(c) Operating payment rates shall be indexed from the hospital's most recent fiscal year ending prior to January 1, 1991, by prorating the hospital cost index methodology in effect on January 1, 1989. Payments made for admissions occurring on or after July June 1, 1990, shall not include be adjusted by the one percent technology factor included in the hospital cost index and the hospital cost index shall not exceed four percent. This hospital cost index limitation shall not apply to hospitals that meet the requirements of section 256.969, subdivision 6a, paragraphs (g) and (h).

(d) Property and pass-through payment rates shall be maintained at the most recent payment rate effective for June 1, 1990. However, all hospitals are subject to the hospital cost index limitation of subdivision 2c, for two complete fiscal years. Property and pass-through costs shall be retroactively settled through December 31, 1990 the transition period. The laws in effect on the day before July 1, 1989, apply to the retroactive settlement from July 1, 1989, to December 31, 1990.

Sec. 16. Minnesota Statutes 1988, section 256B.04, subdivision 15, is amended to read:

Subd. 15. [UTILIZATION REVIEW.] (1) Establish on a statewide basis a new program to safeguard against unnecessary or inappropriate use of medical assistance services, against excess payments, against unnecessary or inappropriate hospital admissions or lengths of stay, and against underutilization of services in prepaid health plans, long-term care facilities or any health care delivery system subject to fixed rate reimbursement. In implementing the program, the state agency shall utilize both prepayment and postpayment review systems to determine if utilization is reasonable and necessary. The determination of whether services are reasonable and necessary shall be made by the commissioner in consultation with a

professional services advisory group or health care consultant appointed by the commissioner.

(2) Contracts entered into for purposes of meeting the requirements of this subdivision shall not be subject to the set-aside provisions of chapter 16B.

(3) A recipient aggrieved by the commissioner's termination of services or denial of future services may appeal pursuant to section 256.045. A vendor aggrieved by the commissioner's determination that services provided were not reasonable or necessary may appeal pursuant to the contested case procedures of chapter 14. To appeal, the vendor shall notify the commissioner in writing within 30 days of receiving the commissioner's notice. The appeal request shall specify each disputed item, the reason for the dispute, an estimate of the dollar amount involved for each disputed item, the computation that the vendor believes is correct, the authority in statute or rule upon which the vendor relies for each disputed item, the name and address of the person or firm with whom contacts may be made regarding the appeal, and other information required by the commissioner.

(4) The commissioner may select providers to provide case management services to recipients who use health care services inappropriately or to recipients who are eligible for other managed care projects. The providers shall be selected based upon criteria that may include a comparison with a peer group of providers related to the quality, quantity, or cost of health care services delivered or a review of sanctions previously imposed by health care services programs or the provider's professional licensing board.

Sec. 17. Minnesota Statutes 1988, section 256B.04, subdivision 16, is amended to read:

Subd. 16. [PERSONAL CARE ASSISTANTS SERVICES.] (a) The commissioner shall adopt permanent rules to implement, administer, and operate the personal care assistant services program. The rules must incorporate the standards and requirements adopted by the commissioner of health under section 144A.45 which are applicable to the provision of personal care assistant program. Limits on the extent of personal care assistant services that may be provided to an individual must be based on the cost-effectiveness of the services in relation to the costs of inpatient hospital care, nursing home care, and other available types of care. The rules must provide, at a minimum:

(1) that agencies be selected to contract with or employ and train staff to provide and supervise the provision of personal care services;

(2) that agencies employ or contract with a qualified applicant

that a qualified recipient proposes to the agency as the recipient's choice of assistant;

(3) that agencies bill the medical assistance program for a personal care service by a personal care assistant and visits supervision by the registered nurse supervising the personal care assistant;

(4) that agencies establish a grievance mechanism; and

(5) that agencies have a quality assurance program.

(b) For personal care assistants under contract with an agency under paragraph (a), the provision of training and supervision by the agency does not create an employment relationship. The commissioner may waive the requirement for the provision of personal care services through an agency in a particular county, when there are less than two agencies providing services in that county.

Sec. 18. Minnesota Statutes 1988, section 256B.055, subdivision 3, is amended to read:

Subd. 3. [AFDC FAMILIES.] Medical assistance may be paid for a person who is eligible for or receiving, or who would be eligible for, except for excess income or assets, public assistance under the aid to families with dependent children program.

Sec. 19. Minnesota Statutes 1988, section 256B.055, subdivision 5, is amended to read:

Subd. 5. [PREGNANT WOMEN; DEPENDENT UNBORN CHILD.] Medical assistance may be paid for a pregnant woman, as certified in writing by a physician or nurse midwife who has written verification of a positive pregnancy test from a physician or licensed registered nurse, who meets the other eligibility criteria of this section and who would be categorically eligible for assistance under the aid to families with dependent children program if the child had been born and was living with the woman. For purposes of this subdivision, a woman is considered pregnant for 60 days postpartum.

Sec. 20. Minnesota Statutes 1988, section 256B.055, subdivision 6, is amended to read:

Subd. 6. [PREGNANT WOMEN; NEEDY UNBORN CHILD.] Medical assistance may be paid for a pregnant woman, as certified in writing by a physician or nurse midwife who has written verification of a positive pregnancy test from a physician or licensed registered nurse, who meets the other eligibility criteria of this section and whose unborn child would be eligible as a needy child

under subdivision 4h 10 if born and living with the woman. For purposes of this subdivision, a woman is considered pregnant for 60 days postpartum.

Sec. 21. Minnesota Statutes 1989 Supplement, section 256B.055, subdivision 7, is amended to read:

Subd. 7. [AGED, BLIND, OR DISABLED PERSONS.] Medical assistance may be paid for a person who meets the categorical eligibility requirements of the supplemental security income program and or, who would meet those requirements except for excess income or assets, and who meets the other eligibility requirements of this section. The methodology for calculating income must be the same methodology used for calculating income for the supplemental security income program except as specified otherwise by state or federal law, rule, or regulation.

Effective February 1, 1989, and to the extent allowed by federal law the commissioner shall deduct state and federal income taxes and federal insurance contributions act payments withheld from the individual's earned income in determining eligibility under this subdivision.

Sec. 22. Minnesota Statutes 1988, section 256B.055, subdivision 12, is amended to read:

Subd. 12. [DISABLED CHILDREN.] (a) A person is eligible for medical assistance if the person is under age 19 and qualifies as a disabled individual under United States Code, title 42, section 1382c(a), and would be eligible for medical assistance under the state plan if residing in a medical institution, and who requires a level of care provided in a hospital, skilled nursing facility, intermediate care facility, or intermediate care facility for persons with mental retardation or related conditions, for whom home care is appropriate, provided that the cost to medical assistance for home care services is not more than the amount that medical assistance would pay for appropriate institutional care.

(b) For purposes of this subdivision, "hospital" means an acute care institution as defined in section 144.696, subdivision 3, licensed pursuant to sections 144.50 to 144.58, which is appropriate if a person is technology dependent or has a chronic health condition which requires frequent intervention by a health care professional to avoid death.

(c) For purposes of this subdivision, "skilled nursing facility" and "intermediate care facility" means a facility which provides nursing care as defined in section 144A.01, subdivision 5, licensed pursuant to sections 144A.02 to 144A.10, which is appropriate if a person is in active restorative treatment; is in need of special treatments provided or supervised by a licensed nurse; or has unpredictable

episodes of active disease processes requiring immediate judgment by a licensed nurse.

(d) For purposes of this subdivision, "intermediate care facility for the mentally retarded" or "ICF/MR" means a program licensed to provide services to persons with mental retardation under section 252.28, and chapter 245A, and a physical plant licensed as a supervised living facility under chapter 144, which together are certified by the Minnesota department of health as meeting the standards in Code of Federal Regulations, title 42, part 483, for an intermediate care facility which provides services for persons with mental retardation or persons with related conditions who require 24-hour supervision and active treatment for medical, behavioral, or habilitation needs.

(e) For purposes of this subdivision, a hospital, skilled nursing facility, or intermediate care facility may be appropriate for persons who require 24-hour supervision because they exhibit suicidal or homicidal ideation or behavior, psychosomatic disorders or somatopsychic disorders that may become life threatening, severe socially unacceptable behavior associated with psychiatric disorder, psychosis or severe developmental problems requiring continuous skilled observation, or disabling symptoms that do not respond to office-centered outpatient treatment.

Sec. 23. Minnesota Statutes 1988, section 256B.056, is amended by adding a subdivision to read:

Subd. 1a. [INCOME AND ASSETS GENERALLY.] Unless specifically required by state law or rule or federal law or regulation, the methodologies used in counting income and assets to determine eligibility for medical assistance shall be as follows: (a) for persons whose eligibility category is based on blindness, disability, or age of 65 or more years, the methodologies for the supplemental security income program shall be used; and (b) for families and children, which includes all other eligibility categories, the methodologies for the aid to families with dependent children program under section 256.73 shall be used. For these purposes, a "methodology" does not include an asset or income standard, budgeting or accounting method, or method of determining effective dates.

Sec. 24. Minnesota Statutes 1988, section 256B.056, subdivision 2, is amended to read:

Subd. 2. [HOMESTEAD.] To be eligible for medical assistance, a person must not own, individually or together with the person's spouse, real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant or recipient as a primary place of residence, together with the contiguous land upon which it is situated. The homestead shall continue to be excluded for persons residing in a long-term care

facility if it is used as a primary residence by the spouse, minor child, or disabled child of any age. one of the following individuals:

(a) the spouse;

(b) a child under age 21;

(c) a child of any age who is blind or permanently and totally disabled as defined in the supplemental security income program;

(d) a sibling who has equity interest in the home and who resided in the home for at least one year immediately before the date of the person's admission to the facility; or

(e) a child of any age who resided in the home for at least two years immediately before the date of the person's admission to the facility, and who provided care to the person that permitted the person to reside at home rather than in an institution.

The homestead is also excluded for the first six calendar months of the person's stay in the long-term care facility. The person's equity in the homestead must be reduced to an amount within limits or excluded on another basis if the person remains in the long-term care facility for a period longer than six months. Real estate not used as a home may not be retained unless the property is not salable, the equity is \$6,000 or less and the income produced by the property is at least six percent of the equity, or the excess real property is exempted for a period of nine months if there is a good faith effort to sell the property and a legally binding agreement is signed to repay the amount of assistance issued during that nine months.

Sec. 25. Minnesota Statutes 1989 Supplement, section 256B.056, subdivision 3, is amended to read:

Subd. 3. [ASSET LIMITATIONS.] To be eligible for medical assistance, a person must not individually own more than \$3,000 in assets, or if a member of a household with two family members (husband and wife, or parent and child), the household must not own more than \$6,000 in assets, plus \$200 for each additional legal dependent. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. For residents of long-term care facilities, the accumulation of the clothing and personal needs allowance pursuant to section 256B.35 must also be reduced to the maximum at the time of the eligibility redetermination. The value of the items in paragraphs (a) to (i) are not considered in determining medical assistance eligibility.

(a) The homestead is not considered.

(b) Household goods and personal effects are not considered.

(c) Personal property used as a regular abode by the applicant or recipient is not considered.

(d) A lot in a burial plot for each member of the household is not considered.

(e) Capital and operating assets of a trade or business that the local agency determines are necessary to the person's ability to earn an income are not considered.

(f) For a period of six months, Insurance settlements to repair or replace damaged, destroyed, or stolen property are not considered to the same extent as in the related cash assistance programs.

(g) One motor vehicle that is licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e, and that is used primarily for the person's benefit is not considered.

To be excluded, the vehicle must have a market value of less than \$4,500; be necessary to obtain medically necessary health services; be necessary for employment; be modified for operation by or transportation of a handicapped person; or be necessary to perform essential daily tasks because of climate, terrain, distance, or similar factors. The equity value of other motor vehicles is counted against the asset limit.

(h) Life insurance policies and assets designated as burial expenses, according to the standards and restrictions of the supplemental security income (SSI) program.

(i) Other items ~~which may~~ be excluded by federal law are not considered.

Sec. 26. Minnesota Statutes 1989 Supplement, section 256B.056, subdivision 4, is amended to read:

Subd. 4. [INCOME.] To be eligible for medical assistance, a person must not have, or anticipate receiving, semiannual income in excess of 120 percent of the income standards by family size used in the aid to families with dependent children program, except that families and children may have an income up to 133 $\frac{1}{3}$ percent of the AFDC income standard. ~~Notwithstanding any laws or rules to the contrary,~~ In computing income to determine eligibility of persons who are not residents of long-term care facilities, the commissioner shall disregard increases in income as required by Public Law Numbers 94-566, section 503; 99-272; and 99-509.

Sec. 27. Minnesota Statutes 1988, section 256B.056, subdivision 7, is amended to read:

Subd. 7. [~~PERIOD OF INELIGIBILITY~~ ELIGIBILITY.] Eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

Sec. 28. Minnesota Statutes 1989 Supplement, section 256B.057, subdivision 1, is amended to read:

Subdivision 1. [PREGNANT WOMEN AND INFANTS.] An infant less than one year of age or a pregnant woman, ~~as certified in writing by a physician or nurse midwife who has written verification of a positive pregnancy test from a physician or licensed registered nurse,~~ is eligible for medical assistance if countable family income is equal to or less than 185 percent of the federal poverty guideline for the same family size. Eligibility for a pregnant woman or infant less than one year of age under this subdivision must be determined without regard to asset standards established in section 256B.056, subdivision 3. Adjustments in the income limits due to annual changes in the federal poverty guidelines shall be implemented the first day of July following publication of the changes.

Sec. 29. Minnesota Statutes 1989 Supplement, section 256B.057, subdivision 2, is amended to read:

Subd. 2. [CHILDREN.] A child one through ~~seven~~ five years of age in a family whose countable income is less than ~~100~~ 133 percent of the federal poverty guidelines for the same family size is eligible for medical assistance. ~~A child six through seven years of age who was born after September 30, 1983, in a family whose countable income is less than 100 percent of the federal poverty guideline for the same sized family is eligible for medical assistance.~~ Eligibility for children under this subdivision must be determined without regard to asset standards established in section 256B.056, subdivision 3. Adjustments in the income limits due to annual changes in the federal poverty guidelines shall be implemented the first day of July following publication of the changes.

Sec. 30. Minnesota Statutes 1989 Supplement, section 256B.057, is amended by adding a subdivision to read:

Subd. 4. [QUALIFIED WORKING DISABLED ADULTS.] A person who is entitled to Medicare Part A benefits under section 1818A of the Social Security Act; whose income does not exceed 200 percent of the federal poverty guidelines for the applicable family size; whose nonexempt assets do not exceed twice the maximum amount allowable under the supplemental security income program, according to family size; and who is not otherwise eligible for medical

assistance, is eligible for medical assistance reimbursement of the Medicare Part A premium. Adjustments in the income limits due to annual changes in the federal poverty guidelines shall be implemented the first day of July following publication of the changes.

Sec. 31. Minnesota Statutes 1989 Supplement, section 256B.057, is amended by adding a subdivision to read:

Subd. 5. [DISABLED ADULT CHILDREN.] A person who is at least 18 years old, who was eligible for supplemental security income benefits on the basis of blindness or disability, who became disabled or blind before he or she reached the age of 22, and who lost eligibility as a result of becoming entitled to a child's insurance benefits on or after July 1, 1987, under section 202(d) of the Social Security Act, or because of an increase in those benefits effective on or after July 1, 1987, is eligible for medical assistance as long as he or she would be entitled to supplemental security income in the absence of child's insurance benefits or increases in those benefits.

Sec. 32. Minnesota Statutes 1989 Supplement, section 256B.0575, is amended to read:

256B.0575 [AVAILABILITY OF INCOME FOR INSTITUTIONALIZED PERSONS.]

When an institutionalized person is determined eligible for medical assistance, the income that exceeds the deductions in paragraphs (a) and (b) must be applied to the cost of institutional care.

(a) The following amounts must be deducted from the institutionalized person's income in the following order:

- (1) the personal needs allowance under section 256B.35;
- (2) the personal allowance for disabled individuals under section 256B.36;
- (3) if the institutionalized person has a legally-appointed guardian or conservator, five percent of the recipient's gross monthly income up to \$100 as reimbursement for guardianship or conservatorship services;
- (4) a monthly income allowance determined under section 256B.058, subdivision 2, but only to the extent income of the institutionalized spouse is made available to the community spouse;
- (5) a monthly allowance for children under age 18 which, together with the net income of the children, would provide income equal to the medical assistance standard for a family size that includes only the minor children. This deduction applies only if the children do not

live with the community spouse, and only if the children resided with the institutionalized person immediately prior to admission;

(6) a monthly family allowance for other family members, equal to one-third of the difference between 122 percent of the federal poverty guidelines and the monthly income for that family member; and

(6) (7) amounts for reasonable expenses incurred for necessary medical or remedial care for the institutionalized spouse that are not medical assistance covered expenses and that are not subject to payment by a third party.

For purposes of clause (5) (6), other family member includes only minor or dependent children, dependent parents, or dependent siblings of the institutionalized or community spouse if the sibling resides with the community spouse. a person who resides with the community spouse and who is a minor or dependent child, dependent parent, or dependent sibling of either spouse. "Dependent" means a person who could be claimed as a dependent for federal income tax purposes under the Internal Revenue Code.

(b) Income shall be allocated to an institutionalized person for a period of up to three calendar months, in an amount equal to the medical assistance standard for a family size of one if:

(1) a physician certifies that the person is expected to reside in the long-term care facility for three calendar months or less;

(2) if the person has expenses of maintaining a residence in the community; and

(3) if one of the following circumstances apply:

(i) the person was not living together with a spouse or a family member as defined in paragraph (a) when the person entered a long-term care facility; or

(ii) the person and the person's spouse become institutionalized on the same date, in which case the allocation shall be applied to the income of one of the spouses.

For purposes of this paragraph, a person is determined to be residing in a licensed nursing home, regional treatment center, or medical institution if the person is expected to remain for a period of one full calendar month or more.

Sec. 33. Minnesota Statutes 1989 Supplement, section 256B.059, subdivision 4, is amended to read:

Subd. 4. [INCREASED COMMUNITY SPOUSE ASSET ALLOWANCE; WHEN ALLOWED.] (a) If either the institutionalized spouse or community spouse establishes that the community spouse asset allowance under subdivision 3 (in relation to the amount of income generated by such an allowance) is not sufficient to raise the community spouse's income to the minimum monthly maintenance needs allowance in section 256B.058, subdivision 2, paragraph (c), there shall be substituted for the amount allowed to be transferred an amount sufficient, when combined with the monthly income otherwise available to the spouse, to provide the minimum monthly maintenance needs allowance. A substitution under this paragraph may be made only if the assets of the couple have been arranged so that the maximum amount of income-producing assets, at the maximum rate of return, are available to the community spouse under the community spouse asset allowance. The maximum rate of return is the average rate of return available from the financial institution holding the asset, or a rate determined by the commissioner to be reasonable according to community standards, if the asset is not held by a financial institution.

(b) The community spouse asset allowance under subdivision 3 can be increased by court order or hearing that complies with the requirements of United States Code, title 42, section 1924.

Sec. 34. Minnesota Statutes 1989 Supplement, section 256B.059, subdivision 5, is amended to read:

Subd. 5. [ASSET AVAILABILITY.] (a) At the time of application for medical assistance benefits, assets considered available to the institutionalized spouse shall be the total value of all assets in which either spouse has an ownership interest, reduced by the greater of:

(1) \$12,000; or

(2) the lesser of the spousal share or \$60,000; or

(3) the amount required by court order to be paid to the community spouse. If the community spouse asset allowance has been increased under subdivision 4, then the assets considered available to the institutionalized spouse under this subdivision shall be further reduced by the value of additional amounts allowed under subdivision 4.

(b) An institutionalized spouse may be found eligible for medical assistance even though assets in excess of the allowable amount are found to be available under paragraph (a) if the assets are owned jointly or individually by the community spouse, and the institutionalized spouse cannot use those assets to pay for the cost of care without the consent of the community spouse, and if: (i) the institutionalized spouse assigns to the commissioner the right to support from the community spouse under section 256B.14, subdi-

vision 2; (ii) the institutionalized spouse lacks the ability to execute an assignment due to a physical or mental impairment; or (iii) the denial of eligibility would cause an imminent threat to the institutionalized spouse's health and well-being.

(c) After the month in which the institutionalized spouse is determined eligible for medical assistance, during the continuous period of institutionalization, no assets of the community spouse are considered available to the institutionalized spouse, unless the institutionalized spouse has been found eligible under clause (b).

(e) (d) For purposes of this section, assets do not include assets excluded under section 256B.056, without regard to the limitations on total value in that section.

Sec. 35. Minnesota Statutes 1989 Supplement, section 256B.0595, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED TRANSFERS.] If an institutionalized a person or the person's spouse has given away, sold, or disposed of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under section 256B.056, subdivision 3, within 30 months of before or any time after the date of institutionalization if the person has been determined eligible for medical assistance, or within 30 months of before or any time after the date of the first approved application for medical assistance if the person has not yet been determined eligible for medical assistance, the person is ineligible for long-term care services for the period of time determined under subdivision 2. For purposes of this section, long-term care services include nursing facility services, and home and community-based services provided pursuant to section 256B.491. For purposes of this subdivision and subdivisions 2, 3, and 4, "institutionalized person" includes a person who is an inpatient in a nursing facility, or who is receiving home and community-based services under section 256B.491.

Sec. 36. Minnesota Statutes 1989 Supplement, section 256B.0595, subdivision 2, is amended to read:

Subd. 2. [PERIOD OF INELIGIBILITY.] For any uncompensated transfer, the number of months of ineligibility for long-term care services shall be the lesser of 30 months, or the uncompensated transfer amount divided by the average medical assistance rate for nursing facility services in the state in effect on the date of application. The amount used to calculate the average medical assistance payment rate shall be adjusted each July 1 to reflect payment rates for the previous calendar year. The period of ineligibility begins with the month in which the assets were transferred. If the transfer was not reported to the local agency at the time of application, and the applicant received long-term care services during what would have been the period of ineligibility if the

transfer was reported, a cause of action exists against the transferee for the cost of long-term care services provided during the period of ineligibility, or for the uncompensated amount of the transfer, whichever is less. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G. The uncompensated transfer amount is the fair market value of the asset at the time it was given away, sold, or disposed of, less the amount of compensation received.

Sec. 37. Minnesota Statutes 1989 Supplement, section 256B.0595, subdivision 4, is amended to read:

Subd. 4. [OTHER EXCEPTIONS TO TRANSFER PROHIBITION.] An institutionalized person receiving medical assistance on the date of institutionalization who has transferred assets for less than fair market value within the 30 months immediately before the date of institutionalization or an institutionalized person who was not receiving medical assistance on the date of institutionalization and who has transferred assets for less than fair market value within 30 months immediately before the month of application who has made, or whose spouse has made a transfer prohibited by subdivision 1, is not ineligible for long-term care services if one of the following conditions apply:

(1) the assets were transferred to the community spouse, as defined in section 256B.059; or

(2) the institutionalized spouse, prior to being institutionalized, transferred assets to his or her spouse, provided that the spouse to whom the assets were transferred does not then transfer those assets to another person for less than fair market value. (At the time when one spouse is institutionalized, assets must be allocated between the spouses as provided under section 256B.059); or

(3) the assets were transferred to the individual's child who is blind or permanently and totally disabled as determined in the supplemental security income program; or

(4) a satisfactory showing is made that the individual intended to dispose of the assets either at fair market value or for other valuable consideration; or

(5) the local agency determines that denial of eligibility for long-term care services would work an undue hardship and grants a waiver of excess assets. When a waiver is granted, a cause of action exists against the person to whom the assets were transferred for that portion of long-term care services granted within 30 months of the transfer, or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under this chapter.

Sec. 38. Minnesota Statutes 1988, section 256B.0625, subdivision 4, is amended to read:

Subd. 4. [OUTPATIENT AND CLINIC SERVICES.] Medical assistance covers outpatient hospital or nonprofit community health clinic services or physician-directed clinic services. The physician-directed clinic staff shall include at least two physicians, one of whom is on the premises whenever the clinic is open, and all services shall be provided under the direct supervision of the a physician who is on the premises. Hospital outpatient departments are subject to the same limitations and reimbursements as other enrolled vendors for all services, except initial triage, emergency services, and services not provided or immediately available in clinics, physicians' offices, or by other enrolled providers. A second medical opinion is required before reimbursement for elective surgeries requiring a second opinion. The commissioner shall publish in the State Register a list of elective surgeries that require a second medical opinion before reimbursement and the criteria and standards for deciding whether an elective surgery should require a second surgical opinion. The list and the criteria and standards are not subject to the requirements of sections 14.01 to 14.69. The commissioner's decision whether a second medical opinion is required, made in accordance with rules governing that decision, is not subject to administrative appeal. "Emergency services" means those medical services required for the immediate diagnosis and treatment of medical conditions that, if not immediately diagnosed and treated, could lead to serious physical or mental disability or death or are necessary to alleviate severe pain. Neither the hospital, its employees, nor any physician or dentist, shall be liable in any action arising out of a determination not to render emergency services or care if reasonable care is exercised in determining the condition of the person, or in determining the appropriateness of the facilities, or the qualifications and availability of personnel to render these services consistent with this section.

Sec. 39. Minnesota Statutes 1988, section 256B.0625, subdivision 5, is amended to read:

Subd. 5. [COMMUNITY MENTAL HEALTH CENTER SERVICES.] Medical assistance covers community mental health center services, as defined in rules adopted by the commissioner pursuant to section 256B.04, subdivision 2, and provided by a community mental health center as defined in section 245.62, subdivision 2.

Sec. 40. Minnesota Statutes 1988, section 256B.0625, is amended by adding a subdivision to read:

Subd. 8a. [OCCUPATIONAL THERAPY.] Medical assistance covers occupational therapy and related services.

Sec. 41. Minnesota Statutes 1988, section 256B.0625, subdivision 9, is amended to read:

Subd. 9. [DENTAL SERVICES.] Medical assistance covers dental services, ~~excluding cast metal restorations.~~ Dental services include, with prior authorization, fixed cast metal restorations that are cost-effective for persons who cannot use removable dentures because of their medical condition.

Sec. 42. Minnesota Statutes 1989 Supplement, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. [DRUGS.] (a) Medical assistance covers drugs if prescribed by a licensed practitioner. The commissioner shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two-year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. Prior authorization may be required by the commissioner, with the consent of the drug formulary committee, before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, and vitamins for children under the age of seven and pregnant or nursing women; or any other over-the-counter drug identified by the commissioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the administrative procedure act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring

a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and the commissioner's determination shall not be subject to chapter 14, the administrative procedure act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

(b) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug may be estimated by the commissioner. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of \$.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the manufacturer's unopened package. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2. Implementation of any change in the fixed dispensing fee that has not been subject to the administrative procedure act is limited to not more than 180 days, unless, during that time, the commissioner initiates rulemaking through the administrative procedure act.

Sec. 43. Minnesota Statutes 1988, section 256B.0625, is amended by adding a subdivision to read:

Subd. 28. [CERTIFIED PEDIATRIC OR FAMILY NURSE PRACTITIONER SERVICES.] Medical assistance covers services performed by a certified pediatric nurse practitioner or a certified family nurse practitioner in independent practice, if the services are otherwise covered under this chapter as a physician service, and if the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171.

Sec. 44. Minnesota Statutes 1988, section 256B.0625, is amended by adding a subdivision to read:

Subd. 29. [PUBLIC HEALTH NURSING CLINIC SERVICES.] Medical assistance covers the services of a certified public health nurse practicing in a public health nursing clinic that is a department of, or that operates under the direct authority of a unit of government, if the service is within the scope of practice of the public health nurse's license as a registered nurse, as defined in section 148.171.

Sec. 45. Minnesota Statutes 1988, section 256B.0625, is amended by adding a subdivision to read:

Subd. 30. [OTHER CLINIC SERVICES.] Medical assistance covers rural health clinic, federally qualified health center, and non-profit community health clinic services. Rural health clinic services and federally qualified health center services mean services defined in United States Code, title 42, section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified health center services shall be made according to applicable federal law and regulation.

Sec. 46. [256B.0627] [COVERED SERVICE; HOME CARE SERVICES.]

Subdivision 1. [DEFINITION.] "Home care services" means a medically necessary health service that is ordered by a physician and documented in a plan of care that is reviewed and revised as medically necessary by the physician at least once every 60 days. Home care services include personal care and nursing supervision of personal care services which is reviewed and revised as medically necessary by the physician at least once every 365 days. Home care services are provided to the recipient at the recipient's residence that is a place other than a hospital or long-term care facility.

Subd. 2. [SERVICES COVERED.] Home care services covered under this section include:

- (1) nursing services;
- (2) private duty nursing services;

- (3) home health aide services;
- (4) personal care services; and
- (5) nursing supervision of personal care services.

Subd. 3. [PRIVATE DUTY NURSING SERVICES; WHO MAY PROVIDE.] Private duty nursing services may be provided by a registered nurse or licensed practical nurse who is not the recipient's spouse, legal guardian, or parent of a minor child.

Subd. 4. [PERSONAL CARE SERVICES.] (a) Personal care services may be provided by a qualified individual who is not the recipient's spouse, legal guardian, or parent of a minor child.

(b) The personal care services that are eligible for payment are the following:

- (1) bowel and bladder care;
- (2) skin care to maintain the health of the skin;
- (3) range of motion exercises;
- (4) respiratory assistance;
- (5) transfers;
- (6) bathing, grooming, and hairwashing necessary for personal hygiene;
- (7) turning and positioning;
- (8) assistance with furnishing medication that is normally self-administered;
- (9) application and maintenance of prosthetics and orthotics;
- (10) cleaning medical equipment;
- (11) dressing or undressing;
- (12) assistance with food, nutrition, and diet activities;
- (13) accompanying a recipient to obtain medical diagnosis or treatment;
- (14) services provided for the recipient's personal health and safety;

(15) helping the recipient to complete daily living skills such as personal and oral hygiene and medication schedules; and

(16) incidental household services that are an integral part of a personal care service described in items (1) to (15).

(c) The personal care services that are not eligible for payment are the following:

(1) personal care services that are not in the plan of care developed by the supervising registered nurse in consultation with the personal care assistants and the recipient or family of the recipient;

(2) services that are not supervised by the registered nurse;

(3) services provided by the recipient's spouse, legal guardian, or parent of a minor child;

(4) sterile procedures; and

(5) injections of fluids into veins, muscles, or skin.

Subd. 5. [LIMITATION ON PAYMENTS.] Medical assistance payments for home care services shall be limited according to paragraphs (a) to (e).

(a) [EXEMPTION FROM PAYMENT LIMITATIONS.] The level, or the number of hours or visits of a specific service, of home health care services to a recipient that began before and is continued without increase on or after December 1987 shall be exempt from the payment limitations of this section, as long as the services are medically necessary.

(b) [LEVEL I HOME CARE.] For all new cases after December 1987, medically necessary home care services up to \$800 may be provided in a calendar month.

If the services in the recipient's home care plan will exceed the \$800 threshold for 30 days or less, the medically necessary services may be provided.

(c) [LEVEL II HOME CARE.] If the services in the recipient's home care plan will exceed \$800 for more than 30 days, a public health nurse from the local preadmission screening team shall determine the recipient's maximum level of home care according to this paragraph.

(1) The local preadmission screening team shall base its determination of the recipient's maximum level of care on the need and eligibility of the recipient for one of the following placements:

(i) residential facility for persons with mental retardation or related conditions operated under section 256B.501;

(ii) inpatient hospital care for a ventilator-dependent recipient. "Ventilator dependent" means an individual who receives mechanical ventilation for life support at least six hours per day and is expected to or has been dependent for at least 30 consecutive days; or

(iii) all other recipients not appropriate for one of the above placements.

(2) If the recipient is eligible under clause (1)(i), the monthly medical assistance reimbursement for home care services shall not exceed the total monthly statewide average payment rate for residential facilities for children or adults with mental retardation or related conditions appropriate for the recipient's age and level of self-preservation as determined according to Minnesota Rules, parts 9553.0010 to 9553.0080.

(3) If the recipient is eligible under clause (1)(ii), the monthly medical assistance reimbursement for home care services shall not exceed the monthly cost of care at Bethesda Respiratory Hospital. For purposes of this clause, home care services means all services provided in the home that would be included in the payment for care at Bethesda Respiratory Hospital.

(4) If the recipient is not eligible under either clause (1)(i) or (1)(ii), the monthly medical assistance reimbursement for home care services shall not exceed the total monthly statewide average payment for the case mix classification most appropriate to the recipient. The case mix classification is established under section 256B.431.

(5) The determination of the recipient's maximum level of home care by the public health nurse is called a home care cost assessment. The home care cost assessment must be requested by the home care provider before the end of the first 30 days of provided service and must be conducted by the public health nurse within ten working days following request.

(6) A home care provider shall request a new home care cost assessment when the needs of the individual have changed enough to require that a revised care plan be implemented that will increase costs beyond what was authorized by the previous home care cost assessment and the change is anticipated to last for more than 30 days. The home care provider must request the home care cost assessment before the end of the first 30 days of provided service. Whenever a home care cost assessment is completed, the public health nurse that completes the home care cost assessment, in consultation with the home care provider, shall determine the time

period for which a home care cost assessment shall remain valid. If the recipient continues to require home care services beyond the limited duration of the home care cost assessment, the home care provider must request a reassessment through the home care cost assessment process described above. Under no circumstances shall a home care cost assessment be valid for more than 12 months.

(7) Reimbursement for the home care cost assessment shall be made through the Medicaid administrative authority. The state shall pay the nonfederal share.

(d) [LEVEL III HOME CARE.] If the home care provider determines that the recipient's needs exceed the amount authorized for the appropriate level of care as determined in paragraph (c), the home care provider may refer the case to the department for a level III determination. Based on the client needs, physician orders, diagnosis, condition, and plan of care, the department may give prior authorization for care that exceeds level II described in paragraph (c). The amount authorized shall not exceed the maximum cost for the appropriate level of care as determined in paragraph (c), clause (1), which will be the maximum ICF/MR rate for intermediate care facilities for persons with mental retardation or related conditions, or the maximum nursing home case mix payment, or the highest hospital cost for the state.

The department has 30 days from receipt of the request to complete the level III determination, during which time it may authorize the higher level while reviewing the case.

Case reviews or authorization of home care services in levels II and III may result in assignment of a case manager.

(e) [PRIOR AUTHORIZATION REQUIRED IN FOSTER CARE SETTING.] Any home care service provided in an adult or child foster care setting must receive prior authorization by the department.

Subd. 6. [RECOVERY OF EXCESSIVE PAYMENTS.] The commissioner shall seek monetary recovery of payments from providers made for services which exceed the limits established in this section.

Sec. 47. [256B.0629] [ADVISORY COMMITTEE ON ORGAN AND TISSUE TRANSPLANTS.]

Subdivision 1. [CREATION AND MEMBERSHIP.] By July 1, 1990, the commissioner shall appoint and convene a 12 member advisory committee to provide advice and recommendations to the commissioner concerning the eligibility of organ and tissue transplant procedures for reimbursement by medical assistance and general assistance medical care. The committee must include rep-

representatives of the transplant provider community, hospitals, patient recipient groups or organizations, the department of human services, the department of finance, and the department of health, and persons with expertise in ethics, law, and economics. The terms and removal of members shall be governed by section 15.059. Members shall not receive per diems but shall be compensated for expenses. The advisory committee does not expire as provided in section 15.059, subdivision 6.

Subd. 2. [FUNCTION AND OBJECTIVES.] The advisory committee shall meet at least twice a year. The committee's activities include, but are not limited to:

(1) collection of information on the efficacy and experience of various forms of transplantation not approved by medicare;

(2) collection of information from Minnesota transplant providers on available services, success rates, and the current status of transplant activity in the state;

(3) development of guidelines for determining when and under what conditions, organ and tissue transplants not approved by medicare should be eligible for reimbursement by medical assistance and general assistance medical care;

(4) providing recommendations, at least annually, to the commissioner on: (i) organ and tissue transplant procedures, beyond those approved by medicare, that should also be eligible for reimbursement under medical assistance and general assistance medical care; and (ii) which transplant centers should be eligible for reimbursement from medical assistance and general assistance medical care.

Subd. 3. [ANNUAL REPORT.] The advisory committee shall present an annual report to the commissioner and the chairs of the health and human services appropriations divisions of the house appropriations committee and the senate finance committee by January 1 of each year on the findings and recommendations of the committee.

Subd. 4. [RESPONSIBILITIES OF THE COMMISSIONER.] The commissioner shall, at least annually:

(1) Develop and publish criteria governing the eligibility of organ and tissue transplant procedures for reimbursement from medical assistance and general assistance medical care. Procedures approved by medicare are automatically eligible for medical assistance and general assistance medical care reimbursement.

(2) Develop and publish criteria certifying transplant centers within and outside of Minnesota where Minnesotans receiving

medical assistance and general assistance medical care may obtain transplants.

Sec. 48. [256B.0643] [VENDOR REQUEST FOR CONTESTED CASE PROCEEDING.]

Unless otherwise provided by law, a vendor of medical care, as defined in section 256B.02, subdivision 7, must use this procedure to request a contested case, as defined in section 14.02, subdivision 3. A request for a contested case must be filed with the commissioner in writing within 30 days after the date the notification of an action or determination was mailed. The appeal request must specify:

- (1) each disputed action or item;
- (2) the reason for the dispute;
- (3) an estimate of the dollar amount involved, if any, for each disputed item;
- (4) the computation or other disposition that the appealing party believes is correct;
- (5) the authority in statute or rule upon which the appealing party relies for each disputed item;
- (6) the name and address of the person or firm with whom contacts may be made regarding the appeal; and
- (7) other information required by the commissioner.

Nothing in this section shall be construed to create a right to an administrative appeal or contested case proceeding.

Sec. 49. Minnesota Statutes 1988, section 256B.091, subdivision 4, is amended to read:

Subd. 4. [SCREENING OF PERSONS.] Prior to nursing home or boarding care home admission, screening teams shall assess the needs of all applicants, except (1) patients transferred from other certified nursing homes or boarding care homes; (2) patients who, having entered acute care facilities from nursing homes or boarding care homes, are returning to a nursing home or boarding care home; (3) persons entering a facility described in section 256B.431, subdivision 4, paragraph (e) individuals who are screened by another state within three months before admission to a Minnesota nursing home; (4) individuals not eligible for medical assistance whose length of stay is expected to be 30 days or less based on a physician's certification, if the facility notifies the screening team upon admission and provides an update to the screening team on the 30th day after admission; (5) individuals who have a contractual right to have

their nursing home care paid for indefinitely by the veteran's administration; or (6) persons entering a facility conducted by and for the adherents of a recognized church or religious denomination for the purpose of providing care and services for those who depend upon spiritual means, through prayer alone, for healing. The total screening cost for each county for applicants and residents of nursing homes who request a screening must be paid monthly by nursing homes and boarding care homes participating in the medical assistance program in the county. The monthly amount to be paid by each nursing home and boarding care home for fiscal year 1991 must be determined by dividing the county's estimate of the total annual cost of screenings allowed by the commissioner in the county for the following rate year by 12 to determine the monthly cost estimate and allocating the monthly cost estimate to each nursing home and boarding care home based on the number of licensed beds in the nursing home or boarding care home. The 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 rulemaking an annual adjustment of the state maximum screening rate. The monthly cost estimate for each nursing home or boarding care home must be submitted to the nursing home or boarding care home and the state by the county no later than February 15 of each year for inclusion in the nursing home's or boarding care home's payment rate on the following rate year. The commissioner shall include the reported annual estimated cost of screenings for each nursing home or boarding care home as an operating cost of that nursing home in accordance with section 256B.431, subdivision 2b, clause (g). For all individuals regardless of payment source, if delay of screening timelines are not met because a county is late in screening an individual who meets the delay of screening criteria, the county is solely responsible for paying the cost of the preadmission screening. If in more than ten percent of the total number of screenings performed by a county in a fiscal year for all individuals regardless of payment source, the screening timelines were not met because a county was late in screening the individual, the county is solely responsible for paying the cost of those delayed screenings that exceed ten percent. Notwithstanding section 256B.0641, overpayments attributable to payment of the screening costs under the medical assistance program may not be recovered from a facility. Any other interested person may be screened under this subdivision if the person pays a fee for the screening based upon a sliding fee scale determined by the commissioner.

Sec. 50. Minnesota Statutes 1988, section 256B.091, subdivision 6, is amended to read:

Subd. 6. [REIMBURSEMENT.] The commissioner of human services shall amend the Minnesota medical assistance plan to include reimbursement for the local screening teams. Medical assistance

reimbursement shall not be provided for any recipient placed in a nursing home in opposition to the screening team's recommendation after January 1, 1981; provided, however, the commissioner shall not deny reimbursement for (1) an individual admitted to a nursing home or boarding care home who is assessed to need long-term supportive services if long-term supportive services other than nursing home care are not available in that community; (2) any eligible individual placed in the nursing home or boarding care home pending an appeal of the preadmission screening team's decision; (3) any eligible individual placed in the nursing home or boarding care home by a physician in an emergency situation and where the screening team has not made a decision within five working days of its initial contact; or (4) any medical assistance recipient when, after full discussion of all appropriate alternatives including those that are expected to be less costly than care in a nursing home or boarding care home, the individual or the individual's legal representative insists on nursing home or boarding care home placement. Medical assistance reimbursement for nursing homes shall not be provided for any recipient who the team has determined does not meet the level of care criteria for nursing home placement. The screening team shall provide documentation that the most cost effective alternatives available were offered to this individual or the individual's legal representative.

Sec. 51. Minnesota Statutes 1989 Supplement, section 256B.091, subdivision 8, is amended to read:

Subd. 8. [ALTERNATIVE CARE GRANTS.] (a) The commissioner shall provide ~~grants funds~~ to counties participating in the program to pay costs of providing alternative care to individuals screened under subdivision 4 and nursing home or boarding care home residents who request a screening.

(b) Prior to July of each year, the commissioner shall allocate state funds available for alternative care grants to each local agency. ~~This allocation must be made as follows: half of the state funds available for alternative care grants must be allocated to each county according to the total number of adults in that county who are recipients age 65 or older who are reported to the department by March 1 of each state fiscal year and half of the state funds available for alternative care grants must be allocated to a county according to that county's number of Medicare enrollments age 65 or older for the most recent statistical report.~~

(c) For fiscal year 1991 only, the appropriation shall be distributed as specified in paragraphs (1) and (2).

(1) Sufficient state funds shall be set aside for payment for unreimbursed services provided prior to April 1, 1990, as billed by each county by June 1, 1990.

(2) The remainder of the state funds available for alternative care grants must be allocated to each county in the same proportion as each county's share of the actual payments made plus claims submitted for services rendered in the base year. 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. This allocation will include the state share for medical assistance recipients as well as the state share for those who would be eligible within 180 days after nursing home admission. No reallocation between counties will be made. The county agency shall not be reimbursed for services which exceed the county allocation. To receive reimbursement for persons who are eligible within 180 days, the county must submit invoices within 90 days following the date of service. The number of medical assistance waiver recipients which each county may serve is allocated according to the number of open medical assistance waiver cases on July 1, 1990. Additional recipients may be served with the approval of the commissioner. These additional recipients must be served within the county's allocation.

(d) The alternative care grant appropriation for fiscal years 1992 and beyond shall cover only individuals who would be eligible for medical assistance within 180 days after admission to a nursing home. The commissioner shall allocate state funds available for alternative care grants to each county agency. The allocation must be made as follows: the state funds available for alternative care grants, up to the amount of the previous year's allocation increased by the percentage for rates in Minnesota Rules, part 9505.2490, must be allocated to each county in the same proportion as the previous year's allocation. If the appropriation is less than the previous year's allocation plus inflation, it shall be prorated according to the county's share of the formula. Any funds appropriated in excess of the previous year's allocation plus inflation shall be allocated to county agencies, by methodologies that target funds for programs designed to reduce premature nursing home placements and promote cost-effective alternatives to increasing nursing home beds and nursing home utilization. The additional allocation to counties will become part of the allocation base. The commissioner shall appoint a work group including county and senior representatives to assist in developing criteria for allocating funds which may include identifying special target populations, geographic areas, or projects. No reallocation between counties shall be made. The county agency shall not be reimbursed for services which exceed the county allocation. To receive reimbursement, the county must submit invoices within 90 days following the date of service. The number of medical assistance waiver recipients which a county may serve must be allocated according to the number of open medical assistance waiver cases on July 1 of each fiscal year. Additional recipients may be served with the approval of the commissioner.

(e) The commissioner is directed to conduct a review of the preadmission screening program and alternative care grant program including screening requirements, screening reimbursement, program effectiveness, eligibility criteria for alternative care, accessibility to services, copayment and sliding fee issues, county utilization, rates for services, the payment system, funding and forecasting issues, administrative requirements, incentives for innovation, improved consistency with the community assistance for disabled individuals program and medical assistance home care services, and the allocation formula. In conducting this review, special attention should be given to ways to reduce or minimize administrative and program requirements and associated county costs. The commissioner shall appoint a work group including county and senior citizen representatives to assist in the program review. The commissioner must present a report on the findings of the review and recommendations for change to the legislature by February 15, 1991.

(f) Payment is available under this subdivision only for individuals (1) for whom the screening team would recommend nursing home or boarding care home admission, or continued stay if alternative care were not available; (2) who are receiving medical assistance or who would be eligible for medical assistance within 180 days of admission to a nursing home; (3) who need services that are not available at that time in the county through other public assistance; and (4) who are age 65 or older.

(g) The commissioner shall establish by rule, in accordance with chapter 14, procedures for determining grant reallocations, limits on the rates for payment of approved services, including screenings, and submittal and approval of a biennial county plan for the administration of the preadmission screening and alternative care grants program.

(h) Grants may be used for payment of costs of providing care-related supplies, equipment, and the following services such as, but not limited to: adult foster care for elderly persons, adult day care whether or not offered through a nursing home, nutritional counseling, or medical social services, which, home health aide, home-maker, personal care, case management, and respite care. These services are must be provided by a licensed health care provider, a home health service eligible for reimbursement under Titles XVIII and XIX of the federal Social Security Act, or by persons employed by or contracted with by the county board or the local welfare agency.

(i) The county agency shall ensure that a plan of care is established for each individual in accordance with subdivision 3, clause (e)(2), and that a client's service needs and eligibility is reassessed at least every six months. The plan shall include any services prescribed by the individual's attending physician as necessary and

follow up services as necessary. The county agency shall provide documentation to the commissioner verifying that the individual's alternative care is not available at that time through any other public assistance or service program and shall provide documentation in each individual's plan of care and to the commissioner that the most cost-effective alternatives available have been offered to the individual and that the individual was free to choose among available qualified providers, both public and private. The county agency shall document to the commissioner that the agency made reasonable efforts to inform potential providers of the anticipated need for services under the alternative care grants program, including a minimum of 14 days written advance notice of the opportunity to be selected as a service provider and an annual public meeting with providers to explain and review the criteria for selection, and that the agency allowed potential providers an opportunity to be selected to contract with the county board. Grants to counties under this subdivision are subject to audit by the commissioner for fiscal and utilization control.

(j) The county must select providers for contracts or agreements using the following criteria and other criteria established by the county:

- (1) the need for the particular services offered by the provider;
- (2) the population to be served, including the number of clients, the length of time services will be provided, and the medical condition of clients;
- (3) the geographic area to be served;
- (4) quality assurance methods, including appropriate licensure, certification, or standards, and supervision of employees when needed;
- (5) rates for each service and unit of service exclusive of county administrative costs;
- (6) evaluation of services previously delivered by the provider; and
- (7) contract or agreement conditions, including billing requirements, cancellation, and indemnification.

(k) The county must evaluate its own agency services under the criteria established for other providers. The county shall provide a written statement of the reasons for not selecting providers.

(l) The commissioner shall establish a sliding fee schedule for requiring payment for the cost of providing services under this subdivision to persons who are eligible for the services but who are

not yet eligible for medical assistance. The sliding fee schedule is not subject to chapter 14 but the commissioner shall publish the schedule and any later changes in the State Register and allow a period of 20 working days from the publication date for interested persons to comment before adopting the sliding fee schedule in final forms.

(m) The commissioner shall apply for a waiver for federal financial participation to expand the availability of services under this subdivision. Waivered services provided to medical assistance recipients must comply with the same criteria as defined in this section and in the approved waiver. Reimbursement for the medical assistance recipients shall be made from the regular medical assistance account. The commissioner shall provide grants to counties from the nonfederal share, unless the commissioner obtains a federal waiver for medical assistance payments, of medical assistance appropriations. A county agency may use grant money to supplement but not supplant services available through other public assistance or service programs and shall not use grant money to establish new programs for which public money is available through sources other than grants provided under this subdivision. A county agency shall not use grant money to provide care under this subdivision to an individual if the anticipated cost of providing this care would exceed the average payment, as determined by the commissioner, for the level of care that the recipient would receive if placed in a nursing home or boarding care home. The nonfederal share may be used to pay up to 90 percent of the start-up and service delivery costs of providing care under this subdivision. The state share of the nonfederal portion of costs shall be 90 percent and the county share shall be ten percent. Each county agency that receives a grant shall pay ten percent of the costs for persons who are eligible for the services but who are not yet eligible for medical assistance.

(n) Beginning July 1, 1991, the state will reimburse counties according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision from January 1, 1991, on, for individuals who are receiving medical assistance.

(o) Beginning July 1, 1991, the state will reimburse counties, up to the limit of state appropriations, according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision from January 1, 1991, on, for individuals who would be eligible for medical assistance within 180 days of admission to a nursing home.

(p) The commissioner shall promulgate emergency rules in accordance with sections 14.29 to 14.36, to establish required documentation and reporting of care delivered.

Sec. 52. Minnesota Statutes 1989 Supplement, section 256B.14, is amended to read:

256B.14 [RELATIVE'S RESPONSIBILITY.]

Subdivision 1. [IN GENERAL.] Subject to the provisions of sections 256B.055, 256B.056, and 256B.06, responsible relative means the parent of a minor recipient of medical assistance or the spouse of a medical assistance recipient.

Subd. 2. [ACTIONS TO OBTAIN PAYMENT.] The state agency shall promulgate rules to determine the ability of responsible relatives to contribute partial or complete payment or repayment of medical assistance furnished to recipients for whom they are responsible. These rules shall not require payment or repayment when payment would cause undue hardship to the responsible relative or that relative's immediate family. These rules shall be consistent with the requirements of section 252.27, subdivision 2, for parents of children whose eligibility for medical assistance was determined without deeming of the parents' resources and income. For parents of children receiving services under a federal medical assistance waiver or under section 134 of the Tax Equity and Fiscal Responsibility Act of 1982, United States Code, title 42, section 1396a(e)(3), while living in their natural home, including in-home family support services, respite care, homemaker services, and minor adaptations to the home, the state agency shall take into account the room, board, and services provided by the parents in determining the parental contribution to the cost of care. The county agency shall give the responsible relative notice of the amount of the payment or repayment within 30 days of the date of the notice of the person's eligibility. If the state agency or county agency finds that notice of the payment obligation was given to the responsible relative, but that the relative failed or refused to pay, a cause of action exists against the responsible relative for that portion of medical assistance granted after notice was given to the responsible relative, which the relative was determined to be able to pay.

The action may be brought by the state agency or the county agency in the county where assistance was granted, for the assistance, together with the costs of disbursements incurred due to the action.

In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing contributions by a responsible relative found able to repay the county or state agency. The order shall be effective only for the period of time during which the recipient receives medical assistance from the county or state agency.

Subd. 3. [COMMUNITY SPOUSE CONTRIBUTION.] The community spouse of an institutionalized person who receives medical assistance under section 256B.059, subdivision 5, paragraph (b), has an obligation to pay for the cost of care equal to the dollar value of

assets considered available under section 256B.059, subdivision 5, paragraph (a).

Subd. 4. [APPEALS.] A responsible relative may appeal the determination of an obligation to make a contribution under this section, according to section 256.045.

Sec. 53. Minnesota Statutes 1988, section 256B.15, is amended to read:

256B.15 [CLAIMS AGAINST ESTATES.]

Subdivision 1. [ESTATES SUBJECT TO CLAIMS.] If a person receives any medical assistance hereunder, on the person's death, if single, or on the death of the survivor of a married couple, either or both of whom received medical assistance, and only when there is no surviving child who is under 21 or is blind or totally disabled, the total amount paid for medical assistance rendered for the person and spouse, after age 65, without interest, shall be filed as a claim against the estate of the person or the estate of the surviving spouse in the court having jurisdiction to probate the estate.

A claim against the estate of a surviving spouse who did not receive medical assistance, for medical assistance rendered for the predeceased spouse, is limited to the value of the assets of the estate that were marital property or jointly owned property at any time during the marriage. A claim shall be filed if medical assistance was rendered for either or both persons under one of the following circumstances:

(a) the person was over 65 years of age; or

(b) the person resided in a medical institution for six months or longer and, at the time of institutionalization or application for medical assistance, whichever is later, the person could not have reasonably been expected to be discharged and returned home, as certified in writing by the person's treating physician. For purposes of this section only, a "medical institution" means a skilled nursing facility, intermediate care facility, intermediate care facility for persons with mental retardation, nursing facility, or inpatient hospital.

The claim shall be considered an expense of the last illness of the decedent for the purpose of section 524.3-805. Any statute of limitations that purports to limit any county agency or the state agency, or both, to recover for medical assistance granted hereunder shall not apply to any claim made hereunder for reimbursement for any medical assistance granted hereunder. Counties are entitled to one-half of the nonfederal share of medical assistance collections from estates that are directly attributable to county effort.

Subd. 2. [LIMITATIONS ON CLAIMS.] The claim shall include only the total amount of medical assistance rendered after age 65 or during a period of institutionalization described in subdivision 1, clause (b), and shall not include interest. A claim against the estate of a surviving spouse who did not receive medical assistance, for medical assistance rendered for the predeceased spouse, is limited to the value of the assets of the estate that were marital property or jointly owned property at any time during the marriage.

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:

(a) a sibling who resided in the decedent medical assistance recipient's home at least one year before the decedent's institutionalization and continuously since the date of institutionalization; or

(b) a son or daughter who resided in the decedent medical assistance recipient's home for at least two years immediately before the parent's institutionalization and continuously since the date of institutionalization, and who establishes by a preponderance of the evidence that he or she provided care to the parent who received medical assistance, the care was provided before institutionalization, and the care permitted the parent to reside at home rather than in an institution.

Sec. 54. Minnesota Statutes 1988, section 256B.19, is amended by adding a subdivision to read:

Subd. 2b. [PILOT PROJECT REIMBURSEMENT.] In counties where a demonstration or pilot project is operated under the medical assistance program, the state may pay 100 percent of the administrative costs for the demonstration or pilot project after June 30, 1990. Reimbursement for these costs is subject to section 256.025.

Sec. 55. Minnesota Statutes 1988, section 256B.431, is amended by adding a subdivision to read:

Subd. 2l. [INFLATION ADJUSTMENTS AFTER JULY 1, 1990.] For rate years beginning on or after July 1, 1990, the forecasted composite price index for a nursing home's allowable operating cost

per diems shall be determined using Data Resources, Inc., forecast for change in the Nursing Home Market Basket. The commissioner of human services shall use the indices as forecasted by Data Resources, Inc., in the fourth quarter of the calendar year preceding the rate year.

Sec. 56. Minnesota Statutes 1988, section 256B.431, subdivision 3e, is amended to read:

Subd. 3e. [HOSPITAL-ATTACHED CONVALESCENT AND NURSING CARE FACILITIES.] If a community-operated hospital and attached convalescent and nursing care facility suspend operation of the hospital, or a nonprofit hospital and attached convalescent and nursing care facility suspend operation of the hospital on July 31, 1989, the surviving nursing care facility must be allowed to continue its status as a hospital-attached convalescent and nursing care facility for reimbursement purposes in three subsequent rate years.

Sec. 57. Minnesota Statutes 1989 Supplement, section 256B.431, subdivision 3g, is amended to read:

Subd. 3g. [PROPERTY COSTS AFTER JULY 1, 1990, FOR CERTAIN FACILITIES.] (a) For rate years beginning on or after July 1, 1990, nursing homes that, on or after January 1, 1976, but prior to January 1, 1987, were newly licensed after new construction, or increased their licensed beds by a minimum of 35 percent through new construction, and whose building capital allowance is less than their allowable annual principal and interest on allowable debt prior to the application of the replacement-cost-new per bed limit and whose remaining weighted average debt amortization schedule as of January 1, 1988, exceeded 15 years, must receive a property-related payment rate equal to the greater of their rental per diem or their annual allowable principal and allowable interest without application of the replacement-cost-new per bed limit, divided by their capacity days as determined under Minnesota Rules, part 9549.0060, subpart 11, as modified by subdivision 3f, paragraph (c), for the preceding reporting year, plus their equipment allowance. A nursing home that is eligible for a property-related payment rate under this subdivision and whose property-related payment rate in a subsequent rate year is its rental per diem must continue to have its property-related payment rates established for all future rate years based on the rental reimbursement method in Minnesota Rules, part 9549.0060.

The commissioner may require the nursing home to apply for refinancing as a condition of receiving special rate treatment under this subdivision.

(b) If a nursing home is eligible for a property-related payment rate under this subdivision, and the nursing home's debt is refi-

nanced after ~~October~~ January 1, 1988 1985, the provisions in paragraphs (1) to (7) also apply to the property-related payment rate for rate years beginning on or after July 1, 1990.

(1) A nursing home's refinancing must not include debts with balloon payments.

(2) If the issuance costs, including issuance costs on the debt refinanced, are financed as part of the refinancing, the historical cost of capital assets limit in Minnesota Rules, part 9549.0060, subpart 5, item A, subitem (6), includes issuance costs that do not exceed seven percent of the debt refinanced, plus the related issuance costs. For purposes of this paragraph, issuance costs means the fees charged by the underwriter, issuer, attorneys, bond raters, appraisers, and trustees, and includes the cost of printing, title insurance, registration tax, and a feasibility study for the refinancing of a nursing home's debt. Issuance costs do not include bond premiums or discounts when bonds are sold at other than their par value, points, or a bond reserve fund. To the extent otherwise allowed under this paragraph, the straight-line amortization of the refinancing issuance costs is not an allowable cost.

(3) The annual principal and interest expense payments and any required annual municipal fees on the nursing home's refinancing replace those of the refinanced debt and, together with annual principal and interest payments on other allowable debts, are allowable costs subject to the limitation on historical cost of capital assets plus issuance costs as limited in paragraph (2), if any.

(4) If the nursing home's refinancing includes zero coupon bonds, the commissioner shall establish a monthly debt service payment schedule based on an annuity that will produce an amount equal to the zero coupon bonds at maturity. The term and interest rate is the term and interest rate of the zero coupon bonds. Any refinancing to repay the zero coupon bonds is not an allowable cost.

(5) The annual amount of annuity payments is added to the nursing home's allowable annual principal and interest payment computed in paragraph (3).

(6) The property-related payment rate is equal to the amount in paragraph (5), 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), for the preceding reporting year plus an equipment allowance.

(7) Except as provided in this subdivision, the provisions of Minnesota Rules, part 9549.0060 apply.

Sec. 58. 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.

(g) For the rate year beginning July 1, 1990, a nursing home in the city of Faribault with a construction project approved by the commissioner under the moratorium exception approval process in section 144A.073 prior to February 1, 1990, whose property-related payment rate for the rate year beginning July 1, 1989, was determined under Minnesota Rules, part 9549.0060, subpart 13, item C or D (phase-up to full rental reimbursement) shall have its property-related payment rate determined under Minnesota Rules, part 9549.0060, subpart 13, item A (full rental reimbursement).

Sec. 59. 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 256B.431, subdivision 3h. 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. 60. Minnesota Statutes 1988, section 256B.431, is amended by adding a subdivision to read:

Subd. 3j. [SPECIAL PROPERTY RATE.] Notwithstanding any law or rule to the contrary, for rate years beginning July 1, 1990, a nursing home under lease from 1968 until 1983 with a lessee or related party having an option to purchase the nursing home, which option was subsequently exercised, shall be allowed debt and interest costs incurred by the lessee or related party on indebtedness created when the option to purchase was exercised before the end of the 1983 calendar year. The nursing home must demonstrate to the commissioner's satisfaction that the interest rate on the debt was less than market interest rates for similar arms-length transactions at the time the debt was incurred.

Sec. 61. Minnesota Statutes 1989 Supplement, section 256B.431, subdivision 7, is amended to read:

Subd. 7. [ONE-TIME ADJUSTMENT TO NURSING HOME PAYMENT RATES TO COMPLY WITH OMNIBUS BUDGET RECONCILIATION ACT.] The commissioner shall determine a one-time nursing staff adjustment to the payment rate to adjust payment rates to upgrade certain nursing homes' professional nursing staff complement to meet the minimum standards of 1987 Public Law Number 100-203. The adjustments to the payment rates determined under this subdivision cover cost increases to meet minimum standards for professional nursing staff. For a nursing home to be eligible for the payment rate adjustment, a nursing home must have all of its current licensed beds certified solely for the intermediate level of care. When the commissioner establishes that it is not cost effective to upgrade an eligible nursing home to the new minimum staff standards, the commissioner may exclude the nursing home if it is either an institution for mental disease or a nursing 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.

(a) The increased cost of professional nursing for an eligible nursing home shall be determined according to clauses (1) to (4):

(1) subtract from the number 8760 the compensated hours for professional nurses, both employed and contracted, and, if the result is greater than zero, then multiply the result by \$4.55;

(2) subtract from the number 2920 the compensated hours for registered nurses, both employed and contracted, and, if the result is greater than zero, then multiply the result by \$9.30;

(3) if an eligible nursing home has less than 61 licensed beds, the director of nurses' compensated hours must be included in the compensated hours for professional nurses in clause (1). If the director of nurses is also a registered nurse, the director of nurses' hours must be included in the compensated hours for registered nurses in clause (2); and

(4) the one-time nursing staff adjustment to the payment rate shall be the sum of clauses (1) and (2) as adjusted by clause (3), if appropriate, and then divided by the nursing home's actual resident days for the reporting year ending September 30, 1988.

(b) The one-time nursing staff adjustment to the payment rate is effective from January 1, 1990, to June 30, 1991.

(c) If a nursing home is granted a waiver to the minimum professional nursing staff standards under Public Law Number 100-203 for either the professional nurse adjustment referred to in clause (1), or the registered nurse adjustment in clause (2), the commissioner must recover the portion of the nursing home's payment rate that relates to a one-time nursing staff adjustment granted under this subdivision. The amount to be recovered shall be based on the type and extent of the waiver granted.

(d) Notwithstanding the provisions of paragraph (a), clause (3), if an eligible nursing home has less than 61 licensed beds, the director of nurses' compensated hours must be excluded from the computation of compensated hours for professional nurses and registered nurses in paragraph (a), clauses (1) and (2). The commissioner shall recompute the one-time nursing staff adjustment to the payment rate using the data from the cost report for the reporting year ending September 30, 1989, and the adjustment computed under this paragraph shall replace the adjustment previously computed under this subdivision effective October 1, 1990, and shall be effective for the period October 1, 1990, to June 30, 1992.

Sec. 62. [256B.432] [LONG-TERM CARE FACILITIES; CENTRAL, AFFILIATED, OR CORPORATE OFFICE COSTS.]

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

(a) "Management agreement" means an agreement in which one or more of the following criteria exist:

(1) the central, affiliated, or corporate office has or is authorized to

assume day-to-day operational control of the long-term care facility for any six-month period within a 24-month period. "Day-to-day operational control" means that the central, affiliated, or corporate office has the authority to require, mandate, direct, or compel the employees of the long-term care facility to perform or refrain from performing certain acts, or to supplant or take the place of the top management of the long-term care facility. "Day-to-day operational control" includes the authority to hire or terminate employees or to provide an employee of the central, affiliated, or corporate office to serve as administrator of the long-term care facility;

(2) the central, affiliated, or corporate office performs or is authorized to perform two or more of the following: the execution of contracts; authorization of purchase orders; signature authority for checks, notes, or other financial instruments; requiring the long-term care facility to use the group or volume purchasing services of the central, affiliated, or corporate office; or the authority to make annual capital expenditures for the long-term care facility exceeding \$50,000, or \$500 per licensed bed, whichever is less, without first securing the approval of the long-term care facility board of directors;

(3) the central, affiliated, or corporate office becomes or is required to become the licensee under applicable state law;

(4) the agreement provides that the compensation for services provided under the agreement is directly related to any profits made by the long-term care facility; or

(5) the long-term care facility entering into the agreement is governed by a governing body that meets fewer than four times a year, that does not publish notice of its meetings, or that does not keep formal records of its proceedings.

(b) "Consulting agreement" means any agreement the purpose of which is for a central, affiliated, or corporate office to advise, counsel, recommend, or suggest to the owner or operator of the nonrelated long-term care facility measures and methods for improving the operations of the long-term care facility.

(c) "Long-term care facility" means a nursing home whose medical assistance rates are determined according to section 256B.431 or an intermediate care facility for persons with mental retardation and related conditions whose medical assistance rates are determined according to section 256B.501.

Subd. 2. [EFFECTIVE DATE.] For rate years beginning on or after July 1, 1990, the central, affiliated, or corporate office cost allocations in subdivisions 3 to 6 must be used when determining medical assistance rates under sections 256B.431 and 256B.501.

Subd. 3. [ALLOCATION; DIRECT IDENTIFICATION OF COSTS OF LONG-TERM CARE FACILITIES; MANAGEMENT AGREEMENT.] All costs that can be directly identified with a specific long-term care facility that is a related organization to the central, affiliated, or corporate office, or that is controlled by the central, affiliated, or corporate office under a management agreement, must be allocated to that long-term care facility.

Subd. 4. [ALLOCATION; DIRECT IDENTIFICATION OF COSTS TO OTHER ACTIVITIES.] All costs that can be directly identified with any other activity or function not described in subdivision 3 must be allocated to that activity or function.

Subd. 5. [ALLOCATION OF REMAINING COSTS; ALLOCATION RATIO.] (a) After the costs that can be directly identified according to subdivisions 3 and 4 have been allocated, the remaining central, affiliated, or corporate office costs must be allocated between the long-term care facility operations and the other activities or facilities unrelated to the long-term care facility operations based on the ratio of expenses.

(b) For purposes of allocating these remaining central, affiliated, or corporate office costs, the numerator for the allocation ratio shall be determined as follows:

(1) for long-term care facilities that are related organizations or are controlled by a central, affiliated, or corporate office under a management agreement, the numerator of the allocation ratio shall be equal to the sum of the total costs incurred by each related organization or controlled long-term care facility;

(2) for a central, affiliated, or corporate office providing goods or services to related organizations that are not long-term care facilities, the numerator of the allocation ratio shall be equal to the sum of the total costs incurred by the non-long-term care related organizations;

(3) for a central, affiliated, or corporate office providing goods or services to unrelated long-term care facilities under a consulting agreement, the numerator of the allocation ratio shall be equal to the greater of directly identified central, affiliated, or corporate costs or the contracted amount; or

(4) for business activities that involve the providing of goods or services to unrelated parties which are not long-term care facilities, the numerator of the allocation ratio shall be equal to the greater of directly identified costs or revenues generated by the activity or function.

(c) The denominator for the allocation ratio is the sum of the numerators in paragraph (b), clauses (1) to (4).

Subd. 6. [COST ALLOCATION BETWEEN LONG-TERM CARE FACILITIES.] (a) Those long-term care operations that have long-term care facilities both in Minnesota and outside of Minnesota must allocate the long-term care operation's central, affiliated, or corporate office costs identified in subdivision 5 to Minnesota based on the ratio of total resident days in Minnesota long-term care facilities to the total resident days in all facilities.

(b) The Minnesota long-term care operation's central, affiliated, or corporate office costs identified in paragraph (a) must be allocated to each Minnesota long-term care facility on the basis of resident days.

Sec. 63. Minnesota Statutes 1988, section 256B.48, is amended by adding a subdivision to read:

Subd. 1c. [CASE MIX RATE FOR PROVIDER WITH ADDENDUM TO PROVIDER AGREEMENT.] A nursing home with an addendum to its provider agreement effective beginning July 8, 1985, or September 24, 1985, shall have its payment rates established by the commissioner under this subdivision. To save medical assistance resources, for rate years beginning after July 1, 1991, the provider's payment rates shall be the payment rates established by the commissioner July 1, 1990, multiplied by a 12-month inflation factor based on the forecasted inflation between the mid-points of rate years using the inflation index applied by the commissioner to other nursing homes.

The provider and the department of health shall complete case mix assessments under Minnesota Rules, chapter 4656, and parts 9549.0058 and 9549.0059, on only those residents receiving medical assistance. The commissioner of health may audit and verify the limited provider assessments at any time.

Sec. 64. Minnesota Statutes 1988, section 256B.48, subdivision 2, is amended to read:

Subd. 2. [REPORTING REQUIREMENTS.] No later than December 31 of each year, a skilled nursing facility or intermediate care facility, including boarding care facilities, which receives medical assistance payments or other reimbursements from the state agency shall:

(a) Provide the state agency with a copy of its audited financial statements. The audited financial statements must include a balance sheet, income statement, statement of the rate or rates charged to private paying residents, statement of retained earnings, statements of changes in financial position (cash and working capital

methods) statement of cash flows, notes to the financial statements, audited applicable supplemental information, and the certified public accountant's or licensed public accountant's opinion. The examination by the certified public accountant or licensed public accountant shall be conducted in accordance with generally accepted auditing standards as promulgated and adopted by the American Institute of Certified Public Accountants;

(b) Provide the state agency with a statement of ownership for the facility;

(c) Provide the state agency with separate, audited financial statements as specified in clause (a) for every other facility owned in whole or part by an individual or entity which has an ownership interest in the facility;

(d) Upon request, provide the state agency with separate, audited financial statements as specified in clause (a) for every organization with which the facility conducts business and which is owned in whole or in part by an individual or entity which has an ownership interest in the facility;

(e) Provide the state agency with copies of leases, purchase agreements, and other documents related to the lease or purchase of the nursing facility;

(f) Upon request, provide the state agency with copies of leases, purchase agreements, and other documents related to the acquisition of equipment, goods, and services which are claimed as allowable costs; and

(g) Permit access by the state agency to the certified public accountant's and licensed public accountant's audit workpapers which support the audited financial statements required in clauses (a), (c), and (d).

Documents or information provided to the state agency pursuant to this subdivision shall be public. If the requirements of clauses (a) to (g) are not met, the reimbursement rate may be reduced to 80 percent of the rate in effect on the first day of the fourth calendar month after the close of the reporting year, and the reduction shall continue until the requirements are met.

Sec. 65. Minnesota Statutes 1988, section 256B.49, is amended by adding a subdivision to read:

Subd. 3. [CONTINUED SERVICES FOR PERSONS OVER AGE 65.] Persons who are found eligible for services under this section before their 65th birthday may remain eligible for these services after their 65th birthday if they meet all other eligibility factors.

Sec. 66. Minnesota Statutes 1989 Supplement, section 256B.495, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT OF RECEIVERSHIP FEES.] The commissioner in consultation with the commissioner of health may establish a receivership fee payment that exceeds a long-term care facility payment rate when the commissioner of health determines a long-term care facility is subject to the receivership provisions under section 144A.14 or 144A.15 or the commissioner of human services determines that a facility is subject to the receivership under section 245A.12 or 245A.13. In establishing the receivership fee payment, the commissioner must reduce the receiver's requested receivership fee by amounts that the commissioner determines are included in the long-term care facility's payment rate and that can be used to cover part or all of the receivership fee. Amounts that can be used to reduce the receivership fee shall be determined by reallocating facility staff or costs that were formerly paid by the long-term care facility before the receivership and are no longer required to be paid. The amounts may include any efficiency incentive, allowance, and other amounts not specifically required to be paid for expenditures of the long-term care facility.

If the receivership fee cannot be covered by amounts in the long-term care facility's payment rate, a receivership fee payment shall be set according to paragraphs (a) and (b) and payment shall be according to paragraphs (c) to (e).

(a) The receivership fee per diem shall be determined by dividing the annual receivership fee payment by the long-term care facility's resident days from the most recent cost report for which the commissioner has established a payment rate or the estimated resident days in the projected receivership fee period.

(b) The receivership fee per diem shall be added to the long-term care facility's payment rate.

(c) Notification of the payment rate increase must meet the requirements of section 256B.47, subdivision 2.

(d) The payment rate in paragraph (b) for a nursing home shall be effective the first day of the month following the receiver's compliance with the notice conditions in paragraph (c). The payment rate in paragraph (b) for an intermediate care facility for the mentally retarded shall be effective on the first day of the rate year in which the receivership fee per diem is determined.

(e) The commissioner may elect to make a lump sum payment of a portion of the receivership fee to the receiver or managing agent. In this case, the commissioner and the receiver or managing agent shall agree to a repayment plan. Regardless of whether the commis-

sioner makes a lump sum payment under this paragraph, the provisions of paragraphs (a) to (d) and subdivision 2 also apply.

Sec. 67. Minnesota Statutes 1988, section 256B.50, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] A provider may appeal from a determination of a payment rate established pursuant to this chapter and reimbursement rules of the commissioner if the appeal, if successful, would result in a change to the provider's payment rate or to the calculation of maximum charges to therapy vendors as provided by section 256B.433, subdivision 2. Appeals must be filed in accordance with procedures in this section. This section does not apply to a request from a resident or nursing home for reconsideration of the classification of a resident under section 144.0722.

Sec. 68. Minnesota Statutes 1988, section 256B.50, subdivision 1b, is amended to read:

Subd. 1b. [FILING AN APPEAL.] To appeal, the provider shall file with the commissioner a written notice of appeal; the appeal must be received by the commissioner within 60 days of the date the determination of the payment rate was mailed. The notice of appeal must specify each disputed item; the reason for the dispute; the total dollar amount ~~and the dollar amount per bed~~ in dispute for each separate disallowance, allocation, or adjustment of each cost item or part of a cost item; the computation that the provider believes is correct; the authority in statute or rule upon which the provider relies for each disputed item; the name and address of the person or firm with whom contacts may be made regarding the appeal; and other information required by the commissioner.

Sec. 69. Minnesota Statutes 1988, section 256B.501, subdivision 3c, is amended to read:

Subd. 3c. [COMPOSITE FORECASTED INDEX.] For rate years beginning on or after October 1, 1988, the commissioner shall establish a statewide composite forecasted index to take into account economic trends and conditions between the midpoint of the facility's reporting year and the midpoint of the rate year following the reporting year. The statewide composite index must incorporate the forecast by Data Resources, Inc. of increases in the average hourly earnings of nursing and personal care workers indexed in Standard Industrial Code 805 in "Employment and Earnings," published by the Bureau of Labor Statistics, United States Department of Labor. This portion of the index must be weighted annually by the proportion of total allowable salaries and wages to the total allowable operating costs in the program, maintenance, and administrative operating cost categories for all facilities.

For adjustments to the other operating costs in the program,

maintenance, and administrative operating cost categories, the statewide index must incorporate the Data Resources, Inc. forecast for increases in the national CPI-U. This portion of the index must be weighted annually by the proportion of total allowable other operating costs to the total allowable operating costs in the program, maintenance, and administrative operating cost categories for all facilities. The commissioner shall use the indices as forecasted by Data Resources, Inc., in the fourth quarter of the reporting year.

For rate years beginning on or after October 1, 1990, the commissioner shall index a facility's allowable operating costs in the program, maintenance, and administrative operating cost categories by using Data Resources, Inc., forecast for change in the Consumer Price Index-All Items (U.S. city average) (CPI-U). The commissioner shall use the indices as forecasted by Data Resources, Inc., in the first quarter of the calendar year in which the rate year begins.

Sec. 70. Minnesota Statutes 1988, section 256B.501, subdivision 3e, is amended to read:

Subd. 3e. [INCREASE IN LIMITS.] For rate years beginning on or after October 1, 1990, the commissioner shall increase the administrative cost per licensed bed limit in subdivision 3d, paragraph (c), and the maintenance operating cost limit in Minnesota Rules, part 9553.0050, subpart 1, item A, subitem (2), by multiplying the administrative operating cost per bed limit and the maintenance operating cost limit by the composite forecasted index in subdivision 3c except that the index shall be based on the 12 months between the midpoints of the two preceding reporting years.

Sec. 71. Minnesota Statutes 1988, section 256B.501, is amended by adding a subdivision to read:

Subd. 11. [INVESTMENT PER BED LIMITS, INTEREST EXPENSE LIMITATIONS, AND ARMS-LENGTH LEASES.] (a) The provisions of Minnesota Rules, part 9553.0075, except as modified under this subdivision, shall apply to newly constructed or established facilities that are certified for medical assistance on or after May 1, 1990.

(b) For purposes of establishing payment rates under this subdivision and Minnesota Rules, parts 9553.0010 to 9553.0080, the term "newly constructed or newly established" means a facility (1) for which a need determination has been approved by the commissioner under sections 252.28 and 252.291; (2) whose program is newly licensed under Minnesota Rules, parts 9525.0215 to 9525.0355, and certified under Code of Federal Regulations, title 42, section 442.400, et seq.; and (3) that is part of a proposal that meets the requirements of section 252.291, subdivision 2, paragraph (2). The term does not include a facility for which a need determination was

granted solely for other reasons such as the relocation of a facility; a change in the facility's name, program, number of beds, type of beds, or ownership; or the sale of a facility, unless the relocation of a facility to one or more service sites is the result of a closure of a facility under section 252.292, in which case clause (3) shall not apply. The term does include a facility that converts more than 50 percent of its licensed beds from class A to class B residential or class B institutional to serve persons discharged from state regional treatment centers on or after May 1, 1990, in which case, clause (3) does not apply.

(c) Newly constructed or newly established facilities that are certified for medical assistance on or after May 1, 1990, shall be allowed the capital asset investment per bed limits as provided in clauses (1) to (4).

(1) The 1990 calendar year investment per bed limit for a facility's land must not exceed \$5,700 per bed for newly constructed or newly established facilities in Hennepin, Ramsey, Anoka, Washington, Dakota, Scott, Carver, Chisago, Isanti, Wright, Benton, Sherburne, Stearns, St. Louis, Clay, and Olmsted counties, and must not exceed \$3,000 per bed for newly constructed or newly established facilities in other counties.

(2) The 1990 calendar year investment per bed limit for a facility's depreciable capital assets must not exceed \$44,800 for class B residential beds, and \$45,200 for class B institutional beds.

(3) The investment per bed limit in clause (2) must not be used in determining the three-year average percentage increase adjustment in Minnesota Rules, part 9553.0060, subpart 1, item C, subitem (4), for facilities that were newly constructed or newly established before May 1, 1990.

(4) The investment per bed limits in clause (2) shall be adjusted annually beginning January 1, 1991, and each January 1 following, as provided in Minnesota Rules, part 9553.0060, subpart 1, item C, subitem (2).

(d) A newly constructed or newly established facility's interest expense limitation as provided for in Minnesota Rules, part 9553.0060, subpart 3, item F, on capital debt for capital assets acquired during the interim or settle-up period, shall be increased by 2.5 percentage points for each full .25 percentage points that the facility's interest rate on its mortgage is below the maximum interest rate as established in Minnesota Rules, part 9553.0060, subpart 2, item A, subitem (2). For all following rate periods, the interest expense limitation on capital debt in Minnesota Rules, part 9553.0060, subpart 3, item F, shall apply to the facility's capital assets acquired, leased, or constructed after the interim or settle-up period. If a newly constructed or newly established facility is

acquired by the state, the limitations of this paragraph and Minnesota Rules, part 9553.0060, subpart 3, item F, shall not apply.

(e) If a newly constructed or newly established facility is leased with an arms-length lease as provided for in Minnesota Rules, part 9553.0060, subpart 7, the lease agreement shall be subject to the following conditions:

(1) the term of the lease, including option periods, must not be less than 20 years;

(2) the maximum interest rate used in determining the present value of the lease must not exceed the lesser of the interest rate limitation in Minnesota Rules, part 9553.0060, subpart 2, item A, subitem (2), or 16 percent; and

(3) the residual value used in determining the net present value of the lease must be established using the provisions of Minnesota Rules, part 9553.0060.

(f) All leases of the physical plant of an intermediate care facility for the mentally retarded shall contain a clause that requires the owner to give the commissioner notice of any requests or orders to vacate the premises 90 days before such vacation of the premises is to take place. In the case of unlawful detainer actions, the owner shall notify the commissioner within three days of notice of an unlawful detainer action being served upon the tenant. The only exception to this notice requirement is in the case of emergencies where immediate vacation of the premises is necessary to assure the safety and welfare of the residents. In such an emergency situation, the owner shall give the commissioner notice of the vacation request at the time the owner of the property is aware that the vacating of the premises is necessary. This paragraph applies to all leases entered into after the effective date of this section. Rentals set in leases entered into after that date that do not contain this clause are not allowable costs for purposes of medical assistance reimbursement.

(g) A newly constructed or newly established facility's preopening costs are subject to the provisions of Minnesota Rules, part 9553.0035, subpart 12, and must be limited to only those costs incurred during one of the following periods, whichever is shorter:

(1) between the date the commissioner approves the facility's need determination and 30 days before the date the facility is certified for medical assistance; or

(2) the 12-month period immediately preceding the 30 days before the date the facility is certified for medical assistance.

Sec. 72. Minnesota Statutes 1988, section 256B.69, subdivision 3, is amended to read:

Subd. 3. [GEOGRAPHIC AREA.] The commissioner shall designate the geographic areas in which eligible individuals may be included in the demonstration project. ~~The geographic areas may include one urban, one suburban, and one rural county. In order to encourage the participation of long-term care providers, the project area may be expanded beyond the designated counties for eligible individuals over age 65~~ medical assistance prepayment programs.

Sec. 73. Minnesota Statutes 1989 Supplement, section 256B.69, subdivision 16, is amended to read:

Subd. 16. [PROJECT EXTENSION.] Minnesota Rules, parts 9500.1450; 9500.1451; 9500.1452; 9500.1453; 9500.1454; 9500.1455; 9500.1456; 9500.1457; 9500.1458; 9500.1459; 9500.1460; 9500.1461; 9500.1462; 9500.1463; and 9500.1464 are extended ~~until December 31, 1990.~~

Sec. 74. Minnesota Statutes 1988, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.] (a) General assistance medical care may be paid for any person:

(1) who is ~~eligible for receiving assistance under section 256D.05 or 256D.051 and is not eligible for medical assistance under chapter 256B including eligibility for medical assistance based on a spend-down of excess income according to section 256B.056, subdivision 5;~~ or

(2)(i) who is a resident of Minnesota; and whose equity in assets is not in excess of \$1,000 per assistance unit. Exempt assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B; and

(ii) who has countable income not in excess of the assistance standards established in section 256B.056, subdivision 4, or whose excess income is spent down pursuant to section 256B.056, subdivision 5, using a six-month budget period except that for recipients residing in a long-term care facility, a one-month budget period must be used. The method for calculating earned income disregards and deductions for a person who resides with a dependent child under age 21 shall be as specified in section 256.74, subdivision 1. However, if a disregard of \$30 and one-third of the remainder described in section 256.74, subdivision 1, clause (5), has been applied to the wage earner's income, the disregard shall not be applied again until the wage earner's income has not been considered in an eligibility determination for general assistance, general

assistance medical care, medical assistance, or aid to families with dependent children for 12 consecutive months. The earned income and work expense deductions for a person who does not reside with a dependent child under age 21 shall be the same as the method used to determine eligibility for a person under section 256D.06, subdivision 1, except for the disregard of the first \$50 of earned income is not allowed; or

(3) who is over age 18 and who would be eligible for medical assistance except that the person resides in a facility that is determined by the commissioner or the federal health care financing administration to be an institution for mental diseases.

(b) Eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

(c) General assistance medical care may be paid for a person, regardless of age, who is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, if the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

(d) General assistance medical care is not available for applicants or recipients who do not cooperate with the local agency to meet the requirements of medical assistance.

(e) In determining the amount of assets of an individual, there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair market value within the 30 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months, and a reapplication for benefits after 30 months from the date of the transfer shall not

result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the local agency, or if the transfer was not reported, the month in which the local agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the first approved application.

Sec. 75. Minnesota Statutes 1989 Supplement, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) Reimbursement under the general assistance medical care program shall be limited to the following categories of service: inpatient hospital care, outpatient hospital care, services provided by Medicare certified rehabilitation agencies, prescription drugs, equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level, eyeglasses and eye examinations provided by a physician or optometrist, hearing aids, prosthetic devices, laboratory and X-ray services, physician's services, medical transportation, chiropractic services as covered under the medical assistance program, podiatric services, and dental care. In addition, payments of state aid shall be made for:

(1) outpatient services provided by a mental health center or clinic that is under contract with the county board and is certified under Minnesota Rules, parts 9520.0010 to 9520.0230 established under section 245.62;

(2) day treatment services for mental illness provided under contract with the county board;

(3) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;

(4) case management services for a person with serious and persistent mental illness who would be eligible for medical assistance except that the person resides in an institution for mental diseases;

(5) psychological services, medical supplies and equipment, and Medicare premiums, coinsurance and deductible payments for a person who would be eligible for medical assistance except that the person resides in an institution for mental diseases; and

(6) equipment not specifically listed in this paragraph when the use of the equipment will prevent the need for costlier services that are reimbursable under this subdivision.

(b) In order to contain costs, the commissioner of human services

shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. For payments made during fiscal year 1990 and later years, the commissioner shall contract with an independent actuary to establish prepayment rates.

(c) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions.

For the period July 1, 1985, to December 31, 1985, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent.

For the period January 1, 1986, to December 31, 1986, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 20 percent; payments for all other inpatient hospital care may be reduced no more than 15 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period January 1, 1987, to June 30, 1987, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than ten percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1987, to June 30, 1988, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than five percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1988, to June 30, 1989, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may not be reduced. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

(d) Any county may, from its own resources, provide medical payments for which state payments are not made.

(e) Chemical dependency services that are reimbursed under Laws 1986, chapter 394, sections 8 to 20, must not be reimbursed under general assistance medical care.

(f) The maximum payment for new vendors enrolled in the general assistance medical care program after the base year shall be determined from the average usual and customary charge of the same vendor type enrolled in the base year.

(g) The conditions of payment for services under this subdivision are the same as the conditions specified in rules adopted under

chapter 256B governing the medical assistance program, unless otherwise provided by statute or rule.

Sec. 76. Minnesota Statutes 1989 Supplement, section 256D.03, subdivision 6, is amended to read:

Subd. 6. [DIVISION OF COSTS.] The state share of local agency expenditures for general assistance medical care shall be 90 percent and the county share shall be ten percent. Payments made under this subdivision shall be made in accordance with sections 256B.041, subdivision 5 and 256B.19, subdivision 1. In counties where a pilot or demonstration project is operated for general assistance medical care services, the state may pay 100 percent of the costs of administering the pilot or demonstration project. Reimbursement for these costs is subject to section 256.025.

Beginning July 1, 1991, the state will reimburse counties according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision from January 1, 1991, on. Payment to counties under this subdivision is subject to the provisions of section 256.017.

Notwithstanding any provision to the contrary, beginning July 1, 1991, the state shall pay 100 percent of the costs for centralized claims processing by the department of administration relative to claims beginning January 1, 1991, and submitted on behalf of general assistance medical care recipients by vendors in the general assistance medical care program.

Beginning July 1, 1991, the state shall reimburse counties up to the limit of state appropriations for general assistance medical care common carrier transportation and related travel expenses provided for medical purposes after December 31, 1990. Reimbursement shall be provided according to the payment schedule set forth in section 256.025. For purposes of this subdivision, transportation shall have the meaning given it in Code of Federal Regulations, title 42, section 440.170(a), as amended through October 1, 1987, and travel expenses shall have the meaning given in Code of Federal Regulations, title 42, section 440.170(a)(3), as amended through October 1, 1987.

The county shall ensure that only the least costly most appropriate transportation and travel expenses are used. The state may enter into volume purchase contracts, or use a competitive bidding process, whenever feasible, to minimize the costs of transportation services. If the state has entered into a volume purchase contract or used the competitive bidding procedures of chapter 16B to arrange for transportation services, the county may be required to use such arrangements to be eligible for state reimbursement for general assistance medical care common carrier transportation and related travel expenses provided for medical purposes.

In counties where prepaid health plans are under contract to the commissioner to provide services to general assistance medical care recipients, the cost of court ordered treatment that does not include diagnostic evaluation, recommendation, or referral for treatment by the prepaid health plan is the responsibility of the county of financial responsibility.

Sec. 77. Minnesota Statutes 1988, section 256D.03, subdivision 7, is amended to read:

Subd. 7. [DUTIES OF THE COMMISSIONER.] The commissioner shall promulgate emergency and permanent rules as necessary to establish:

(a) standards of eligibility, utilization of services, and payment levels;

(b) standards for quality assurance, surveillance, and utilization review procedures that conform to those established for the medical assistance program pursuant to chapter 256B, including general criteria and procedures for the identification and prompt investigation of suspected fraud, theft, abuse, presentment of false or duplicate claims, presentment of claims for services not medically necessary, or false statements or representations of material facts by a vendor or recipient of general assistance medical care, and for the imposition of sanctions against such vendor or recipient of medical care. The rules relating to sanctions shall be consistent with the provisions of section 256B.064, subdivisions 1a and 2; and

(c) administrative and fiscal procedures for payment of the state share of the medical costs incurred by the counties under section 256D.02, subdivision 4a. Rules promulgated pursuant to this clause may include: (1) procedures by which state liability for the costs of medical care incurred pursuant to section 256D.02, subdivision 4a may be deducted from county liability to the state under any other public assistance program authorized by law; (2) procedures for processing claims of counties for reimbursement by the state for expenditures for medical care made by the counties pursuant to section 256D.02, subdivision 4a; and (3) procedures by which the local agencies may contract with the commissioner of human services for state administration of general assistance medical care payments.

Sec. 78. Minnesota Statutes 1988, section 518.171, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] Unless the obligee has comparable or better group dependent health insurance coverage available at a more reasonable cost, the court shall order the obligor to name the minor child as beneficiary on any health and dental insurance plan that is available to the obligor on a group basis or through an

employer or union. "Health insurance coverage" as used in this section does not include medical assistance provided under chapter 256, 256B, or 256D.

If the court finds that dependent health or dental insurance is not available to the obligor on a group basis or through an employer or union, or that the group insurer is not accessible to the obligee, the court may require the obligor to obtain dependent health or dental insurance, or to be liable for reasonable and necessary medical or dental expenses of the child.

If the court finds that the dependent health or dental insurance required to be obtained by the obligor does not pay all the reasonable and necessary medical or dental expenses of the child, or that the dependent health or dental insurance available to the obligee does not pay all the reasonable and necessary medical or dental expenses of the child, and the court finds that the obligor has the financial ability to contribute to the payment of these medical or dental expenses, the court shall require the obligor to be liable for all or a portion of the medical or dental expenses of the child not covered by the required health or dental plan.

Sec. 79. Minnesota Statutes 1988, section 518.171, subdivision 3, is amended to read:

Subd. 3. [IMPLEMENTATION.] A copy of the court order for insurance coverage shall be forwarded to the obligor's employer or union by the obligee or the public authority responsible for support enforcement only when ordered by the court or when the following conditions are met:

(1) the obligor fails to provide written proof to the obligee or the public authority, within 30 days of receiving effective notice of the court order, that the insurance has been obtained or that application for insurability has been made;

(2) the obligee or the public authority serves written notice of its intent to enforce medical support on the obligor by mail at the obligor's last known post office address; and

(3) the obligor fails within 15 days after the mailing of the notice to provide written proof to the obligee or the public authority that the insurance coverage existed as of the date of mailing.

The employer or union shall forward a copy of the order to the health and dental insurance plan offered by the employer.

Sec. 80. Minnesota Statutes 1988, section 518.171, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] The order is binding on the employer or union and the health and dental insurance plan when service under subdivision 3 has been made. Upon receipt of the order, or upon application of the obligor pursuant to the order, the employer or union and its health and dental insurance plan shall enroll the minor child as a beneficiary in the group insurance plan and withhold any required premium from the obligor's income or wages. If more than one plan is offered by the employer or union, the child shall be enrolled in the insurance plan in which the obligor is enrolled or the least costly plan otherwise available to the obligor that is comparable to a number two qualified plan. Failure of the obligor to execute any documents necessary to enroll the dependent in the group health and dental insurance plan will not affect the obligation of the employer or union and group health and dental insurance plan to enroll the dependent in a plan for which other eligibility requirements are met. Information and authorization provided by the public authority responsible for child support enforcement, or by the custodial parent or guardian, is valid for the purposes of meeting enrollment requirements of the health plan. The insurance coverage for a child eligible under subdivision 5 shall not be terminated except as authorized in subdivision 5.

Sec. 81. Minnesota Statutes 1988, section 518.171, subdivision 7, is amended to read:

Subd. 7. [RELEASE OF INFORMATION.] When an order for dependent insurance coverage is in effect, the obligor's employer or union shall release to the obligee or the public authority, upon request, information on the dependent coverage, including the name of the insurer. Notwithstanding any other law, information reported pursuant to section 268.121 shall be released to the public agency responsible for support enforcement that is enforcing an order for medical or dental insurance coverage under this section. The public agency responsible for support enforcement is authorized to release to the obligor's insurer or employer information necessary to obtain or enforce medical support.

Sec. 82. Laws 1988, chapter 689, article 2, section 256, subdivision 3, is amended to read:

Subd. 3. [REPORT.] The commissioner shall monitor and evaluate the pilot projects and report to the legislature by January 31, ~~1991~~ 1993. The report must address at least the following:

- (1) the extent to which each pilot project succeeded in moving elderly persons out of nursing homes into less restrictive settings or in delaying placement in a nursing home;
- (2) the ability of each project to target low-income, frail elderly;

(3) the cost-effectiveness of each project, including the financial impact on the resident, the state, and the county;

(4) the success of each project in meeting other goals established by the commissioner; and

(5) recommendations on whether the pilot projects should be continued or expanded.

Sec. 83. [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. 84. [FULL FUNDING POLICY FOR THE WIC PROGRAM.]

The WIC program is an effective method of ensuring that the basic nutritional needs of low-income pregnant women and small children are met. Therefore the goal of the legislature is to achieve, by July 1, 1993, a level of funding that will be sufficient to serve all persons in the state who are eligible for the program.

Sec. 85. [FEDERAL WAIVER TO REDUCE THE FREQUENCY

OF ELIGIBILITY REDETERMINATIONS FOR INFANTS ON MEDICAL ASSISTANCE.]

The commissioner of human services shall seek federal approval to eliminate eligibility redeterminations for pregnant women and infants eligible for medical assistance under Minnesota Statutes, section 256B.055, subdivisions 6 and 10, until one year after the birth of the child. The commissioner shall begin the process of seeking federal approval no later than December 31, 1990.

Sec. 86. [PRENATAL CARE AND PREVENTIVE CARE FOR CHILDREN.]

The commissioner of health, in consultation with the commissioner of human services, the commissioner of state planning, and the commissioner of education, shall prepare a state plan to improve utilization rates of medically appropriate prenatal care and preventive care for children. The plan must address at least the following issues: (1) methods of addressing barriers such as the need for child care and transportation; (2) techniques for improving public awareness of the need for prenatal care and preventive care, both statewide and within high risk target populations; and (3) strategies for overcoming cultural factors that may discourage minority populations from obtaining medically appropriate prenatal care and preventive care. To the extent possible, the commissioner shall identify methods of improving access and utilization rates that would not require a significant increase in legislative appropriations, such as reallocation of existing money, coordination and increased efficiency of existing programs, techniques for generating private contributions or federal money, and increased use of volunteers and donated services and facilities. The commissioner shall also include in the plan an analysis of the extent to which improved utilization rates, both statewide and within target populations, could result in cost savings in the medical assistance program, the general assistance medical care program, and the children's health plan. The commissioner shall present the plan to the governor and the legislature by December 15, 1990. It is the intent of the legislature to enact legislation to implement the plan during the 1991 session.

Sec. 87. [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.

Sec. 88. [CITATION.]

Sections 2, 3, 6 to 8, 9, 10, 29, and 84 to 87 may be cited as the "better beginnings act."

Sec. 89. [REPEALER.]

Subdivision 1. [MEDICAL ASSISTANCE; MEDICALLY NEEDY PERSONS.] Minnesota Statutes 1989 Supplement, section 256B.055, subdivision 8, is repealed.

Subd. 2. [MEDICAL ASSISTANCE; SWING BEDS.] The amendments to Minnesota Statutes, section 256B.0625, subdivision 2, in Laws 1989, chapter 282, article 3, section 54, are repealed, and the stricken language is reenacted.

Subd. 3. [MEDICAL ASSISTANCE; NURSING HOMES.] 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. 90. [EFFECTIVE DATES.]

Subdivision 1. [CLAIMS AGAINST THE ESTATE.] Section 53 is effective for all claims filed for deaths occurring on and after the date of enactment.

Subd. 2. [PROHIBITED TRANSFERS OF PROPERTY.] Section 35 is effective the day after final enactment.

Subd. 3. [HOME CARE SERVICES; MEDICAL ASSISTANCE.] Section 46 is effective July 1, 1990.

Subd. 4. [SWING BEDS.] Section 89, subdivision 2, is effective the day following final enactment.

Subd. 5. [CHILDREN'S HEALTH PLAN.] Sections 9 and 10 are effective August 1, 1990.

Subd. 6. [SPECIAL PROPERTY RATE; NURSING HOMES.] Section 60 is effective the day following final enactment.

Subd. 7. [ADVISORY COMMITTEE ON TRANSPLANTS.] Section 47 is effective the day following final enactment.

ARTICLE 4
INCOME MAINTENANCE

Section 1. Minnesota Statutes 1988, section 256.73, subdivision 2, is amended to read:

Subd. 2. [ALLOWANCE BARRED BY OWNERSHIP OF PROPERTY.] Ownership by an assistance unit of property as follows is a bar to any allowance under sections 256.72 to 256.87:

(1) The value of real property other than the homestead, which when combined with other assets exceeds the limits of paragraph (2), unless the assistance unit is making a good faith effort to sell the nonexcludable real property. The time period for disposal must not exceed nine months and the assistance unit shall execute an agreement to dispose of the property to repay assistance received during the nine months up to the amount of the net sale proceeds. The payment must be made when the property is sold. If the property is not sold within the required time or the assistance unit becomes ineligible for any reason the entire amount received during the nine months is an overpayment and subject to recovery. For the purposes of this section, "homestead" means the home ~~owned and occupied by the child, relative, or other member of the assistance unit as a dwelling place, that is owned by, and is the usual residence of, the child, relative, or other member of the assistance unit together with the surrounding property which is not separated from the home by intervening property owned by others.~~ "Usual residence" includes the home from which the child, relative, or other members of the assistance unit is temporarily absent due to an employability development plan approved by the local human service agency, which includes education, training, or job search within the state but outside of the immediate geographic area. Public rights-of-way, such as roads which run through the surrounding property and separate it from the home, will not affect the exemption of the property; or

(2) Personal property of an equity value in excess of \$1,000 for the entire assistance unit, exclusive of personal property used as the home, one motor vehicle of an equity value not exceeding \$1,500 or the entire equity value of a motor vehicle determined to be necessary for the operation of a self-employment business, one burial plot for each member of the assistance unit, one prepaid burial contract with an equity value of no more than \$1,000 for each member of the assistance unit, clothing and necessary household furniture and equipment and other basic maintenance items essential for daily living, in accordance with rules promulgated by and standards established by the commissioner of human services.

Sec. 2. Minnesota Statutes 1989 Supplement, section 256.73, subdivision 3a, is amended to read:

Subd. 3a. [PERSONS INELIGIBLE.] No assistance shall be given under sections 256.72 to 256.87:

(1) on behalf of any person who is receiving supplemental security income under title XVI of the Social Security Act unless permitted by federal regulations;

(2) for any month in which the assistance unit's gross income, without application of deductions or disregards, exceeds 185 percent of the standard of need for a family of the same size and composition; except that the earnings of a dependent child who is a full-time student may be disregarded for six calendar months per year and the earnings of a dependent child who is a full-time student that are derived from the jobs training and partnership act may be disregarded for six calendar months per year. If a stepparent's income is taken into account in determining need, the disregards specified in section 256.74, subdivision 1a, shall be applied to determine income available to the assistance unit before calculating the unit's gross income for purposes of this paragraph;

(3) to any assistance unit for any month in which any caretaker relative with whom the child is living is, on the last day of that month, participating in a strike;

(4) on behalf of any other individual in the assistance unit, nor shall the individual's needs be taken into account for any month in which, on the last day of the month, the individual is participating in a strike;

(5) on behalf of any individual who is the principal earner in an assistance unit whose eligibility is based on the unemployment of a parent when the principal earner, without good cause, fails or refuses to seek work, to participate in the job search program under section 256.736, or a community work experience program under section 256.737 if this program is available and participation is mandatory in the county, to accept employment, or to register with a public employment office, unless the principal earner is exempt from these work requirements.

Sec. 3. Minnesota Statutes 1988, section 256.736, subdivision 1a, is amended to read:

Subd. 1a. [DEFINITIONS.] As used in this section and section 256.7365, the following words have the meanings given them:

(a) "AFDC" means aid to families with dependent children.

(b) "AFDC-UP" means that group of AFDC clients who are eligible for assistance by reason of unemployment as defined by the commissioner under section 256.12, subdivision 14.

(c) "Caretaker" means a parent or eligible adult, including a pregnant woman, who is part of the assistance unit that has applied for or is receiving AFDC.

(d) "Employment and training services" means programs, activities, and services related to job training and, job placement, and job creation, including job service programs, job training partnership act programs, wage subsidies, remedial and secondary education programs, post-secondary education programs excluding education leading to a post-baccalaureate degree, vocational education programs, work incentive programs, work readiness programs, employment job search, counseling, case management, community work experience programs, displaced homemaker programs, self-employment programs, grant diversion, employment experience programs, youth employment programs, community investment programs, supported work programs, refugee employment and training programs, and counseling and support activities necessary to stabilize the caretaker or the family.

(e) "Employment and training service provider" means an administrative entity a public, private, or nonprofit agency certified by the commissioner of jobs and training to deliver employment and training services under section 268.0122, subdivision 3 and section 268.871, subdivision 1.

(f) "Minor parent" means a caretaker relative who is the parent of the dependent child or children in the assistance unit and who is under the age of 18.

(g) "Priority groups" or "priority caretakers" means recipients of AFDC or AFDC-UP designated as priorities for employment and training services under subdivision 2a 16.

(h) "Suitable employment" means employment which:

(1) is within the recipient's physical and mental capacity;

(2) meets health and safety standards established by the Occupational Safety and Health Administration and the department of jobs and training;

(3) pays hourly gross earnings which are not less than the federal or state minimum wage for that type of employment, whichever is applicable;

(4) does not result in a net loss of income. Employment results in a net loss of income when the income remaining after subtracting necessary work-related expenses from the family's gross income, which includes cash assistance, is less than the cash assistance the family was receiving at the time the offer of employment was made.

For purposes of this definition, "work expenses" means the amount withheld or paid for; state and federal income taxes; social security withholding taxes; mandatory retirement fund deductions; dependent care costs; transportation costs to and from work at the amount allowed by the Internal Revenue Service for personal car mileage; costs of work uniforms, union dues, and medical insurance premiums; costs of tools and equipment used on the job; \$1 per work day for the costs of meals eaten during employment; public liability insurance required by an employer when an automobile is used in employment and the cost is not reimbursed by the employer; and the amount paid by an employee from personal funds for business costs which are not reimbursed by the employer;

(5) offers a job vacancy which is not the result of a strike, lockout, or other bona fide labor dispute;

(6) requires a round trip commuting time from the recipient's residence of less than two hours by available transportation, exclusive of the time to transport children to and from child care;

(7) does not require the recipient to leave children under age 12 unattended in order to work, or if child care is required, such care is available; and

(8) does not discriminate at the job site on the basis of age, sex, race, color, creed, marital status, status with regard to public assistance, disability, religion, or place of national origin.

(i) "Support services" means programs, activities, and services intended to stabilize families and individuals or provide assistance for family needs related to employment or participation in employment and training services, including child care, transportation, housing assistance, personal and family counseling, crisis intervention services, peer support groups, chemical dependency counseling and treatment, money management assistance, and parenting skill courses.

Sec. 4. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION.] (a) To the extent permissible under federal law, every caretaker or child is required to register for employment and training services, as a condition of receiving AFDC, unless the caretaker or child is:

(1) a child who is under age 16, a child age 16 or 17 who is attending elementary or secondary school or a secondary level vocational or technical school full time;

(2) ill, incapacitated, or age 60 or older;

(3) a person for whom participation in an employment and training service would require a round trip commuting time by available transportation of more than two hours;

(4) a person whose presence in the home is required because of illness or incapacity of another member of the household;

(5) a caretaker or other caretaker relative of a child under the age of three who personally provides full-time care for the child. In AFDC-UP cases, only one parent or other relative may qualify for this exemption;

(6) a caretaker or other caretaker relative personally providing care for a child under six years of age, except that when child care is arranged for or provided, the caretaker or caretaker relative may be required to register and participate in employment and training services up to a maximum of 20 hours per week. In AFDC-UP cases, only one parent or other relative may qualify for this exemption;

(7) a caretaker if another adult relative in the assistance unit is registered and has not, without good cause, failed or refused to participate or accept employment;

(8) a pregnant woman, if it has been medically verified that the child is expected to be born in the current month or within the next six months; or

(9) (8) employed at least 30 hours per week; or

(10) a parent who is not the principal earner if the parent who is the principal earner is required to register.

(b) To the extent permissible by federal law, applicants for benefits under the AFDC program are registered for employment and training services by signing the application form. Applicants must be informed that they are registering for employment and training services by signing the form. Persons receiving benefits on or after July 1, 1987, shall register for employment and training services to the extent permissible by federal law. The caretaker has a right to a fair hearing under section 256.045 with respect to the appropriateness of the registration.

Sec. 5. Minnesota Statutes 1988, section 256.736, subdivision 3a, is amended to read:

Subd. 3a. [PARTICIPATION.] Caretakers in priority groups must participate in employment and training services under this section to the extent permissible under federal law. However, no assistance unit may be sanctioned for a caretaker's failure to participate in employment and training services under this section if failure

results from inadequate funding for employment and training services. (a) Except as provided under paragraphs (b) and (c) participation in employment and training services under this section is limited to the following recipients:

(1) caretakers who are required to participate in a job search under subdivision 14;

(2) custodial parents who are subject to the school attendance or case management participation requirements under subdivision 3b;

(3) caretakers whose participation in employment and training services began prior to May 1, 1990, if the caretaker's AFDC eligibility has not been interrupted for 30 days or more and the caretaker's employability development plan has not been completed;

(4) recipients who are members of a family in which the youngest child is within two years of being ineligible for AFDC due to age;

(5) recipients who have received AFDC for 48 or more months out of the last 60 months;

(6) recipients who are participants in the self-employment investment demonstration project under section 268.95; and

(7) recipients who participate in the new chance research and demonstration project under contract with the department of human services.

(b) If the commissioner determines that participation of persons listed in paragraph (a) in employment and training services is insufficient to either meet federal performance targets or to fully utilize funds appropriated under this section, the commissioner may, after notifying the chairs of the senate health and human services committee, the house health and human services committee, the health and human services division of the senate finance committee and the health and human services division of house appropriations, permit additional groups of recipients to participate until the next meeting of the legislative advisory commission, after which the additional groups may continue to enroll for participation, unless the legislative advisory commission disapproves the continued enrollment. The commissioner shall allow participation of additional groups in the following order only as needed to meet performance targets or fully utilize funding for employment and training services under section 256.736:

(1) custodial parents under the age of 22 who:

(i) have not completed a high school education and who, at the

time of application for AFDC, were not enrolled in high school or in a high school equivalency program; or

(ii) have had little or no work experience in the preceding year;

(2) recipients who have received at least 42 months of AFDC out of the previous 60 months;

(3) custodial parents under the age of 24 who:

(i) have not completed a high school education and who, at the time of application for AFDC, were not enrolled in high school or in a high school equivalency program; or

(ii) have had little or no work experience in the preceding year;

(4) recipients who have received at least 36 months of AFDC out of the previous 60 months;

(5) recipients who have received 24 or more months of AFDC out of the previous 48 months; and

(6) recipients who have not completed a high school education or a high school equivalency program.

(c) To the extent of funds allocated specifically for this paragraph, the commissioner may permit AFDC caretakers who are not eligible for participation in employment and training services under the provisions of paragraphs (a) or (b), to participate in such services. Funds shall be allocated to county agencies based on the county's percentage of participants statewide in services under this section in the prior calendar year. Counties must provide equal or greater services to participants enrolled under that paragraph, as measured in average per client expenditures, as provided to other participants in employment and training services under this section. Caretakers shall be selected from a waiting list of caretakers who volunteer to participate, based upon a first come, first served principle. The commissioner may on a quarterly basis reallocate unused allocations to county agencies who have sufficient volunteers. In the event that funding under this paragraph is discontinued in future fiscal years, caretakers who began participation under this paragraph shall be deemed eligible under the provisions of paragraph (a), item (3).

Sec. 6. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 3b, is amended to read:

Subd. 3b. [MANDATORY ASSESSMENT AND SCHOOL ATTENDANCE FOR CERTAIN CUSTODIAL PARENTS.] This subdi-

vision applies to the extent permitted under federal law and regulation.

(a) [DEFINITIONS.] The definitions in this paragraph apply to this subdivision.

(1) "Custodial parent" means a recipient of AFDC who is the natural or adoptive parent of a child living with the custodial parent.

(2) "School" means:

(i) an educational program which leads to a high school diploma. The program or coursework may be, but is not limited to, a program under the post-secondary enrollment options of section 123.3514, a regular or alternative program of an elementary or secondary school, a technical institute, or a college;

(ii) coursework for a general educational development (GED) diploma of not less than six hours of classroom instruction per week; or

(iii) any other post-secondary educational program that is approved by the public school or the local agency under subdivision 11.

(b) [ASSESSMENT AND PLAN; REQUIREMENT; CONTENT.] The county agency must examine the educational level of each custodial parent under the age of 20 to determine if the recipient has completed a high school education or its equivalent. If the custodial parent has not completed a high school education or its equivalent and is not exempt from the requirement to attend school under paragraph (c), the county agency must complete an individual assessment for the custodial parent. The assessment must be performed as soon as possible but within 60 days of determining AFDC eligibility for the custodial parent. The assessment must provide an initial examination of the custodial parent's educational progress and needs, literacy level, child care and supportive service needs, family circumstances, skills, and work experience. In the case of a custodial parent under the age of 18, the assessment must also consider the results of the early and periodic screening, diagnosis and treatment (EPSDT) screening, if available, and the effect of a child's development and educational needs on the parent's ability to participate in the program. The county agency must advise the parent that the parent's first goal must be to complete an appropriate educational option if one is identified for the parent through the assessment and, in consultation with educational agencies, must review the various school completion options with the parent and assist the parent in selecting the most appropriate option.

(c) [RESPONSIBILITY FOR ASSESSMENT AND PLAN.] For

custodial parents who are under age 18, the assessment and the employability plan must be completed by the county social services agency, as specified in section 257.33. For custodial parents who are age 18 or 19, the assessment and employability plan must be completed by the case manager. The social services agency or the case manager shall consult with representatives of educational agencies required to assist in developing educational plans under section 126.235.

(d) [EDUCATION DETERMINED TO BE APPROPRIATE.] If the case manager or county social services agency identifies an appropriate educational option, it must develop an employability plan in consultation with the custodial parent which reflects the assessment. The plan must specify that participation in an educational activity is required, what school or educational program is most appropriate, the services that will be provided, the activities the parent will take part in including child care and supportive services, the consequences to the custodial parent for failing to participate or comply with the specified requirements, and the right to appeal any adverse action. The employability plan must, to the extent possible, reflect the preferences of the participant.

(e) [EDUCATION DETERMINED TO BE NOT APPROPRIATE.] If the case manager determines that there is no appropriate educational option for a custodial parent who is age 18 or 19, the case manager shall indicate the reasons for the determination. The case manager shall then notify the county agency which must refer the custodial parent to case management services under subdivision 11 for completion of an employability plan and services. If the custodial parent fails to participate or cooperate with case management services and does not have good cause for the failure, the county agency shall apply the sanctions listed in subdivision 4, beginning with the first payment month after issuance of notice. If the county social services agency determines that school attendance is not appropriate for a custodial parent under age 18, the county agency shall refer the custodial parent to social services for services as provided in section 257.33.

(f) [SCHOOL ATTENDANCE REQUIRED.] Notwithstanding subdivision 3, a custodial parent must attend school if all of the following apply:

- (1) the custodial parent is less than 20 years of age;
- (2) transportation services needed to enable the custodial parent to attend school are available;
- (3) licensed or legal nonlicensed child care services needed to enable the custodial parent to attend school are available;

(4) the custodial parent has not already received a high school diploma or its equivalent; and

(5) the custodial parent is not exempt because the custodial parent:

(i) is ill or incapacitated seriously enough to prevent him or her from attending school;

(ii) is needed in the home because of the illness or incapacity of another member of the household; this includes a custodial parent of a child who is younger than six weeks of age;

(iii) works 30 or more hours a week; or

(iv) is pregnant if it has been medically verified that the child's birth is expected in ~~the current month or~~ within the next six months.

(g) [ENROLLMENT AND ATTENDANCE.] The custodial parent must be enrolled in school and meeting the school's attendance requirements. The custodial parent is considered to be attending when he or she is enrolled but the school is not in regular session, including during holiday and summer breaks.

(h) [GOOD CAUSE FOR NOT ATTENDING SCHOOL.] The local agency shall not impose the sanctions in subdivision 4 if it determines that a custodial parent has good cause for not being enrolled or for not meeting the school's attendance requirements. The local agency shall determine whether good cause for not attending or not enrolling in school exists, according to this paragraph:

(1) Good cause exists when the local agency has verified that the only available school program requires round trip commuting time from the custodial parent's residence of more than two hours by available means of transportation, excluding the time necessary to transport children to and from child care.

(2) Good cause exists when the custodial parent has indicated a desire to attend school, but the public school system is not providing for his or her education and alternative programs are not available.

(i) [FAILURE TO COMPLY.] The case manager and social services agency shall establish ongoing contact with appropriate school staff to monitor problems that custodial parents may have in pursuing their educational plan and shall jointly seek solutions to prevent parents from failing to complete education. If the school notifies the local agency that the custodial parent is not enrolled or is not meeting the school's attendance requirements, or appears to be facing barriers to completing education, the information must be

conveyed to the case manager for a custodial parent age 18 or 19, or to the social services agency for a custodial parent under age 18. The case manager or social services agency shall reassess the appropriateness of school attendance as specified in paragraph (f). If after consultation, school attendance is still appropriate and the case manager or social services agency determines that the custodial parent has failed to enroll or is not meeting the school's attendance requirements and the custodial parent does not have good cause, the case manager or social services agency shall inform the custodial parent's financial worker who shall apply the sanctions listed in subdivision 4 beginning with the first payment month after issuance of notice.

(j) [NOTICE AND HEARING.] A right to notice and fair hearing shall be provided in accordance with section 256.045 and the Code of Federal Regulations, title 45, section 205.10.

(k) [SOCIAL SERVICES.] When a custodial parent under the age of 18 has failed to attend school, is not exempt, and does not have good cause, the local agency shall refer the custodial parent to the social services agency for services, as provided in section 257.33.

(l) [VERIFICATION.] No less often than quarterly, the financial worker must verify that the custodial parent is meeting the requirements of this subdivision. Notwithstanding section 13.32, subdivision 3, when the local agency notifies the school that a custodial parent is subject to this subdivision, the school must furnish verification of school enrollment, attendance, and progress to the local agency. The county agency must not impose the sanctions in paragraph (i) if the school fails to cooperate in providing verification of the minor parent's education, attendance, or progress.

Sec. 7. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 4, is amended to read:

Subd. 4. [CONDITIONS OF CERTIFICATION.] The commissioner of human services shall:

(1) Arrange for or provide any caretaker or child required to participate in employment and training services pursuant to this section with child-care services, transportation, and other necessary family services;

(2) Provide that in determining a recipient's needs ~~any monthly incentive training payment made to the recipient by the department of jobs and training is disregarded and~~ the additional expenses attributable to participation in a program are taken into account in grant determination to the extent permitted by federal regulation; ~~and~~

(3) Provide that the county board shall impose the sanctions in clause (4) when the county board:

(a) determines that a custodial parent under the age of 16 who is required to attend school under subdivision 3b has, without good cause, failed to attend school; or

(b) determines that subdivision 3c applies to a minor parent and the minor parent has, without good cause, failed to cooperate with development of a social service plan or to participate in execution of the plan, to live in a group or foster home, or to participate in a program that teaches skills in parenting and independent living; or

~~(c) determines that a caretaker has, without good cause, failed to attend orientation.~~

(4) To the extent permissible by federal law, impose the following sanctions for a recipient's failure to participate in ~~required education, orientation,~~ or the requirements of subdivision 3b or 3c:

(a) For the first failure, 50 percent of the grant provided to the family for the month following the failure shall be made in the form of protective or vendor payments;

(b) For the second and subsequent failures, the entire grant provided to the family must be made in the form of protective or vendor payments. Assistance provided to the family must be in the form of protective or vendor payments until the recipient complies with the requirement; and

(c) When protective payments are required, the local agency may continue payments to the caretaker if a protective payee cannot reasonably be found;

(5) Provide that the county board shall impose the sanctions in clause (6) when the county board:

(a) determines that a caretaker or child required to participate in employment and training services has been found by the employment and training service provider to have failed without good cause to participate in appropriate employment and training services or to have failed without good cause to accept, through the job search program described in subdivision 14, or the ~~community work experience program described in section 256.737~~ provisions of an employability development plan if the caretaker is a custodial parent age 18 or 19 and subject to the requirements of subdivision 3b, a bona fide offer of public or other employment; or

(b) determines that a custodial parent aged 16 to 19 who is

required to attend school under subdivision 3b has; without good cause, failed to enroll or attend school; or

(c) determines that a caretaker has, without good cause, failed to attend orientation;

(6) To the extent required by federal law, ~~the following sanctions must be imposed~~ impose the following sanctions for a recipient's failure to participate in required employment and training services, to accept a bona fide offer of public or other employment, or to enroll or attend school under subdivision 3b, or to attend orientation:

(a) For the first failure, the needs of the noncompliant individual shall not be taken into account in making the grant determination, until the individual complies with the requirements;

(b) For the second failure, the needs of the noncompliant individual shall not be taken into account in making the grant determination until the individual complies with the requirement or for three consecutive months, whichever is longer;

(c) For subsequent failures, the needs of the noncompliant individual shall not be taken into account in making the grant determination until the individual complies with the requirement or for six consecutive months, whichever is longer;

(d) Aid with respect to a dependent child will be denied if a child who fails to participate is the only child receiving aid in the family. who has been sanctioned under this paragraph shall be continued for the parent or parents of the child if the child is the only child receiving aid in the family, the child continues to meet the conditions of section 256.73, and the family is otherwise eligible for aid;

(e) If the noncompliant individual is a parent or other relative caretaker, payments of aid for any dependent child in the family must be made in the form of protective or vendor payments. When protective payments are required, the county agency may continue payments to the caretaker if a protective payee cannot reasonably be found. When protective payments are imposed on assistance units whose basis of eligibility is unemployed parent or incapacitated parent, cash payments may continue to the nonsanctioned caretaker in the assistance unit, subject to clause (f)- paragraph (g);

(f) If, after removing a caretaker's needs from the grant, the standard of assistance applicable to the remaining eligible members of the assistance unit is the standard that is used in other instances in which the caretaker is excluded from the assistance unit for noncompliance with a program requirement, only dependent children remain eligible for AFDC, the standard of assistance shall be computed using the special children standard;

~~(f)~~ (g) If the noncompliant individual is a ~~parent or other caretaker of principal wage earner~~ in a family whose basis of eligibility is the unemployment of a parent and the ~~noncompliant individual's spouse~~ nonprincipal wage earner is not participating in an approved employment and training service, the needs of both the spouse principal and nonprincipal wage earner must not be taken into account in making the grant determination; and

(7) Request approval from the secretary of health and human services to use vendor payment sanctions for persons listed in paragraph (5), clause (b). If approval is granted, the commissioner must begin using vendor payment sanctions as soon as changes to the state plan are approved.

Sec. 8. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 10, is amended to read:

Subd. 10. [COUNTY DUTIES.] (a) To the extent of available state appropriations, county boards shall:

(1) refer all ~~priority mandatory and eligible volunteer caretakers~~ required to register under subdivision 3 to an employment and training service provider for participation in employment and training services;

(2) identify to the employment and training service provider caretakers who fall into the priority groups;

(3) provide all caretakers with an orientation which meets the requirements in subdivisions 10a and 10b;

(4) work with the employment and training service provider to encourage voluntary participation by caretakers in the priority groups;

(5) work with the employment and training service provider to collect data as required by the commissioner;

(6) to the extent permissible under federal law, require all caretakers coming into the AFDC program to attend orientation;

(7) encourage nonpriority caretakers to develop a plan to obtain self-sufficiency;

(8) notify the commissioner of the caretakers required to participate in employment and training services;

(9) inform appropriate caretakers of opportunities available through the head start program and encourage caretakers to have

their children screened for enrollment in the program where appropriate;

(10) provide transportation assistance using the employment special needs fund or other available funds to caretakers who participate in employment and training programs; with priority for services to caretakers in priority groups;

(11) ensure that orientation, employment job search, services to custodial parents under the age of 20, and case management services are made available to appropriate caretakers under this section, except that payment for case management services is governed by subdivision 13;

(12) explain in its local service unit plan under section 268.88 how it will ensure that priority caretakers determined to be in need of social services are provided with such social services. The plan must specify how the case manager and the county social service workers will ensure delivery of needed services;

(13) to the extent allowed by federal laws and regulations, provide a job search program as defined in subdivision 14 and at least one of the following employment and training services: community work experience program (CWEP) as defined in section 256.737, grant diversion as defined in section ~~268.86~~ 256.739, on-the-job training as defined in section 256.738, or another work and training program approved by the commissioner and the secretary of the United States Department of Health and Human Services. Planning and approval for employment and training services listed in this clause must be obtained through submission of the local service unit plan as specified under section 268.88. Each county is urged to adopt grant diversion as the second program required under this clause;

(14) prior to participation, provide an assessment of each AFDC recipient who is required or volunteers to participate in one of the an approved employment and training services specified in clause (13) service, including job search, and to recipients who volunteer for participation in case management under subdivision 11. The assessment must include an evaluation of the participant's (i) educational, child care, and other supportive service needs; (ii) skills and prior work experience; and (iii) ability to secure and retain a job which, when wages are added to child support, will support the participant's family. The assessment must also include a review of the results of the early and periodic screening, diagnosis and treatment (EPSDT) screening and preschool screening under chapter 123, if available; the participant's family circumstances; and, in the case of a custodial parent under the age of 18, a review of the effect of a child's development and educational needs on the parent's ability to participate in the program;

(15) develop an employability development plan for each recipient

for whom an assessment is required under clause (14) which: (i) reflects the assessment required by clause 14; (ii) takes into consideration the recipient's physical capacity, skills, experience, health and safety, family responsibilities, place of residence, proficiency, child care and other supportive service needs; (iii) is based on available resources and local employment opportunities; (iv) specifies the services to be provided by the employment and training service provider; (v) specifies the activities the recipient will participate in; (vi) specifies necessary supportive services such as child care; (vii) to the extent possible, reflects the preferences of the participant; and (viii) specifies the recipient's long-term employment goal which shall lead to self-sufficiency; and

(16) assure that no work assignment under this section or sections 256.737 and 256.738, and 256.739 results in: (i) termination, layoff, or reduction of the work hours of an employee for the purpose of hiring an individual under this section or sections 256.737 and 256.738, and 256.739; (ii) the hiring of an individual if any other person is on layoff from the same or a substantially equivalent job; (iii) any infringement of the promotional opportunities of any currently employed individual; (iv) the impairment of existing contracts for services or collective bargaining agreements; or (v) except for on-the-job training under section 256.738, a participant filling an established unfilled position vacancy.

(b) Funds available under this subdivision may not be used to assist, promote, or deter union organizing.

(c) A county board may provide other employment and training services that it considers necessary to help caretakers obtain self-sufficiency.

(d) Notwithstanding section 256G.07, when a priority caretaker relocates to another county to implement the provisions of the caretaker's case management contract or other written employability development plan approved by the county human service agency or, its case manager or employment and training service provider, the county that approved the plan is responsible for the costs of case management, child care, and other services required to carry out the plan, including employment and training services. The county agency's responsibility for the costs ends when all plan obligations have been met, when the caretaker loses AFDC eligibility for at least 30 days, or when approval of the plan is withdrawn for a reason stated in the plan, whichever occurs first. Responsibility for the costs of child care must be determined under section 256H. A county human service agency may pay for the costs of case management, child care, and other services required in an approved employability development plan when the nonpriority caretaker relocates to another county or when a priority caretaker again becomes eligible for AFDC after having been ineligible for at least 30 days.

Sec. 9. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 10a, is amended to read:

Subd. 10a. [ORIENTATION.] (a) Each county agency must provide an orientation to all caretakers within its jurisdiction who are determined eligible for AFDC on or after July 1, 1989, and who are required to attend an orientation. The county agency shall require attendance at orientation of all caretakers ~~except those who are: not exempt from registration under subdivision 3.~~

(1) ~~physically disabled, mentally ill, or developmentally disabled and whose condition has or is expected to continue for at least 90 days and will prevent participation in educational programs or employment and training services;~~

(2) ~~aged 60 or older;~~

(3) ~~currently employed in unsubsidized employment that is expected to continue at least 30 days and that provides an average of at least 30 hours of employment per week; or~~

(4) ~~currently employed in subsidized employment that is expected to continue at least 30 days and that provides an average of at least 30 hours of employment per week and is expected to result in full-time permanent employment.~~

(b) Except as provided in paragraph (e) below, the orientation must consist of a presentation that informs caretakers of:

(1) the identity, location, and phone numbers of employment and training and support services available in the county;

(2) the types and locations of child care services available through the county agency that are accessible to enable a caretaker to participate in educational programs or employment and training services;

(3) the availability of assistance for participants to help select appropriate child care services and that, on request, assistance will be provided to select appropriate child care services child care resource and referral program designated by the commissioner providing education and assistance to select child care services and a referral to the child care resource and referral when assistance is requested;

(4) the obligations of the county agency and service providers under contract to the county agency;

(5) the rights, responsibilities, and obligations of participants;

(6) the grounds for exemption from mandatory employment and training services or educational requirements;

(7) the consequences for failure to participate in mandatory services or requirements;

(8) the method of entering educational programs or employment and training services available through the county; and

(9) the availability and the benefits of the early and periodic, screening, diagnosis and treatment (EPSDT) program and preschool screening under chapter 123;

(10) their eligibility for transition year child care assistance when they lose eligibility for AFDC due to their earnings; and

(11) their eligibility for extended medical assistance when they lose eligibility for AFDC due to their earnings.

(c) Orientation must encourage recipients to view AFDC as a temporary program providing grants and services to individuals who set goals and develop strategies for supporting their families without AFDC assistance. The content of the orientation must not imply that a recipient's eligibility for AFDC is time limited. Orientation may be provided through audio-visual methods, but the caretaker must be given an opportunity for face-to-face interaction with staff of the county agency or the entity providing the orientation, and an opportunity to express the desire to participate in educational programs and employment and training services offered through the county agency.

(d) County agencies shall not require caretakers to attend orientation for more than three hours during any period of 12 continuous months. The local agency shall also arrange for or provide needed transportation and child care to enable caretakers to attend.

(e) Orientation for caretakers not eligible for participation in employment and training services under the provisions of subdivision 3a, paragraphs (a) and (b) shall present information only on those employment, training, and support services available to those caretakers, and information on clauses (2), (3), (9), (10), and (11) of paragraph (a) and all of paragraph (c), and may not last more than two hours.

Sec. 10. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 11, is amended to read:

Subd. 11. [CASE MANAGEMENT SERVICES.] (a) For clients described in subdivision 2a, the case manager shall. The county agency may, to the extent of available resources, enroll priority

caretakers described in subdivision 16 in case management services and for those enrolled shall:

(1) Provide an assessment as described in subdivision 10, paragraph (a), clause (14). As part of the assessment, the case manager shall inform caretakers of the screenings available through the early periodic screening, diagnosis and treatment (EPSDT) program under chapter 256B and preschool screening under chapter 123, and encourage caretakers to have their children screened. The case manager must work with the caretaker in completing this task;

(2) Develop an employability development plan as described in subdivision 10, paragraph (a), clause (15). The case manager must work with the caretaker in completing this task. For caretakers who are not literate or who have not completed high school, the first goal for the caretaker should be to complete literacy training or a general equivalency diploma. Caretakers who are literate and have completed high school shall be counseled to set realistic attainable goals, taking into account the long-term needs of both the caretaker and the caretaker's family;

(3) Coordinate services such as child care, transportation, and education assistance necessary to enable the caretaker to work toward the goals developed in clause (2). The case manager shall refer caretakers to resource and referral services, if available, and shall assist caretakers in securing appropriate child care services. When a client needs child care services in order to attend a Minnesota public or nonprofit college, university or technical institute, the case manager shall contact the appropriate agency to reserve child care funds for the client. A caretaker who needs child care services in order to complete high school or a general equivalency diploma is eligible for child care under section 268.91;

(4) Develop, execute, and monitor a contract between the local agency and the caretaker. The contract must be based upon the employability development plan described in subdivision 10, paragraph (a), clause (15), and but must be a separate document. It must include: (a) specific goals of the caretaker including stated measurements of progress toward each goal, the estimated length of participation in the program, and the number of hours of participation per week; (b) specific educational, training, and employment activities and support services provided by the county agency, including child care; and (c) the participant's obligations and the conditions under which the county will withdraw the services provided;

The contract must be signed and dated by the case manager and participant, and may include other terms as desired or needed by either party. In all cases, however, the case manager must assist the participant in reviewing and understanding the contract, and must ensure that the caretaker has set forth in the contract realistic goals

consistent with the ultimate goal of self-sufficiency for the caretaker's family; and

(5) Develop and refer caretakers to counseling or peer group networks for emotional support while participating in work, education, or training.

(b) In addition to the duties in paragraph (a), for minor parents and pregnant minors, the case manager shall:

(1) Ensure that the contract developed under paragraph (a), clause (4), considers all factors set forth in section 257.33, subdivision 2;

(2) Assess the housing and support systems needed by the caretaker in order to provide the dependent children with adequate parenting. The case manager shall encourage minor parents and pregnant minors who are not living with friends or relatives to live in a group home or foster care setting. If minor parents and pregnant minors are unwilling to live in a group home or foster care setting or if no group home or foster care setting is available; the case manager shall assess their need for training in parenting and independent living skills and when appropriate shall refer them to available counseling programs designed to teach needed skills; and

(3) Inform minor parents or pregnant minors of, and assist them in evaluating the appropriateness of, the high school graduation incentives program under section 126.22, including post-secondary enrollment options, and the employment-related and community-based instruction programs.

(c) A caretaker may request a conciliation conference to attempt to resolve disputes regarding the contents of a contract developed under this section or a housing and support systems assessment conducted under this section. The caretaker may request a hearing pursuant to section 256.045 to dispute the contents of a contract or assessment developed under this section. The caretaker need not request a conciliation conference in order to request a hearing pursuant to section 256.045.

Sec. 11. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 14, is amended to read:

Subd. 14. [JOB SEARCH.] (a) The commissioner of human services shall establish a job search program under Public Law Number 100-485. Unless exempt, the principal wage earner in an AFDC-UP assistance unit must be referred to and must begin participation in the job search program within 30 days of being determined eligible for AFDC, and must begin participation within four months of being determined eligible for AFDC-UP unless. The principal wage earner is exempt from job search participation if:

(1) the caretaker is already participating in another approved employment and training service;

(2) the caretaker's employability plan specifies other activities;

(3) the caretaker is exempt from registration under subdivision 3;
or

(4) the caretaker is unable to secure employment due to inability to communicate in the English language, is participating in an English as a second language course, and is making satisfactory progress towards completion of the course. If an English as a second language course is not available to the caretaker, the caretaker is exempt from participation until a course becomes available.

(b) The job search program must provide the following services:

(1) an initial period of up to four weeks of job search activities for not more than 32 hours per week. The employment and training service provider shall specify for each participating caretaker the number of weeks and hours of job search to be conducted and shall report to the county board if the caretaker fails to cooperate with the employment job search requirement; and

(2) an additional period of job search following the first period at the discretion of the employment and training service provider. The total of these two periods of job search may not exceed eight weeks for any 12 consecutive month period beginning with the month of application.

(c) The employment job search program may provide services to non-AFDC-UP caretakers.

Sec. 12. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 16, is amended to read:

Subd. 16. [ALLOCATION AND USE OF MONEY.] (a) State money appropriated for employment and training services under this section must be allocated to counties as follows: as specified in paragraphs (b) to (h).

(b) Funds appropriated for case management services as described in subdivision 11 must be allocated to counties based on the average number of priority cases receiving AFDC in the county for the 12-month period ending December 31 of the previous year. For purposes of this section, "priority caretaker" means a recipient who:

(1) is a custodial parent under the age of 24 who: (i) has not completed a high school education and at the time of application for AFDC is not enrolled in high school or in a high school equivalency

program; or (ii) had little or no work experience in the preceding year;

(2) is a member of a family in which the youngest child is within two years of being ineligible for AFDC due to age; or

(3) has received 36 months or more of AFDC over the last 60 months.

(c) Funds appropriated for employment and training services as described in subdivision 1a, paragraph (d), other than case management services as described in subdivision 11, must be allocated to counties as follows:

(1) Forty percent of the state money must be allocated based on the average monthly number of priority caretakers receiving AFDC in the county who are under age 21 and the average monthly number of AFDC cases open in the county for 24 or more consecutive months and residing in the county for the 12-month period ending December 31 of the previous fiscal year.

(2) Twenty percent of the state money must be allocated based on the average monthly number of nonpriority caretakers receiving AFDC in the county for the period ending December 31 of the previous fiscal year. Funds may be used to develop employability plans for nonpriority caretakers if resources allow.

(3) Twenty-five percent of the state money must be allocated based on the average monthly number of assistance units in the county receiving AFDC-UP for the period ending December 31 of the previous fiscal year.

(4) Fifteen percent of the state money must be allocated at the discretion of the commissioner based on participation levels for priority group members in each county.

(b) (d) No more than 15 percent of the money allocated under paragraph (a) (b) and no more than 15 percent of the money allocated under paragraph (c) may be used for administrative activities.

(e) Except as provided in paragraph (d), (e) At least 70 55 percent of the money allocated to counties under clause (c) must be used for case management services and employment and training services for caretakers in the priority groups, and up to 30 45 percent of the money may be used for employment search activities and employment and training services for nonpriority caretakers. One hundred percent of the money allocated to counties under clause (b) must be used for case management services for caretakers in the priority groups.

(d) A county having a high proportion of nonpriority caretakers that interferes with the county's ability to meet the 70 percent spending requirement of paragraph (c) may, with the approval of the commissioner of human services, use up to 40 percent of the money allocated under this section for orientation and employment and training services for nonpriority caretakers.

(e) (f) Money appropriated to cover the nonfederal share of costs for bilingual case management services to refugees for the employment and training programs under this section are allocated to counties based on each county's proportion of the total statewide number of AFDC refugee cases. However, counties with less than one percent of the statewide number of AFDC refugee cases do not receive an allocation.

(f) (g) Counties and the department of jobs and training shall bill the commissioner of human services for any expenditures incurred by the county, the county's employment and training service provider, or the department of jobs and training that may be reimbursed by federal money. The commissioner of human services shall bill the United States Department of Health and Human Services and the United States Department of Agriculture for the reimbursement and appropriate the reimbursed money to the county, the department of jobs and training, or employment and training service provider that submitted the original bill. The reimbursed money must be used to expand employment and training services.

(g) (h) The commissioner of human services shall review county expenditures of case management and employment and training block grant money at the end of the fourth quarter of the biennium and each quarter after that, and may reallocate unencumbered or unexpended money allocated under this section to those counties that can demonstrate a need for additional money. Reallocation of funds must be based on the formula set forth in paragraph (a), excluding the counties that have not demonstrated a need for additional funds.

(i) The county agency may continue to provide case management and supportive services to a participant for up to 90 days after the participant loses AFDC eligibility, and may continue providing a specific employment and training service for the duration of that service to a participant if funds for the service are obligated or expended prior to the participant losing AFDC eligibility.

Sec. 13. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 18, is amended to read:

Subd. 18. [PROGRAM OPERATION BY INDIAN TRIBES.] (a) The commissioner may enter into agreements with any federally recognized Indian tribe with a reservation in the state to provide employment and training programs under this section to members

of the Indian tribe receiving AFDC. For purposes of this section, "Indian tribe" means a tribe, band, nation, or other organized group or community of Indians that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians; and for which a reservation exists as is consistent with Public Law Number 100-485, as amended.

(b) Agreements entered into under this subdivision must require the governing body of the Indian tribe to fulfill all county responsibilities required under this section in operation of the employment and training services covered by the contract, excluding the county share of costs in subdivision 13 and any county function related to AFDC eligibility determination or grant payment. The commissioner may enter into an agreement with a consortium of Indian tribes providing the governing body of each Indian tribe in the consortium agrees to these conditions.

(c) Agreements entered into under this subdivision must require the Indian tribe to operate the employment and training services within a geographic service area not to exceed the counties within which a border of the reservation falls. Indian tribes may also operate services in Hennepin and Ramsey counties or other geographic areas as approved by the commissioner of human services in consultation with the commissioner of jobs and training.

(d) Agreements entered into under this section must require the Indian tribe to operate a federal jobs program under Public Law Number 100-485, section 482(i).

(e) Agreements entered into under this section must require conformity with section 13.46 and any applicable federal regulations in the use of data about AFDC recipients.

(f) Agreements entered into under this section must require financial and program participant activity record keeping and reporting in the manner and using the forms and procedures specified by the commissioner and that federal reimbursement received must be used to expand operation of the employment and training services.

(g) Agreements entered into under this section must require that the Indian tribe coordinate operation of the programs with county employment and training programs, Indian Job Training Partnership Act programs, and educational programs in the counties in which the tribal unit's program operates.

(h) Agreements entered into under this section must require the Indian tribe to allow inspection of program operations and records by representatives of the department.

(i) Agreements entered into under this subdivision must require the Indian tribe to ~~contract with an~~ have its employment and training service provider certified by the commissioner of jobs and training for operation of the programs; ~~or become certified itself.~~

(j) Agreements entered into under this subdivision must require the Indian tribe to specify a starting date for each program with a procedure to enable tribal members participating in county-operated employment and training services to make the transition to the program operated by the tribal unit. Programs must begin on the first day of a month specified by the agreement.

(k) If the commissioner and Indian tribe enter into an agreement, the commissioner, after consulting with the commissioner of jobs and training regarding tribal plan status, may immediately reallocate county case management and employment and training block grant money from the counties in the Indian tribe's service area to the Indian tribe, prorating each county's annual allocations according to that percentage of the number of adult tribal unit members receiving AFDC residing in the county compared to the total number of adult AFDC recipients residing in the county and also prorating the annual allocation according to the month in which the Indian tribe program starts. If the Indian tribe cancels the agreement or fails, in the commissioner's judgment, to fulfill any requirement of the agreement, the commissioner shall reallocate money back to the counties in the Indian tribe's service area.

(l) Indian tribe members receiving AFDC and residing in the service area of an Indian tribe operating employment and training services under an agreement with the commissioner must be referred by county agencies in the service area to the Indian tribe for employment and training services.

(m) The Indian tribe shall bill the commissioner of human services for services performed under the contract. The commissioner shall bill the United States Department of Health and Human Services for reimbursement. Federal receipts are appropriated to the commissioner to be provided to the Indian tribe that submitted the original bill.

Sec. 14. Minnesota Statutes 1988, section 256.7365, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purpose of this section, the following terms have the meanings given them.

(a) "Substantial barriers to employment" means disabilities, chemical dependency, having children with disabilities, lack of a high school degree, lack of a marketable occupational skill, three or more children, or lack of regular work experience in the previous five years.

(b) "Case management" means case management as defined in section 256.736, subdivision 11.

Sec. 15. Minnesota Statutes 1989 Supplement, section 256.737, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT AND PURPOSE.] In order that persons receiving aid under this chapter may be assisted in achieving self-sufficiency by enhancing their employability through meaningful work experience and training and the development of job search skills, ~~the commissioner of human services shall continue the pilot community work experience demonstration programs that were approved by January 1, 1984.~~ the commissioner may establish ~~additional~~ community work experience programs in as many counties as necessary to comply with the participation requirements of the Family Support Act of 1988, Public Law Number 100-485. As of July 1, 1990, all such programs established on or after July 1, 1989, must be operated on a volunteer basis, and must be operated according to the Family Support Act of 1988, Public Law Number 100-485.

Sec. 16. Minnesota Statutes 1989 Supplement, section 256.737, subdivision 2, is amended to read:

Subd. 2. [PROGRAM REQUIREMENTS.] (a) Programs under this section are limited to projects that serve a useful public service such as: health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety and child care. To the extent possible, the prior training, skills, and experience of a recipient must be used in making appropriate work experience assignments.

(b) As a condition to placing a person receiving aid to families with dependent children in a program under this subdivision, the county agency shall first provide the recipient the opportunity to participate in the following services:

(1) placement in suitable subsidized or unsubsidized employment through participation in job search under section 256.736, subdivision 14; or

(2) basic educational or vocational or occupational training for an identifiable job opportunity.

(c) If the A recipient refuses who has completed a job search under section 256.736, subdivision 14, who is unable to secure suitable employment, and a who is not enrolled in an approved training program, the county agency may, subject to subdivision 1, require the recipient to participate in a community work experience program as a condition of eligibility.

(d) The county agency shall limit the maximum number of hours any participant under this section may be required to work in any month to a number equal to the amount of the aid to families with dependent children payable to the family divided by the greater of the federal minimum wage or the applicable state minimum wage.

(e) After a participant has been assigned to a position under this section for nine months, the participant may not be required to continue in that assignment unless the maximum number of hours a participant is required to work works is no greater than the amount of the aid to families with dependent children payable with respect to the family divided by the higher of (1) the federal minimum wage or the applicable state minimum wage, whichever is greater, or (2) the rate of pay for individuals employed in the same or similar occupations by the same employer at the same site.

(f) After each six months of a recipient's participation in an assignment, and at the conclusion of each assignment under this section, the county agency shall reassess and revise, as appropriate, each participant's employability development plan.

(g) The county agency shall apply the grant reduction sanctions specified in section 256.736, subdivision 4, clause (6), when it is determined that a mandatory participant has failed, without good cause, to participate in the program.

Sec. 17. [256.739] [GRANT DIVERSION.]

(a) County agencies may, according to section 256.736, subdivision 10, develop grant diversion programs that permit voluntary participation by AFDC recipients. A county agency that chooses to provide grant diversion as one of its optional employment and training services may divert to an employer part or all of the AFDC payment for the participant's assistance unit, in compliance with federal regulations and laws. Such payments to an employer are to subsidize employment for AFDC recipients as an alternative to public assistance payments.

(b) County agencies shall limit the length of training to nine months. Placement in a grant diversion training position with an employer is for the purpose of training and employment with the same employer, who has agreed to retain the person upon satisfactory completion of training.

(c) Placement of any recipient in a grant diversion subsidized training position must be compatible with the assessment and employability development plan established for the recipient under section 256.736, subdivision 10, paragraph (a), clauses (14) and (15).

(d) No grant diversion participant may be assigned to fill any established, unfilled position vacancy with an employer.

(e) In addition to diverting the AFDC grant to the employer, employment and training block grant funds may be used to subsidize the grant diversion placement.

Sec. 18. Minnesota Statutes 1989 Supplement, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. [STANDARDS.] (a) A principal objective in providing general assistance is to provide for persons ineligible for federal programs who are unable to provide for themselves. The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs.

(b) The commissioner shall set the standard of assistance for an assistance unit consisting of an adult recipient who is childless and unmarried or living apart from children and spouse and who does not live with a parent or parents or a legal custodian. When the other standards specified in this subdivision increase, this standard must also be increased by the same percentage.

(c) For an assistance unit consisting of a single adult who lives with a parent or parents, the general assistance standard of assistance is the amount that the aid to families with dependent children standard of assistance would increase if the recipient were added as an additional minor child to an assistance unit consisting of the recipient's parent and all of that parent's family members, except that the standard may not exceed the standard for a general assistance recipient living alone. Benefits received by a responsible relative of the assistance unit under the supplemental security income program, a workers' compensation program, the Minnesota supplemental aid program, or any other program based on the responsible relative's disability, and any benefits received by a responsible relative of the assistance unit under the social security retirement program, may not be counted in the determination of eligibility or benefit level for the assistance unit. Except as provided below, the assistance unit is ineligible for general assistance if the available resources or the countable income of the assistance unit and the parent or parents with whom the assistance unit lives are such that a family consisting of the assistance unit's parent or parents, the parent or parents' other family members and the assistance unit as the only or additional minor child would be financially ineligible for general assistance. For the purposes of calculating the countable income of the assistance unit's parent or parents, the calculation methods, income deductions, exclusions, and disregards used when calculating the countable income for a single adult or childless couple must be used.

(d) For an assistance unit consisting of a childless couple, the standards of assistance are the same as the first and second adult standards of the aid to families with dependent children program. If one member of the couple is not included in the general assistance grant, the standard of assistance for the other is the second adult standard of the aid to families with dependent children program.

(e) For an assistance unit consisting of all members of a family, the standards of assistance are the same as the standards of assistance that apply to a family under the aid to families with dependent children program if that family had the same number of parents and children as the assistance unit under general assistance and if all members of that family were eligible for the aid to families with dependent children program. If one or more members of the family are not included in the assistance unit for general assistance, the standards of assistance for the remaining members are the same as the standards of assistance that apply to an assistance unit composed of the entire family, less the standards of assistance for a family of the same number of parents and children as those members of the family who are not in the assistance unit for general assistance. However, if an assistance unit consists solely of the minor children because their parent or parents have been sanctioned from receiving benefits from the aid to families with dependent children program, the standard for the assistance unit is the same as the special child standard of the aid to families with dependent children program. In no case shall the standard for family members who are in the assistance unit for general assistance, when combined with the standard for family members who are not in the general assistance unit, total more than the standard for the entire family if all members were in an AFDC assistance unit. A child may not be excluded from the assistance unit unless income intended for its benefit is received from a federally aided categorical assistance program or supplemental security income. The income of a child who is excluded from the assistance unit may not be counted in the determination of eligibility or benefit level for the assistance unit.

(f) An assistance unit consisting of one or more members of a family must have its grant determined using the policies and procedures of the aid to families with dependent children program. However, the standard of assistance must be determined according to paragraph (e), the first \$50 of total child support received by an assistance unit in a month must be excluded and the balance counted as unearned income, and nonrecurring lump sums received by the family must be considered income in the month received and a resource in the following months.

Sec. 19. Minnesota Statutes 1988, section 256D.01, is amended by adding a subdivision to read:

Subd. 1d. [RULES REGARDING EMERGENCY ASSISTANCE.]

In order to maximize the use of federal funds, the commissioner shall adopt rules, to the extent permitted by federal law, for eligibility for the emergency assistance program under aid to families with dependent children, and under the terms of sections 256D.01 to 256D.21 for general assistance, to require use of the emergency program under aid to families with dependent children as the primary financial resource when available. The commissioner shall adopt rules for eligibility for general assistance of persons with seasonal income and may attribute seasonal income to other periods not in excess of one year from receipt by an applicant or recipient. General assistance payments may not be made for foster care, child welfare services, or other social services. Vendor payments and vouchers may be issued only as authorized in sections 256D.05, subdivision 6, and 256D.09.

Sec. 20. Minnesota Statutes 1988, section 256D.02, subdivision 5, is amended to read:

Subd. 5. "Family" means the following persons who live together: a minor child or a group of minor children related to each other as siblings, half siblings, or stepsiblings, together with their natural or adoptive parents, their stepparents, or their legal custodians, and any other minor children of whom an adult member of the family is a legal custodian. applicant or recipient and the following persons who reside with the applicant or recipient:

(1) the applicant's spouse;

(2) any minor child of whom the applicant is a parent, stepparent, or legal custodian, and that child's minor siblings, including half-siblings and step-siblings;

(3) the other parent of the applicant's minor child or children together with that parent's minor children, and, if that parent is a minor, his or her parents, stepparents, legal guardians, and minor siblings; and

(4) if the applicant or recipient is a minor, the minor's parents, stepparents, or legal guardians, and any other minor children for whom those parents, stepparents, or legal guardians are financially responsible.

A "family" must contain at least one minor child and at least one of that child's natural or adoptive parents, stepparents, or legal custodians.

Sec. 21. Minnesota Statutes 1988, section 256D.02, subdivision 8, is amended to read:

Subd. 8. "Income" means any form of income, including remuner-

ation for services performed as an employee and net earnings from self-employment, reduced by the amount attributable to employment expenses as defined by the commissioner. The amount attributable to employment expenses shall include amounts paid or withheld for federal and state personal income taxes and federal social security taxes.

"Income" includes any payments received as an annuity, retirement, or disability benefit, including veteran's or workers' compensation; old age, survivors, and disability insurance; railroad retirement benefits; unemployment benefits; and benefits under any federally aided categorical assistance program, supplementary security income, or other assistance program; rents, dividends, interest and royalties; and support and maintenance payments. Such payments may not be considered as available to meet the needs of any person other than the person for whose benefit they are received, unless that person is a family member or a spouse and the income is not excluded under section 256D.01, subdivision 1a. Goods and services provided in lieu of cash payment shall be excluded from the definition of income, except that payments made for room, board, tuition or fees by a parent, on behalf of a child enrolled as a full-time student in a post-secondary institution, and payments made on behalf of an applicant or recipient which the applicant or recipient could legally require to be paid in cash to himself or herself, must be included as income.

Sec. 22. Minnesota Statutes 1988, section 256D.02, subdivision 12, is amended to read:

Subd. 12. "Local County agency" means the agency designated by the county board of commissioners, human services boards, county welfare boards in the several counties of the state or multicounty welfare boards or departments where those have been established in accordance with law.

Sec. 23. Minnesota Statutes Second 1989 Supplement, section 256D.03, subdivision 2, is amended to read:

Subd. 2. After December 31, 1980, state aid shall be paid to local agencies for 75 percent of all general assistance and work readiness grants up to the standards of sections 256D.01, subdivision 1a, and 256D.051, and according to procedures established by the commissioner, except as provided for under section 256.017 and except that, after December 31, 1987 until January 1 1991, state aid is reduced to 65 percent of all work readiness assistance if the local agency does not make occupational or vocational literacy training available and accessible to recipients who are eligible for assistance under section 256D.051.

After December 31, 1986, state aid must be paid to local agencies for 65 percent of work readiness assistance paid under section

~~256D.051 if the county does not have an approved and operating community investment program.~~

Beginning July 1, 1991, the state will reimburse counties according to the payment schedule in section 256.025 for the county share of local agency expenditures made under this subdivision from January 1, 1991, on. Payment to counties under this subdivision is subject to the provisions of section 256.017.

Sec. 24. Minnesota Statutes 1989 Supplement, section 256D.051, subdivision 1a, is amended to read:

Subd. 1a. [WORK READINESS PAYMENTS.] (a) Grants of work readiness shall be determined using the standards of assistance, exclusions, disregards, and procedures which are used in the general assistance program. Work readiness shall be granted in an amount that, when added to the nonexempt income actually available to the assistance unit, the total amount equals the applicable standard of assistance.

(b) Work readiness payments must be provided to persons determined eligible for the work readiness program as provided in this subdivision except when the special payment provisions in subdivision 1b are utilized. The initial payment must be prorated to provide assistance for the period beginning with the date the completed application is received by the county agency or the date the assistance unit meets all work readiness eligibility factors, whichever is later, and ending on the final day of that month. The amount of the first payment must be determined by dividing the number of days to be covered under the payment by the number of days in the month, to determine the percentage of days in the month that are covered by the payment, and multiplying the monthly payment amount by this percentage. Subsequent payments must be paid monthly on the first day of each month.

~~There shall be an initial certification period which shall begin on the date the completed application is received by the county agency or the date that the assistance unit meets all work readiness eligibility factors, whichever is later, and ending on the date that mandatory registrants in the assistance unit must attend a work readiness orientation. This initial certification period may not cover a period in excess of 30 calendar days. All mandatory registrants in the assistance unit must be informed of the period of certification, the requirement to attend orientation, and that work readiness eligibility will end at the end of the certification period unless the registrants attend orientation. A registrant who fails to comply with requirements during the certification period, including attendance at orientation, will lose work readiness eligibility without notice under section 256D.101, subdivision 1, paragraph (b).~~

At the time the county agency notifies the assistance unit that it

is eligible for work readiness assistance, the county agency must inform all mandatory registrants in the assistance unit that they must attend an orientation within 30 days, and that work readiness eligibility will end at the end of the month in which the orientation is scheduled unless the registrants attend orientation. A registrant who fails, without good cause, to comply with requirements during this time period, including attendance at orientation, will lose work readiness eligibility without notice under section 256D.101, subdivision 1, paragraph (b). The registrant shall, however, be sent a notice, on or before the date that eligibility ends, which informs the registrant that work readiness eligibility has ended in accordance with this section for failure to comply with work readiness requirements. The notice shall set forth the factual basis for such determination, and advises the registrant of the right to reinstate eligibility upon a showing of good cause for the failure to meet the requirements. Subsequent assistance must not be issued unless the person completes an application, is determined eligible, and attends an orientation, or demonstrates that the person had good cause for failing to comply with the requirement.

Sec. 25. Minnesota Statutes 1989 Supplement, section 256D.051, subdivision 1b, is amended to read:

Subd. 1b. [SPECIAL PAYMENT PROVISIONS.] A county agency may, at its option, provide work readiness payments as provided under section 256D.05, subdivision 6, during the initial certification period prorated to cover only an initial certification period. The initial certification period shall cover the time from the date the completed application is received by the county agency or the date that the assistance unit meets all work readiness eligibility factors, whichever is later, and ending on the date that mandatory registrants in the assistance unit must attend a work readiness orientation. This initial certification period may not cover a period in excess of 30 calendar days. All mandatory registrants in the assistance unit must be informed of the period of certification, the requirement to attend orientation, and that work readiness eligibility will end at the end of the certification period unless the registrants attend orientation. A registrant who fails, without good cause, to comply with requirements during the certification period, including attendance at orientation, will lose work readiness eligibility without notice under section 256D.101, subdivision 1, paragraph (b). The registrant shall, however, be sent a notice, on or before the date that eligibility ends, which informs the registrant that work readiness eligibility has ended in accordance with this section for failure to comply with work readiness requirements. The notice shall set forth the factual basis for such determination, and advises the registrant of the right to reinstate eligibility upon a showing of good cause for the failure to meet the requirements. If all mandatory registrants attend orientation, an additional grant of work readiness assistance must be issued to cover the period beginning the day after the scheduled orientation and ending on the final day of that month.

Subsequent payments of work readiness shall be governed by subdivision 1a or section 256D.05, subdivision 6. If one or more mandatory registrants from the assistance unit fail to attend the orientation, those who failed to attend orientation will be removed from the assistance unit without further notice and shall be ineligible for additional assistance. Subsequent assistance to such persons shall be dependent upon the person completing application for assistance and, being determined eligible, and attending an orientation or demonstrating that the person had good cause for failing to comply with the requirement.

A local agency that utilizes the provisions in this subdivision must implement the provisions consistently for all applicants or recipients in the county. A local agency must pay emergency general assistance to a registrant whose prorated work readiness payment does not meet emergency needs. ~~A local agency which elects to pay work readiness assistance on a prorated basis under this subdivision may not provide payments under section 256D.05, subdivision 6, for the same time period. A county agency may, at its option, provide work readiness payments as provided under section 256D.05, subdivision 6, during the initial certification period.~~

Sec. 26. Minnesota Statutes 1989 Supplement, section 256D.051, subdivision 2, is amended to read:

Subd. 2. [LOCAL AGENCY DUTIES.] (a) The local agency shall provide to registrants a work readiness program. The work readiness program must include:

- (1) orientation to the work readiness program;
- (2) an individualized employability assessment and development plan that includes assessment of literacy, ability to communicate in the English language, eligibility for displaced homemaker services under section 268.96, educational history, and that estimates the length of time it will take the registrant to obtain employment. The employability assessment and development plan must be completed in consultation with the registrant, must assess the registrant's assets, barriers, and strengths, and must identify steps necessary to overcome barriers to employment;
- (3) referral to available accredited remedial or skills training programs designed to address registrant's barriers to employment;
- (4) referral to available programs including the Minnesota employment and economic development program;
- (5) a job search program, including job seeking skills training; and
- (6) other activities, ~~including public employment experience pro-~~

grams to the extent of available resources designed by the local agency to prepare the registrant for permanent employment.

The work readiness program may include a public sector or nonprofit work experience component only if the component is established according to section 268.90.

In order to allow time for job search, the local agency may not require an individual to participate in the work readiness program for more than 32 hours a week. The local agency shall require an individual to spend at least eight hours a week in job search or other work readiness program activities.

(b) The local agency shall prepare an annual plan for the operation of its work readiness program. The plan must be submitted to and approved by the commissioner of jobs and training. The plan must include:

- (1) a description of the services to be offered by the local agency;
- (2) a plan to coordinate the activities of all public entities providing employment-related services in order to avoid duplication of effort and to provide services more efficiently;
- (3) a description of the factors that will be taken into account when determining a client's employability development plan; and
- (4) provisions to assure that applicants and recipients are evaluated for eligibility for general assistance prior to termination from the work readiness program.

Sec. 27. Minnesota Statutes 1989 Supplement, section 256D.051, subdivision 3, is amended to read:

Subd. 3. [REGISTRANT DUTIES.] In order to receive work readiness assistance, a registrant shall: (1) cooperate with the local agency in all aspects of the work readiness program; (2) accept any suitable employment, including employment offered through the job training partnership act, Minnesota employment and economic development act, and other employment and training options; and (3) participate in work readiness activities assigned by the local agency. The local agency may terminate assistance to a registrant who fails to cooperate in the work readiness program, as provided in subdivision ~~3b~~ 3c.

Sec. 28. Minnesota Statutes 1989 Supplement, section 256D.051, subdivision 8, is amended to read:

Subd. 8. [VOLUNTARY QUIT.] A person is not eligible for work readiness payments or services if, without good cause, the person

refuses a legitimate offer of, or quits, suitable employment within 60 days before the date of application. A person who, without good cause, voluntarily quits suitable employment or refuses a legitimate offer of suitable employment while receiving work readiness payments or services shall be terminated from the work readiness program and disqualified for two months according to rules adopted by the commissioner.

Sec. 29. Minnesota Statutes 1988, section 256D.052, subdivision 5, is amended to read:

Subd. 5. [REASSESSMENT AND LITERACY REFERRAL.] (a) When a person is no longer functionally illiterate under rules adopted by the commissioner or is terminated for failure to comply with literacy training requirements, the local agency must assess the person's eligibility for general assistance under the remaining provisions of section 256D.05, subdivision 1, paragraph (a). The local agency must refer to the work readiness program under section 256D.051 all people not eligible for general assistance.

(b) ~~The local agency may also refer for voluntary work readiness services all recipients who reach a level of literacy that may allow successful participation in job training, provided that the job training does not interfere with a recipient's participation in literacy training. However, referral under this clause does not affect general assistance eligibility.~~

Sec. 30. Minnesota Statutes 1988, section 256D.06, subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of subdivision 1, a grant of general assistance shall be made to an eligible individual, married couple, or family for an emergency need, as defined in rules promulgated by the commissioner, where the recipient requests temporary assistance not exceeding 30 days if an emergency situation appears to exist and the individual is ineligible for the program of emergency assistance under aid to families with dependent children and is not a recipient of aid to families with dependent children at the time of application hereunder. If a an applicant or recipient relates facts to the local agency which may be sufficient to constitute an emergency situation, the local agency shall advise the recipient person of the procedure for applying for assistance pursuant to this subdivision.

Sec. 31. Minnesota Statutes 1989 Supplement, section 256H.01, subdivision 7, is amended to read:

Subd. 7. [EDUCATION PROGRAM.] "Education program" means remedial or basic education or English as a second language instruction, a program leading to a general equivalency or high school diploma, post-secondary programs excluding postbaccalaure-

ate programs, and other education and training needs as documented in an employability plan that is developed by an employment and training service provider certified by the commissioner of jobs and training or an individual designated by the county to provide employment and training services. The employability plan must outline education and training needs of a recipient, meet state requirements for employability plans, meet the requirements of Minnesota Rules, parts 9565.5000 to 9565.5200 and meet the requirements of other programs that provide federal reimbursement for child care services. ~~The county must incorporate into a recipient's employability plan an educational plan developed by a post-secondary institution for a nonpriority AFDC recipient who is enrolled or planning to enroll at that institution.~~

Sec. 32. Minnesota Statutes 1989 Supplement, section 256H.01, subdivision 8, is amended to read:

Subd. 8. [EMPLOYMENT PROGRAM.] "Employment program" means employment of recipients financially eligible for child care assistance, preemployment activities, or other activities approved in an employability plan that is developed by an employment and training service provider certified by the commissioner of jobs and training or an individual designated by the county to provide employment and training services. The plans must meet the requirements of Minnesota Rules, parts 9565.5000 to 9565.5200, and other programs that provide federal reimbursement for child care services.

Sec. 33. Minnesota Statutes 1989 Supplement, section 256H.01, subdivision 12, is amended to read:

Subd. 12. [PROVIDER.] "Provider" means a child care license holder who operates a family day care home, a group family day care home, a day care center, a nursery school, a day nursery, an extended day school age child care program; a person exempt from licensure who meets child care standards established by the state board of education; or a legal nonlicensed caregiver who is at least 18 years of age, and who is not a member of the AFDC assistance unit.

Sec. 34. Minnesota Statutes 1988, section 256H.01, is amended by adding a subdivision to read:

Subd. 16. [TRANSITION YEAR FAMILIES.] "Transition year families" means families who lose eligibility for AFDC due to increased hours of employment, increased income from employment, or the loss of income disregards due to time limitations, as provided under Public Law Number 100-485.

Sec. 35. Minnesota Statutes 1988, section 256H.01, is amended by adding a subdivision to read:

Subd. 17. [CHILD CARE FUND.] "Child care fund" means a program providing:

(1) financial assistance for child care to parents engaged in employment or education and training leading to employment; and

(2) grants to develop, expand, and improve the access and availability of child care services statewide.

Sec. 36. Minnesota Statutes 1989 Supplement, section 256H.03, subdivision 2, is amended to read:

Subd. 2. [ALLOCATION; LIMITATIONS.] The commissioner shall allocate ~~66 percent~~ of the money appropriated under the child care fund for the basic sliding fee program and shall allocate those funds between the metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the area outside the metropolitan area as follows:

(1) 50 percent of the money shall be allocated among the counties on the basis of the number of families below the poverty level, as determined from the most recent census or special census; and

(2) 50 percent of the money shall be allocated among the counties on the basis of the counties' portion of the AFDC caseload for the preceding state fiscal year.

If, under the preceding formula, either the seven-county metropolitan area consisting of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties or the area consisting of counties outside the seven-county metropolitan area is allocated more than 55 percent of the basic sliding fee funds, each county's allocation in that area shall be proportionally reduced until the total for the area is no more than 55 percent of the basic sliding fee funds. The amount of the allocations proportionally reduced shall be used to proportionally increase each county's allocation in the other area.

Sec. 37. Minnesota Statutes 1989 Supplement, section 256H.03, subdivision 2a, is amended to read:

Subd. 2a. [ELIGIBLE RECIPIENTS.] Families that meet the eligibility requirements under sections 256H.10, except AFDC recipients and transition year families, and 256H.11 are eligible for child care assistance under the basic sliding fee program. From July 1, 1990, to June 30, 1991, a county may not accept new applications for the basic sliding fee program unless the county can demonstrate that its expenditure of state money for the basic sliding fee program during this period will not exceed 95 percent of the county's allocation of state money for the fiscal year ending June 30, 1991. Families enrolled in the basic sliding fee program as of July 1, 1990,

shall be continued until they are no longer eligible. Counties shall make vendor payments to the child care provider or pay the parent directly for eligible child care expenses on a reimbursement basis.

Sec. 38. Minnesota Statutes 1989 Supplement, section 256H.03, subdivision 2b, is amended to read:

Subd. 2b. [FUNDING PRIORITY.] (a) First priority for child care assistance under the basic sliding fee program must be given to eligible recipients non-AFDC families who do not have a high school or general equivalency diploma or who need remedial and basic skill courses in order to pursue employment or to pursue education leading to employment. Priority for child care assistance under the basic sliding fee program must be given to non-AFDC families for this first priority unless a county can demonstrate that funds available in the AFDC child care program allocation are inadequate to serve all AFDC families needing child care services. Within this priority, the following subpriorities must be used:

- (1) child care needs of minor parents;
- (2) child care needs of parents under 21 years of age; and
- (3) child care needs of other parents within the priority group described in this paragraph.

(b) Second priority must be given to all other parents who are eligible for the basic sliding fee program.

Sec. 39. Minnesota Statutes 1989 Supplement, section 256H.05, subdivision 1b, is amended to read:

Subd. 1b. [ELIGIBLE RECIPIENTS.] Families eligible for guaranteed child care assistance under the AFDC child care program are: families receiving AFDC and former AFDC recipients who, during their first year of employment, continue to require a child care subsidy in order to retain employment. The commissioner shall designate between 20 to 60 percent of the AFDC child care program as the minimum to be reserved for AFDC recipients in an educational program. If a family meets the eligibility requirements of the AFDC child care program and the caregiver has an approved employability plan that meets the requirements of appropriate federal reimbursement programs, that family is eligible for child care assistance.

- (1) persons receiving services under section 256.736;
- (2) AFDC recipients who are employed; and

(3) persons who are members of transition year families under section 256H.01, subdivision 16.

Sec. 40. Minnesota Statutes 1989 Supplement, section 256H.05, subdivision 1c, is amended to read:

Subd. 1c. [FUNDING PRIORITY.] Priority for child care assistance under the AFDC child care program shall be given to AFDC priority groups who are engaged in an employment or education program consistent with their employability plan. If the AFDC recipient is employed, the AFDC child care disregard shall be applied before the remaining child care costs are subsidized by the AFDC child care program. AFDC recipients leaving AFDC due to their earned income, who have been on AFDC three out of the last six months and who apply for child care assistance under subdivision 1b within the first year after leaving AFDC, shall be entitled to one year of child care subsidies during the first year of employment. AFDC recipients must be put on a waiting list for the basic sliding fee program when they leave AFDC due to their earned income.

Sec. 41. Minnesota Statutes 1989 Supplement, section 256H.05, subdivision 2, is amended to read:

Subd. 2. [COOPERATION WITH OTHER PROGRAMS.] The county shall develop cooperative agreements with the employment and training service provider for coordination of child care funding with employment, training, and education programs for all AFDC recipients who receive services under section 256.736. The cooperative agreement shall specify that individuals receiving employment, training, and education services under an employability plan from the employment and training service provider shall, as resourcees permit, be guaranteed child care assistance from the county of their residence responsible for the current employability development plan.

Sec. 42. Minnesota Statutes 1989 Supplement, section 256H.05, subdivision 5, is amended to read:

Subd. 5. [FEDERAL REIMBURSEMENT.] Counties shall maximize their federal reimbursement under the AFDC special needs program Public Law Number 100-485 or other federal reimbursement programs for money spent for persons listed in this section and section 256H.03. The commissioner shall allocate any federal earnings to the county to be used to expand child care services under these sections.

Sec. 43. Minnesota Statutes 1989 Supplement, section 256H.08, is amended to read:

256H.08 [USE OF MONEY.]

Money for persons listed in sections 256H.03, subdivision 2a, and 256H.05, subdivision 1b, shall be used to reduce the costs of child care for students, including the costs of child care for students while employed if enrolled in an eligible education program at the same time and making satisfactory progress towards completion of the program. Counties may not limit the duration of child care subsidies for a person in an employment or educational program, except when the person is found to be ineligible under the child care fund eligibility standards. Any limitation must be based on a person's employability plan in the case of an AFDC recipient, and county policies included in the child care allocation plan. Time limitations for child care assistance, as specified in Minnesota Rules, parts 9565.5000 to 9565.5200, do not apply to basic or remedial educational programs needed to prepare for post-secondary education or employment. These programs include: high school, general equivalency diploma, and English as a second language. Programs exempt from this time limit must not run concurrently with a post-secondary program. Financially eligible students who have received child care assistance for one academic year shall be provided child care assistance in the following academic year if funds allocated under sections 256H.03 and 256H.05. If a student an AFDC recipient who is receiving AFDC child care assistance under this chapter moves to another county as specified authorized in their employability plan, continues to be enrolled in a post-secondary institution, and continues to be eligible for AFDC child care assistance under this chapter, the student must receive continued child care assistance from their county of origin without interruption to the limit of the county's allocation participate in educational or training programs authorized in their employability development plans, and continues to be eligible for AFDC child care assistance under this chapter, the AFDC caretaker must receive continued child care assistance from the county responsible for their current employability development plan, without interruption.

Sec. 44. Minnesota Statutes 1989 Supplement, section 256H.09, subdivision 1, is amended to read:

Subdivision 1. [QUARTERLY REPORTS.] The commissioner shall specify requirements for reports, including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph (17). Counties shall submit on forms prescribed by the commissioner a quarterly financial and program activity report. The failure to submit a complete report by the end of the quarter in which the report is due may result in a reduction of child care fund allocations equal to the next quarter's allocation. The financial and program activity report must include:

(1) a detailed accounting of the expenditures and revenues for the program during the preceding quarter by funding source and by eligibility group;

(2) a description of activities and concomitant expenditures that are federally reimbursable under the AFDC employment special needs program and other federal reimbursement programs;

(3) a description of activities and concomitant expenditures of child care money;

(4) information on money encumbered at the quarter's end but not yet reimbursable, for use in adjusting allocations as provided in sections section 256H.03, subdivision 3, and 256H.05, subdivision 1a; and

(5) other data the commissioner considers necessary to account for the program or to evaluate its effectiveness in preventing and reducing participants' dependence on public assistance and in providing other benefits, including improvement in the care provided to children.

Sec. 45. Minnesota Statutes 1988, section 256H.10, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY FACTORS.] Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

(a) receive aid to families with dependent children and are receiving employment and training services under section 256.736;

(b) have household income below the eligibility levels for aid to families with dependent children; or

(c) have household income within a range established by the commissioner.

(d) Child care services for the families receiving aid to families with dependent children must be made available as in-kind services, to cover any difference between the actual cost and the amount disregarded under the aid to families with dependent children program. Child care services to families whose incomes are below the threshold of eligibility for aid to families with dependent children, but that are not receiving aid to families with dependent children, must be made available without cost to the families.

Sec. 46. Minnesota Statutes 1989 Supplement, section 256H.10, subdivision 3, is amended to read:

Subd. 3. [PRIORITIES; ALLOCATIONS.] If more than 75 percent of the available money is provided to any one of the groups described in section 256H.03 or 256H.05, the county board shall document to

the commissioner the reason the group received a disproportionate share unless approved in the plan. If a county projects that its child care allocation is insufficient to meet the needs of all eligible groups, it may prioritize among the groups that remain to be served after the county has complied with the priority requirements of sections section 256H.03 and 256H.05. Counties that have established a priority for non-AFDC families beyond those established under section 256H.03 must submit the policy in the annual allocation plan.

Sec. 47. Minnesota Statutes 1988, section 256H.10, subdivision 4, is amended to read:

Subd. 4. [ELIGIBILITY; ANNUAL INCOME; CALCULATION.] Annual income of the applicant family is the current monthly income of the family multiplied by 12 or the income for the 12-month period immediately preceding the date of application, whichever or income calculated by the method which provides the most accurate assessment of income available to the family. Self-employment income must be calculated based on gross receipts less operating expenses. Income must be redetermined when the family's income changes, but no less often than every six months. Income must be verified with documentary evidence. If the applicant does not have sufficient evidence of income, verification must be obtained from the source of the income.

Sec. 48. Minnesota Statutes 1989 Supplement, section 256H.11, subdivision 1, is amended to read:

Subdivision 1. [ASSISTANCE FOR PERSONS SEEKING AND RETAINING EMPLOYMENT.] Persons who are seeking employment and who are eligible for assistance under this section are eligible to receive the equivalent of up to one month of child care. Employed persons who work at least ten hours a week and receive at least a minimum wage for all hours worked are eligible for continued child care assistance.

Sec. 49. Minnesota Statutes 1989 Supplement, section 256H.15, subdivision 1, is amended to read:

Subdivision 1. [SUBSIDY RESTRICTIONS.] The county board may limit the subsidy allowed by setting a maximum on the provider child care rate that the county shall subsidize. The maximum rate set by any county shall not be lower than 110 percent or higher than 125 percent of the median rate in that county for like care arrangements for all types of care, including special needs and handicapped care, as determined by the commissioner. If the county sets a maximum rate, it must pay the provider's rate for each child receiving a subsidy, up to the maximum rate set by the county. ~~In order to be reimbursed for more than 110 percent of the median rate, a provider with employees must pay wages for teachers, assistants,~~

and aides that are more than 110 percent of the county average rate for child care workers. If a county does not set a maximum provider rate, it shall pay the provider's rate for every child in care. The maximum state payment is 125 percent of the median provider rate. If the county has not set a maximum provider rate and the provider rate is greater than 125 percent of the median provider rate in the county, the county shall pay the amount in excess of 125 percent of the median provider rate from county funding sources. The county shall pay the provider's full charges for every child in care, up to the maximum established. The commissioner shall determine the maximum rate for each type of care, including special needs and handicapped care. When the provider charge is greater than the maximum provider rate set by the county allowed, the parent is responsible for payment of the difference in the rates in addition to any family copayment fee.

Sec. 50. Minnesota Statutes 1989 Supplement, section 256H.15, subdivision 2, is amended to read:

Subd. 2. [PROVIDER RATE BONUS FOR ACCREDITATION.] Currently accredited child care centers shall be paid a ~~five~~ ten percent bonus above the maximum rate established by the county in subdivision 1, ~~if the center can demonstrate that its staff wages are greater than 110 percent of the average wages in the county for similar care,~~ up to the actual provider rate. A family day care provider shall be paid a ~~five~~ ten percent bonus above the maximum rate established by the county in subdivision 1, if the provider holds a current child early childhood development associate certificate credential approved by the commissioner, up to the actual provider rate. ~~A county is not required to review wages under this subdivision unless the county has set a maximum above 110 percent for all providers with employees in their county.~~

Sec. 51. Minnesota Statutes 1988, section 256H.17, is amended to read:

256H.17 [EXTENSION OF EMPLOYMENT OPPORTUNITIES.]

The county board shall insure that child care services available to county eligible residents are well advertised and that everyone who receives or applies for aid to families with dependent children is informed of training and employment opportunities and programs, including child care assistance and child care resource and referral services.

Sec. 52. Minnesota Statutes 1989 Supplement, section 256H.21, subdivision 9, is amended to read:

Subd. 9. [MINI-GRANTS.] "Mini-grants" means child care grants for facility improvements that are less than up to \$1,000. Mini-grants include, but are not limited to, improvements to meet

licensing requirements, improvements to expand a child care facility or program, toys and equipment, start-up costs, staff training, and development costs.

Sec. 53. Minnesota Statutes 1989 Supplement, section 256H.22, subdivision 2, is amended to read:

Subd. 2. [DISTRIBUTION OF FUNDS.] (a) The commissioner shall allocate grant money appropriated for child care service (development and resource and referral services) among the development regions designated by the governor under section 462.385, as follows:

(1) 50 percent of the child care service development grant appropriation shall be allocated to the metropolitan area economic development region; and

(2) 50 percent of the child care service development grant appropriation shall be allocated to greater Minnesota counties economic development regions other than the metropolitan economic development region.

(b) The following formulas shall be used to allocate grant appropriations among the counties economic development regions:

(1) 50 percent of the funds shall be allocated in proportion to the ratio of children under 12 years of age in each county economic development region to the total number of children under 12 years of age in all counties economic development regions; and

(2) 50 percent of the funds shall be allocated in proportion to the ratio of children under 12 years of age in each county economic development region to the number of licensed child care spaces currently available in each county economic development region.

(c) Out of the amount allocated for each economic development region and county, the commissioner shall award grants based on the recommendation of the grant review advisory task force. In addition, the commissioner shall award no more than 75 percent of the money either to child care facilities for the purpose of facility improvement or interim financing or to child care workers for staff training expenses. ~~The commissioner shall award no more than 50 percent of the money for resource and referral services to maintain or improve an existing resource and referral until all regions are served by resource and referral programs.~~

(d) Any funds unobligated may be used by the commissioner to award grants to proposals that received funding recommendations by the advisory task force but were not awarded due to insufficient funds.

Sec. 54. Minnesota Statutes 1989 Supplement, section 256H.22, subdivision 3, is amended to read:

Subd. 3. [CHILD CARE REGIONAL ADVISORY COMMITTEES.] Child care regional advisory committees shall review and make recommendations to the commissioner on applications for service development grants under this section. The commissioner shall appoint the child care regional advisory committees in each governor's economic development regions. People appointed under this subdivision must represent the following constituent groups: family child care providers, group center providers, parent users, health services, social services, public schools, and other citizens with demonstrated interest in child care issues. Members of the advisory task force with a direct financial interest in a pending grant proposal may not provide a recommendation or participate in the ranking of that grant proposal. Committee members may be reimbursed for their actual travel, child care, and child care provider substitute expenses for up to six committee meetings per year. The child care regional advisory committees shall complete their reviews and forward their recommendations to the commissioner by the date specified by the commissioner.

Sec. 55. Minnesota Statutes 1989 Supplement, section 256H.22, subdivision 10, is amended to read:

Subd. 10. [ADVISORY TASK FORCE.] The commissioner shall convene a statewide advisory task force which shall advise the commissioner on grants and other child care issues. The statewide advisory task force shall review and make recommendations to the commissioner on child care resource and referral grants and on statewide service development and child care training grants. Members of the advisory task force with a direct financial interest in a resource and referral or a statewide training proposal may not provide a recommendation or participate in the ranking of that grant proposal. Each regional grant review committee formed under subdivision 3, shall appoint a representative to the advisory task force. The commissioner may convene meetings of the task force as needed. Terms of office and removal from office are governed by the appointing body. The commissioner may compensate members for their expenses of travel to, child care, and child care provider substitute expenses for meetings of the task force. The members of the child care advisory task force shall also meet once with the interagency advisory committee on child care under section 256H.25.

Sec. 56. Minnesota Statutes 1989 Supplement, section 268.0111, subdivision 4, is amended to read:

Subd. 4. [EMPLOYMENT AND TRAINING SERVICES.] "Employment and training services" means programs, activities, and services related to job training, job placement, and job creation

including job service programs, job training partnership act programs, wage subsidies, work readiness programs, job search, counseling, case management, community work experience programs, displaced homemaker programs, disadvantaged job training programs, grant diversion, employment experience programs, youth employment programs, conservation corps, apprenticeship programs, community investment programs, supported work programs, community development corporations, economic development programs, and opportunities industrialization centers.

Sec. 57. Minnesota Statutes 1988, section 268.673, subdivision 3, is amended to read:

Subd. 3. [DEPARTMENT OF JOBS AND TRAINING.] The commissioner shall supervise wage subsidies and shall provide technical assistance to the eligible local service units for the purpose of delivering wage subsidies.

Sec. 58. Minnesota Statutes 1988, section 268.673, subdivision 5, is amended to read:

Subd. 5. [REPORT.] Each entity delivering wage subsidies shall report to the commissioner and the coordinator on a quarterly basis:

- (1) the number of persons placed in private sector jobs, in temporary public sector jobs, or in other services;
- (2) the outcome for each participant placed in a private sector job, in a temporary public sector job, or in another service;
- (3) the number and type of employers employing persons under the program;
- (4) the amount of money spent in each eligible local service unit for wages for each type of employment and each type of other expense;
- (5) the age, educational experience, family status, gender, priority group status, race, and work experience of each person in the program;
- (6) the amount of wages received by persons while in the program and 60 days after completing the program;
- (7) for each classification of persons described in clause (5), the outcome of the wage subsidy placement, including length of time employed; nature of employment, whether private sector, temporary public sector, or other service; and the hourly wages; and

(8) any other information requested by the commissioner. Each report must include cumulative information, as well as information for each quarter.

Data collected on individuals under this subdivision are private data on individuals as defined in section 13.02, subdivision 12, except that summary data may be provided under section 13.05, subdivision 7.

Sec. 59. Minnesota Statutes 1988, section 268.6751, subdivision 1, is amended to read:

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

(a) The commissioner shall allocate 87.5 percent of the funds available for allocation to eligible local service units for wage subsidy programs as follows: the proportion of the wage subsidy money available to each eligible local service unit must be based on the number of unemployed persons in the eligible local service unit for the most recent six-month period and the number of work readiness assistance cases and aid to families with dependent children cases in the eligible local service unit for the most recent six-month period.

(b) Five percent of the money available for wage subsidy programs must be allocated at the discretion of the commissioner.

(c) Seven and one-half percent of the money available for wage subsidy programs must be allocated at the discretion of the commissioner to provide jobs for residents of federally recognized Indian reservations.

(d) By December 31 of each fiscal year, providers and local service units receiving wage subsidy money shall report to the commissioner on the use of allocated funds. The commissioner shall reallocate uncommitted funds for each fiscal year according to the formula in paragraph (a).

Sec. 60. Minnesota Statutes 1988, section 268.676, subdivision 2, is amended to read:

Subd. 2. [AMONG EMPLOYERS.] Allocation of funds among eligible employers within an eligible a local service unit shall give priority to funding private sector jobs to the extent that eligible businesses apply for funds. If possible, no more than 25 percent of the statewide funds available for wages may be allocated for temporary jobs with eligible government and nonprofit agencies, or for temporary community investment program jobs with eligible government agencies during the biennium. This subdivision does not

apply to jobs for residents of federally recognized Indian reservations.

Sec. 61. Minnesota Statutes 1988, section 268.677, subdivision 2, is amended to read:

Subd. 2. Reimbursement to the commissioner for the costs of administering wage subsidies must not exceed one-half percent of the money appropriated. Reimbursement to an eligible local service unit for the costs of administering wage subsidies must not exceed five percent and for the purchase of supplies and materials necessary to create permanent improvements to public property must not exceed one percent of the money allocated to that local service unit. The commissioner and the eligible local service units shall reallocate money from other sources to cover the costs of administering wage subsidies whenever possible.

Sec. 62. Minnesota Statutes 1988, section 268.677, subdivision 3, is amended to read:

Subd. 3. Eligible Local service units may use up to 25 percent of their wage subsidy allocations to provide eligible applicants with job search assistance, labor market orientation, job seeking skills, necessary child care services, relocation, and transportation, and to subsidize fringe benefits.

Sec. 63. Minnesota Statutes 1988, section 268.678, is amended to read:

268.678 [ELIGIBLE LOCAL SERVICE UNITS; POWERS AND DUTIES.]

Subdivision 1. [GENERAL POWERS.] Eligible Local service units have the powers and duties given in this section and any additional duties given by the commissioner.

Subd. 3. [OUTREACH.] Each eligible local service unit shall publicize the availability of wage subsidies within its area to seek maximum participation by eligible job applicants and employers.

Subd. 4. [CONTRACTS.] Each eligible local service unit that has not agreed to a contract under section 268.673, subdivision 4a, may enter into contracts with certified service providers to deliver wage subsidies.

Subd. 5. [SCREENING AND COORDINATION.] Each eligible local service unit shall provide for the screening of job applicants and employers to achieve the best possible placement of eligible job applicants with eligible employers.

Subd. 6. [ELIGIBLE JOB APPLICANT PRIORITY LISTS.] Each eligible local service unit shall provide for the maintenance of a list of eligible job applicants unable to secure employment under the program at the time of application. The list shall prioritize eligible job applicants and shall be used to fill jobs with eligible employers as they become available.

Sec. 64. Minnesota Statutes 1988, section 268.681, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE BUSINESSES.] A business employer is an eligible employer if it enters into a written contract, signed and subscribed to under oath, with an eligible local service unit or its contractor, containing assurances that:

(a) funds received by a business shall be used only as permitted under sections 268.672 to 268.682;

(b) the business has submitted information to the eligible local service unit or its contractor (1) describing the duties and proposed compensation of each employee proposed to be hired under the program; and (2) demonstrating that, with the funds provided under sections 268.672 to 268.682, the business is likely to succeed and continue to employ persons hired using wage subsidies;

(c) the business will use funds exclusively for compensation and fringe benefits of eligible job applicants and will provide employees hired with these funds with fringe benefits and other terms and conditions of employment comparable to those provided to other employees of the business who do comparable work;

(d) the funds are necessary to allow the business to begin, or to employ additional people, but not to fill positions which would be filled even in the absence of wage subsidies;

(e) the business will cooperate with the eligible local service unit and the commissioner in collecting data to assess the result of wage subsidies; and

(f) the business is in compliance with all applicable affirmative action, fair labor, health, safety, and environmental standards.

Sec. 65. Minnesota Statutes 1988, section 268.681, subdivision 2, is amended to read:

Subd. 2. [PRIORITIES.] (a) In allocating funds among eligible businesses, the eligible local service unit or its contractor shall give priority to:

(1) businesses engaged in manufacturing;

(2) nonretail businesses that are small businesses as defined in section 645.445; and

(3) businesses that export products outside the state.

(b) In addition to paragraph (a), an eligible a local service unit must give priority to businesses that:

(1) have a high potential for growth and long-term job creation;

(2) are labor intensive;

(3) make high use of local and Minnesota resources;

(4) are under ownership of women and minorities;

(5) make high use of new technology;

(6) produce energy conserving materials or services or are involved in development of renewable sources of energy; and

(7) have their primary place of business in Minnesota.

Sec. 66. Minnesota Statutes 1988, section 268.681, subdivision 3, is amended to read:

Subd. 3. [PAYBACK.] A business receiving wage subsidies shall repay 70 percent of the amount initially received for each eligible job applicant employed, if the employee does not continue in the employment of the business beyond the six-month subsidized period. If the employee continues in the employment of the business for one year or longer after the six-month subsidized period, the business need not repay any of the funds received for that employee's wages. If the employee continues in the employment of the business for a period of less than one year after the expiration of the six-month subsidized period, the business shall receive a proportional reduction in the amount it must repay. If an employer dismisses an employee for good cause and works in good faith with the eligible local service unit or its contractor to employ and train another person referred by the eligible local service unit or its contractor, the payback formula shall apply as if the original person had continued in employment.

A repayment schedule shall be negotiated and agreed to by the eligible local service unit and the business prior to the disbursement of the funds and is subject to renegotiation. The eligible local service unit shall forward 25 percent of the payments received under this subdivision to the commissioner on a monthly basis and shall retain the remaining 75 percent for local program expenditures. Notwithstanding section 268.677, subdivision 2, the local service unit may

use up to 20 percent of its share of the funds returned under this subdivision for any administrative costs associated with the collection of the funds under this subdivision. At least 80 percent of the local service unit's share of the funds returned under this subdivision must be used as provided in section 268.677. The commissioner shall deposit payments forwarded to the commissioner under this subdivision in the Minnesota wage subsidy account created by subdivision 4.

Sec. 67. Minnesota Statutes 1989 Supplement, section 268.86, subdivision 2, is amended to read:

Subd. 2. [INTERAGENCY AGREEMENTS.] By October 1, 1987, the commissioner and the commissioner of human services shall enter into a written contract for the design, delivery, and administration of employment and training services for applicants for or recipients of food stamps or aid to families with dependent children and work readiness, including AFDC employment and training programs, and general assistance or work readiness grant diversion, and supported work. The contract ~~must be approved by the coordinator and~~ must address:

- (1) specific roles and responsibilities of each department;
- (2) assignment and supervision of staff for interagency activities including any necessary interagency employee mobility agreements under the administrative procedures of the department of employee relations;
- (3) mechanisms for determining the conditions under which individuals participate in services, their rights and responsibilities while participating, and the standards by which the services must be administered;
- (4) procedures for providing technical assistance to local service units, Indian tribes, and employment and training service providers;
- (5) access to appropriate staff for ongoing development and interpretation of policy, rules, and program standards;
- (6) procedures for reimbursing appropriate agencies for administrative expenses; and
- (7) procedures for accessing available federal funds.

Sec. 68. Minnesota Statutes 1988, section 268.86, subdivision 8, is amended to read:

Subd. 8. [GRANT DIVERSION.] The commissioner shall develop grant diversion processes for recipients of aid to families with

dependent children general assistance and work readiness assistance payments and shall supervise the counties in the administration of the employment and training services to meet the needs and circumstances of public assistance these recipients. A grant diversion program that places general assistance and work readiness recipients in public sector employment must operate as a community investment program under section 268.90.

Sec. 69. Minnesota Statutes 1988, section 268.871, subdivision 1, is amended to read:

Subdivision 1. [RESPONSIBILITY AND CERTIFICATION.] (a) Unless prohibited by federal law or otherwise determined by state law, a local service unit is responsible for the delivery of employment and training services. After February 1, 1988, employment and training services must be delivered by certified employment and training service providers.

(b) The local service unit's employment and training service provider must meet the certification standards in this subdivision in order to be certified to deliver any of the following employment and training services and programs: wage subsidies; work readiness; work readiness and general assistance grant diversion; food stamp employment and training programs; community work experience programs; AFDC job search; AFDC grant diversion; AFDC on-the-job training; and AFDC case management.

(c) The commissioner shall certify a local service unit's service provider to provide these employment and training services and programs if the commissioner determines that the provider has:

(1) past experience in direct delivery of the programs specified in paragraph (b);

(2) staff capabilities and qualifications, including adequate staff to provide timely and effective services to clients, and proven staff experience in providing specific services such as assessments, career planning, job development, job placement, support services, and knowledge of community services and educational resources;

(3) demonstrated effectiveness in providing services to public assistance recipients and other economically disadvantaged clients; and

(4) demonstrated administrative capabilities, including adequate fiscal and accounting procedures, financial management systems, participant data systems, and record retention procedures.

(d) When the only service provider that meets the criterion in paragraph (c), clause (1), has been decertified, pursuant to subdivi-

sion 1a, in that local service unit, the following criteria shall be substituted: past experience in direct delivery of multiple, coordinated, nonduplicative services, including outreach, assessments, identification of client barriers, employability development plans, and provision or referral to support services.

Employment and training service providers shall be certified by the commissioner for two fiscal years beginning July 1, 1991, and every second year thereafter.

Sec. 70. Minnesota Statutes 1988, section 268.871, is amended by adding a subdivision to read:

Subd. 1a. [DECERTIFICATION.] (a) The department, on its own initiative, or at the request of the local service unit, shall begin decertification processes for employment and training service providers who:

(1) no longer meet one or more of the certification standards;

(2) are delivering services in a manner that does not comply with the Family Support Act of 1988, Public Law Number 100-485 or relevant state law after corrective actions have been cited, technical assistance has been provided, and a reasonable period of time for remedial action has been provided; or

(3) are not complying with other state and federal laws or policy which are necessary for effective delivery of services.

(b) The initiating of decertification processes shall not result in decertification of the service provider unless and until adequate fact-finding and investigation has been performed by the department.

Sec. 71. Minnesota Statutes 1988, section 268.871, subdivision 2, is amended to read:

Subd. 2. [CONTRACTING PREFERENCE RESPONSIBILITY.] In contracting, A local service unit must give preference, whenever possible, to contract with certified employment and training service providers that can effectively coordinate federal, state, and local employment and training services; that can maximize use of available federal and other nonstate funds; and that have demonstrated the ability to serve achieve effective results in serving public assistance clients as well as other unemployed people.

Sec. 72. Minnesota Statutes 1989 Supplement, section 268.88, is amended to read:

268.88 [LOCAL SERVICE UNIT PLANS.]

(a) Local service units shall prepare and submit to the commissioner by April 15 of each year 1990 an annual plan for the subsequent fiscal year. By April 15, 1991, and by April 15 of each second year thereafter, local service units shall prepare and submit to the commissioner a plan that covers the next two state fiscal years. The commissioner shall notify each local service unit within 60 days of receipt of its plan that the plan has been approved or disapproved. The plan must include:

(1) a statement of objectives for the employment and training services the local service unit administers;

(2) the establishment of public assistance caseload reduction goals and the strategies and programs that will be used to achieve these goals;

(3) a statement of whether the goals from the preceding year were met and an explanation if the local service unit failed to meet the goals;

(4) the amount proposed to be allocated to each employment and training service;

(5) the proposed types of employment and training services the local service unit plans to utilize;

(6) a description of how the local service unit will use funds provided under section 256.736 to meet the requirements of that section. The description must include the two work programs required by section 256.736, subdivision 10, paragraph (a), clause (13), what services will be provided, number of clients served, per service expenditures, type of clients served, and projected outcomes;

(7) a report on the use of wage subsidies, grant diversions, community investment programs, and other services administered under this chapter;

(8) ~~an annual update of the community investment program plan according to standards established by the commissioner;~~

~~(9) a performance review of the employment and training service providers delivering employment and training services for the local service unit;~~

~~(10) (9) a copy of any contract between the local service unit and an employment and training service provider including expected outcomes and service levels for public assistance clients; and~~

~~(11) (10) a copy of any other agreements between educational institutions, family support services, and child care providers.~~

(b) In counties with a city of the first class, the county and the city shall develop and submit a joint plan. The plan may not be submitted until agreed to by both the city and the county. The plan must provide for the direct allocation of employment and training money to the city and the county unless waived by either. If the county and the city cannot concur on a plan, the commissioner shall resolve their dispute. In counties in which a federally recognized Indian tribe is operating an employment and training program under an agreement with the commissioner of human services, the plan must provide that the county will coordinate its employment and training programs, including developing a system for referrals, sanctions, and the provision of supporting services such as access to child care funds and transportation with programs operated by the Indian tribe. The plan may not be given final approval by the commissioner until the tribal unit and county have submitted written agreement on these provisions in the plan. If the county and Indian tribe cannot agree on these provisions, the local service unit shall notify the commissioner of jobs and training and the commissioners of jobs and training and human services shall resolve the dispute.

(c) The commissioner may withhold the distribution of employment and training money from a local service unit that does not submit a plan to the commissioner by the date set by this section, and shall withhold the distribution of employment and training money from a local service unit whose plan has been disapproved by the commissioner until an acceptable amended plan has been submitted.

(d) Notwithstanding Minnesota Statutes 1988, section 268.88, local service units shall prepare and submit to the commissioner by June 1, 1989, an annual plan for fiscal year 1990. The commissioner shall notify each local service unit within 30 days of receipt of its plan if its plan has been approved or disapproved. Beginning April 15, 1992, and by April 15 of each second year thereafter, local service units must prepare and submit to the commissioner an interim year plan update that deals with performance in that state fiscal year and changes anticipated for the second year of the biennium. The update must include information about employment and training programs addressed in the local service unit's two-year plan and shall be completed in accordance with criteria established by the commissioner.

Sec. 73. Minnesota Statutes 1989 Supplement, section 268.881, is amended to read:

268.881 [INDIAN TRIBE PLANS.]

The commissioner, in consultation with the commissioner of human services, shall review and comment on Indian tribe plans submitted to the commissioner for provision of employment and

training services. The plan must be submitted by April 15 for the state fiscal year ending June 30, 1990. For subsequent years, the plan must be submitted at least 60 days before the program commences. The commissioner shall approve or disapprove the plan for the state fiscal year ending June 30, 1990, within 30 days of receipt. The commissioner shall notify the Indian tribe of approval or disapproval of plans for subsequent years within 60 days of submission of the plans. The grant proposal must contain information that has been established by the commissioner and the commissioner of human services for the employment and training services grant program for Indian tribes.

(a) The commissioner, in consultation with the commissioner of human services, shall review and comment on Indian tribe plans submitted to the commissioner for provision of employment and training services. Beginning April 15, 1991, and by April 15 of each second year thereafter, the Indian tribe shall prepare and submit to the commissioner a plan that covers the next two state fiscal years. Beginning April 15, 1992, and by April 15 of each second year thereafter, the Indian tribe shall prepare and submit to the commissioner an interim year plan update that deals with performance during the past state fiscal year and that covers changes anticipated for the second year of the biennium. The commissioner shall notify the Indian tribe of approval or disapproval of the plans and updates for existing programs within 60 days of submission.

(b) A plan for a new tribal program must be submitted at least 45 days before the program is to commence. The commissioner shall approve or disapprove the plan for new programs within 30 days of receipt.

(c) The tribal plan and update must contain information that has been established by the commissioner and the commissioner of human services for the tribal employment and training service program.

(d) The commissioner may recommend to the commissioner of human services withholding the distribution of employment and training money from a tribe whose plan or update is disapproved by the commissioner or a tribe that does not submit a plan or update by the date established in this section.

Sec. 74. Minnesota Statutes 1988, section 268.90, subdivision 1, is amended to read:

Subdivision 1. Community investment programs provide temporary employment to people who are experiencing prolonged unemployment and economic hardship. Community investment programs consist of one or more projects. Community investment programs must be beneficial to the state and the communities in which they are located and must provide program employees participants with

training and work experience that will enhance their employability. The projects must include activities that:

- (1) expand or improve services, including education, health, social services, recreation, and safety;
- (2) improve or maintain natural resources, including rivers, streams and lakes, forest lands and roads, and soil conservation;
- (3) make permanent improvements to lands and buildings; or
- (4) weatherize public buildings and private residential dwellings.

Community investment programs may not include job placements that replace work that was part or all of the duties or responsibilities of an authorized public employee position established as of January 1, 1985.

Community investment programs that include other sources of money or authorized programs may provide employment for the groups eligible for the included programs under the terms and conditions of those programs. These programs include the Minnesota conservation corps, Minnesota summer youth program, county emergency jobs program, and the jobs training partnership act.

Sec. 75. Minnesota Statutes 1988, section 268.90, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER OF JOBS AND TRAINING.] The commissioner shall:

- (1) Make emergency or permanent rules governing plan content, criteria for approval, and administrative standards;
- (2) refer community investment program administrators to the appropriate state agency for technical assistance in developing and administering community investment programs;
- (3) establish the method by which community investment programs will be approved or disapproved through the community investment program plan and the annual update component of the county plan;
- (4) review and comment on community investment program plans;
- (5) institute ongoing methods to monitor and evaluate community investment programs; and
- (6) ~~inform~~ consult with the commissioner of human services ~~of on~~ the counties that do not have an approved plan approval of county

plans for community investment programs relating to the participation of public assistance recipients.

Sec. 76. Minnesota Statutes 1988, section 268.90, subdivision 4, is amended to read:

Subd. 4. [COUNTY BOARDS OF COMMISSIONERS.] The county boards of commissioners shall:

- (1) be encouraged to establish community investment programs that are administered jointly according to section 471.59, or through multicounty human service boards under chapter 402;
- (2) develop community investment programs in consultation with the exclusive representatives of their employees;
- (3) plan community investment programs by involving nonprofit organizations and other governmental units, community action agencies, community-based organizations, local union representatives, and representatives of client groups;
- (4) submit to the commissioner a community investment program plan identifying the program funding source and amount, before the initiation of a community investment program, for approval according to standards established by the commissioner;
- (5) plan community investment projects that, whenever possible, utilize existing programs that are administered under contract by nonprofit organizations and governmental units, including departments and agencies of cities, counties, towns, school districts, state and federal agencies, park reserve districts, and other special districts;
- (6) include in their local service unit plans an annual update to their community investment program plans for approval according to standards established by the commissioner;
- (7) submit reports and meet administrative standards established by rule the commissioner;
- (8) monitor the performance of entities under contract to administer individual community investment projects;
- (9) enter into contracts with other governmental and private bodies to jointly fund or jointly administer approvable projects when agreements expand the resources available, the scope of people employed, or further recognized public purposes; and
- (10) be encouraged to enter into contracts with businesses or

individuals for eligible projects under subdivision 1 and charge a fee for the completion of a project.

Sec. 77. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "target group," "target groups," "targeted caretaker," or "targeted caretakers" for the phrases "priority group," "priority groups," "priority caretaker," or "priority caretakers wherever it appears in Minnesota Statutes, section 256.736. The revisor of statutes shall also substitute the phrase "county agency" or "county agencies" for the phrase "local agency" or "local agencies" wherever it appears in Minnesota Statutes, chapters 256 and 256D.

Sec. 78. [REPEALER.]

Subdivision 1. [AFDC PROGRAM.] Minnesota Statutes 1988, sections 256.736, subdivisions 1b, 2a, 8, and 17; and 256.7365, subdivision 8, are repealed.

Subd. 2. [GENERAL ASSISTANCE.] Minnesota Statutes 1988, section 256D.06, subdivision 1c, is repealed.

Subd. 3. [JOBS AND TRAINING.] Minnesota Statutes 1988, sections 268.672, subdivision 12; 268.86, subdivision 9; and 268.872, subdivision 3, are repealed.

Subd. 4. [CHILD CARE.] Minnesota Statutes 1988, sections 256H.01, subdivision 14, and 256H.16, are repealed. Minnesota Statutes 1989 Supplement, section 256H.05, subdivisions 1, 1a, and 3a, are repealed.

Sec. 79. [EFFECTIVE DATE.]

Subdivision 1. [AFDC; CHILD CARE.] Sections 1 to 17; 31 to 77; and 78, subdivisions 1, 3, and 4, are effective May 1, 1990.

Subd. 2. [GENERAL ASSISTANCE.] Section 23 is effective July 1, 1990.

Sections 18, 20 to 22; 24 to 30; and 78, subdivision 2, are effective October 1, 1990.

ARTICLE 5

MENTAL HEALTH

Section 1. Minnesota Statutes 1988, section 245.467, subdivision 2, is amended to read:

Subd. 2. [DIAGNOSTIC ASSESSMENT.] All providers of residential, acute care hospital inpatient, and regional treatment centers must complete a diagnostic assessment for each of their clients within five days of admission. Providers of outpatient and day treatment services must complete a diagnostic assessment within ten five days after the adult's second visit or within 30 days of admission after intake, whichever occurs first. In cases where a diagnostic assessment is available and has been completed within 90-180 days preceding admission, only updating is necessary. "Updating" means a written summary by a mental health professional of the adult's current mental health status and service needs. If the adult's mental health status has changed markedly since the adult's most recent diagnostic assessment, a new diagnostic assessment is required. Compliance with the provisions of this subdivision does not ensure eligibility for medical assistance or general assistance medical care reimbursement under chapters 256B and 256D.

Sec. 2. Minnesota Statutes 1989 Supplement, section 245.467, subdivision 3, is amended to read:

Subd. 3. [INDIVIDUAL TREATMENT PLANS.] All providers of outpatient services, day treatment services, residential treatment, acute care hospital inpatient treatment, and all regional treatment centers must develop an individual treatment plan for each of their adult clients. The individual treatment plan must be based on a diagnostic assessment. To the extent possible, the adult client shall be involved in all phases of developing and implementing the individual treatment plan. Providers of residential treatment and acute care hospital inpatient treatment, and all regional treatment centers must develop the individual treatment plan ~~must be developed~~ within ten days of client intake and reviewed must review the individual treatment plan every 90 days thereafter after intake. Providers of outpatient services and day treatment services must develop the individual treatment plan within 30 days after the diagnostic assessment is completed or obtained, or within 15 days after the first outpatient or day treatment services are provided, whichever occurs first. Outpatient and day treatment services providers must review the individual treatment plan every 90 days after intake.

Sec. 3. Minnesota Statutes 1989 Supplement, section 245.469, is amended to read:

245.469 [EMERGENCY SERVICES.]

Subdivision 1. [AVAILABILITY OF EMERGENCY SERVICES.] By July 1, 1988, county boards must provide or contract for enough emergency services within the county to meet the needs of adults in the county who are experiencing an emotional crisis or mental illness. Clients may be required to pay a fee according to section

245.481. Emergency services must include assessment, crisis intervention, and appropriate case disposition. Emergency services must:

(1) promote the safety and emotional stability of adults with mental illness or emotional crises;

(2) minimize further deterioration of adults with mental illness or emotional crises;

(3) help adults with mental illness or emotional crises to obtain ongoing care and treatment; and

(4) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client needs.

Subd. 2. [SPECIFIC REQUIREMENTS.] The county board shall require that all service providers of emergency services to adults with mental illness provide immediate direct access to a mental health professional during regular business hours. For evenings, weekends, and holidays, the service may be by direct toll free telephone access to a mental health professional, a mental health practitioner, or until January 1, 1991, a designated person with training in human services who receives clinical supervision from a mental health professional. The commissioner may waive the requirement that the evening, weekend, and holiday service be provided by a mental health professional or mental health practitioner after January 1, 1991, if the county documents that:

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

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

(3) the service provider is not also the provider of fire and public safety emergency services.

Whenever emergency service during nonbusiness hours is provided by anyone other than a mental health professional, a mental health professional must be available for at least telephone consultation within 30 minutes.

Sec. 4. Minnesota Statutes 1989 Supplement, section 245.4711, subdivision 1, is amended to read:

245.4711 [CASE MANAGEMENT AND COMMUNITY SUPPORT SERVICES.]

Subdivision 1. [AVAILABILITY OF CASE MANAGEMENT SERVICES.] (a) By January 1, 1989, the county board shall provide case management activities services for all adults with serious and persistent mental illness residing in who are residents of the county and who request or consent to the services and to each adult for whom the court appoints a case manager. Staffing ratios must be sufficient to serve the needs of the clients. The case manager must meet the requirements in section 245.462, subdivision 4.

(b) Case management services provided to adults with serious and persistent mental illness eligible for medical assistance must be billed to the medical assistance program under sections 256B.02, subdivision 8, and 256B.0625.

Sec. 5. Minnesota Statutes 1989 Supplement, section 245.4711, subdivision 2, is amended to read:

Subd. 2. [NOTIFICATION AND DETERMINATION OF CASE MANAGEMENT ELIGIBILITY.] (a) The county board shall notify the client adult of the person's adult's potential eligibility for case management services within five working days after receiving a request from an individual or a referral from a provider under section 245.467, subdivision 4. The county board shall send a written notice to the client adult and the client's adult's representative, if any, that identifies the designated case management providers.

(b) The county board must determine whether an adult who requests or is referred for case management services meets the criteria of section 245.462, subdivision 20, paragraph (c). If a diagnostic assessment is needed to make the determination, the county board shall offer to assist the adult in obtaining a diagnostic assessment. The county board shall notify, in writing, the adult and the adult's representative, if any, of the eligibility determination. If the adult is determined to be eligible for case management services, the county board shall refer the adult to the case management provider for case management services. If the adult is determined not to be eligible or refuses case management services, the local agency shall offer to refer the adult to a mental health provider or other appropriate service provider and to assist the adult in making an appointment with the provider of the adult's choice.

Sec. 6. Minnesota Statutes 1989 Supplement, section 245.4711, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF CASE MANAGER.] (a) The case manager shall promptly arrange for a diagnostic assessment of the applicant when one is not available as described in section 245.467, subdivision 2, to determine the applicant's eligibility as an adult with serious and persistent mental illness for community support services. The county board shall notify in writing the applicant and the

applicant's representative, if any, if the applicant is determined ineligible for community support services.

(b) Upon a determination of eligibility for community support case management services, and if the adult consents to the services, the case manager shall complete a written functional assessment according to section 245.462, subdivision 11a. The case manager shall develop an individual community support plan for an the adult according to subdivision 4, paragraph (a), review the client's adult's progress, and monitor the provision of services. If services are to be provided in a host county that is not the county of financial responsibility, the case manager shall consult with the host county and obtain a letter demonstrating the concurrence of the host county regarding the provision of services.

Sec. 7. [245.4712] [COMMUNITY SUPPORT AND DAY TREATMENT SERVICES.]

Subdivision 1. [AVAILABILITY OF COMMUNITY SUPPORT SERVICES.] County boards must provide or contract for sufficient community support services within the county to meet the needs of adults with serious and persistent mental illness who are residents of the county. Adults may be required to pay a fee according to section 245.481. The community support services program must be designed to improve the ability of adults with serious and persistent mental illness to:

- (1) work in a regular or supported work environment;
- (2) handle basic activities of daily living;
- (3) participate in leisure time activities;
- (4) set goals and plans; and
- (5) obtain and maintain appropriate living arrangements.

The community support services program must also be designed to reduce the need for and use of more intensive, costly, or restrictive placements both in number of admissions and length of stay.

Subd. 2. [DAY TREATMENT SERVICES PROVIDED.] (a) Day treatment services must be developed as a part of the community support services available to adults with serious and persistent mental illness residing in the county. Adults may be required to pay a fee according to section 245.481. Day treatment services must be designed to:

- (1) provide a structured environment for treatment;

(2) provide support for residing in the community;

(3) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client need;

(4) coordinate with or be offered in conjunction with a local education agency's special education program; and

(5) operate on a continuous basis throughout the year.

(b) County boards may request a waiver from including day treatment services if they can document that:

(1) an alternative plan of care exists through the county's community support services for clients who would otherwise need day treatment services;

(2) day treatment, if included, would be duplicative of other components of the community support services; and

(3) county demographics and geography make the provision of day treatment services cost ineffective and infeasible.

Subd. 3. [BENEFITS ASSISTANCE.] The county board must offer to help adults with serious and persistent mental illness in applying for state and federal benefits, including supplemental security income; medical assistance, Medicare, general assistance, general assistance medical care, and Minnesota supplemental aid. The help must be offered as part of the community support program available to adults with serious and persistent mental illness for whom the county is financially responsible and who may qualify for these benefits.

Sec. 8. Minnesota Statutes 1989 Supplement, section 245.474, is amended to read:

245.474 [REGIONAL TREATMENT CENTER INPATIENT SERVICES.]

Subdivision 1. [AVAILABILITY OF REGIONAL TREATMENT CENTER INPATIENT SERVICES.] By July 1, 1987, the commissioner shall make sufficient regional treatment center inpatient services available to adults with mental illness throughout the state who need this level of care. Services must be as close to the patient's county of residence as possible. Regional treatment centers are responsible to:

(1) provide acute care inpatient hospitalization;

(2) stabilize the medical and mental health condition of the adult requiring the admission;

(2) (3) improve functioning to the point where discharge to community-based mental health services is possible;

(3) (4) strengthen family and community support; and

(4) (5) facilitate appropriate discharge and referrals for follow-up mental health care in the community.

Subd. 2. [QUALITY OF SERVICE.] The commissioner shall biennially determine the needs of all adults with mental illness who are served by regional treatment centers by administering a client-based evaluation system. The client-based evaluation system must include at least the following independent measurements: behavioral development assessment; habilitation program assessment; medical needs assessment; maladaptive behavioral assessment; and vocational behavior assessment. The commissioner shall propose staff ratios to the legislature for the mental health and support units in regional treatment centers as indicated by the results of the client-based evaluation system and the types of state-operated services needed. The proposed staffing ratios shall include professional, nursing, direct care, medical, clerical, and support staff based on the client-based evaluation system. The commissioner shall recompute staffing ratios and recommendations on a biennial basis.

Subd. 3. [TRANSITION TO COMMUNITY.] Regional treatment centers must plan for and assist clients in making a transition from regional treatment centers to other community-based services. In coordination with the client's case manager, if any, regional treatment centers must also arrange for appropriate follow-up care in the community during the transition period. Before a client is discharged, the regional treatment center must notify the client's case manager, so that the case manager can monitor and coordinate the transition and arrangements for the client's appropriate follow-up care in the community.

Sec. 9. 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.

Sec. 10. Minnesota Statutes 1989 Supplement, section 245.4871, subdivision 3, is amended to read:

Subd. 3. [CASE MANAGEMENT SERVICES.] "Case management services" means activities that are coordinated with the family community support services and are designed to help the child with severe emotional disturbance and the child's family obtain needed mental health services, social services, educational services, health services, vocational services, recreational services, and related services in the areas of volunteer services, advocacy, transportation, and legal services. Case management services include obtaining a comprehensive diagnostic assessment, assisting in obtaining a comprehensive diagnostic assessment, if needed, developing a functional assessment, developing an individual family community support plan, and assisting the child and the child's family in obtaining needed services by coordination with other agencies and assuring continuity of care. Case managers must assess and reassess the delivery, appropriateness, and effectiveness of these services over time.

Sec. 11. Minnesota Statutes 1989 Supplement, section 245.4873, subdivision 2, is amended to read:

Subd. 2. [STATE LEVEL; COORDINATION.] The commissioners or designees of commissioners of the departments of human services, health, education, state planning, and corrections, and a representative of the Minnesota district judges association juvenile committee, in conjunction with the commissioner of commerce or a designee of the commissioner, shall meet at least quarterly through 1992 to:

(1) educate each agency about the policies, procedures, funding, and services for children with emotional disturbances of all agencies represented;

(2) develop mechanisms for interagency coordination on behalf of children with emotional disturbances;

(3) identify barriers including policies and procedures within all agencies represented that interfere with delivery of mental health services for children;

(4) recommend policy and procedural changes needed to improve development and delivery of mental health services for children in the agency or agencies they represent;

(5) identify mechanisms for better use of federal and state funding in the delivery of mental health services for children; and

(6) until February 15, 1992, prepare an annual report on the policy and procedural changes needed to implement a coordinated, effective, and cost-efficient children's mental health delivery system.

This report shall be submitted to the legislature and the state mental health advisory council annually until February 15, 1992, as part of the report required under section 245.487, subdivision 4. The report shall include information from each department represented on:

(1) the number of children in each department's system who require mental health services;

(2) the number of children in each system who receive mental health services;

(3) how mental health services for children are funded within each system;

(4) how mental health services for children could be coordinated to provide more effectively appropriate mental health services for children; and

(5) recommendations for the provision of early screening and identification of mental illness in each system.

Sec. 12. 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. 13. 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

sory 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.

Sec. 14. Minnesota Statutes 1989 Supplement, section 245.4876, subdivision 2, is amended to read:

Subd. 2. [DIAGNOSTIC ASSESSMENT.] All residential treatment facilities and acute care hospital inpatient treatment services facilities that provide mental health services for children must complete a diagnostic assessment for each of their child clients within five working days of admission. Providers of outpatient and day treatment services for children must complete a diagnostic assessment within ten working days of admission five days after the child's second visit or 30 days after intake, whichever occurs first. In cases where a diagnostic assessment is available and has been completed within ~~90~~ 180 days preceding admission, only updating is necessary. "Updating" means a written summary by a mental health professional of the child's current mental health status and service needs. If the child's mental health status has changed markedly since the child's most recent diagnostic assessment, a new diagnostic assessment is required. Compliance with the provisions

of this subdivision does not ensure eligibility for medical assistance or general assistance medical care reimbursement under chapters 256B and 256D.

Sec. 15. Minnesota Statutes 1989 Supplement, section 245.4876, subdivision 3, is amended to read:

Subd. 3. [INDIVIDUAL TREATMENT PLANS.] All providers of outpatient services, day treatment services, family community support services, professional home-based family treatment, residential treatment facilities, and acute care hospital inpatient treatment facilities, and all regional treatment centers that provide mental health facilities services for children must develop an individual treatment plan for each child client. The individual treatment plan must be based on a diagnostic assessment. To the extent appropriate, the child and the child's family shall be involved in all phases of developing and implementing the individual treatment plan. Providers of residential treatment, professional home-based family treatment, and acute care hospital inpatient treatment, and regional treatment centers must develop the individual treatment plan must be developed within ten working days of client intake or admission and reviewed must review the individual treatment plan every 90 days after that date intake, except that the administrative review of the treatment plan of a child placed in a residential facility shall be as specified in section 257.071, subdivisions 2 and 4. Providers of outpatient services and day treatment services must develop the individual treatment plan within 30 days after the diagnostic assessment is completed or within 15 days after the first outpatient or day treatment services are provided, whichever occurs first. Providers of outpatient and day treatment services must review the individual treatment plan every 90 days after intake.

Sec. 16. 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.

Sec. 17. Minnesota Statutes 1989 Supplement, section 245.4879, is amended to read:

245.4879 [EMERGENCY SERVICES.]

Subdivision 1. [AVAILABILITY OF EMERGENCY SERVICES.] County boards must provide or contract for enough mental health emergency services within the county to meet the needs of children, and children's families when clinically appropriate, in the county who are experiencing an emotional crisis or emotional disturbance.

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. A child or the child's parent may be required to pay a fee according to section 245.481. Emergency service providers shall not delay the timely provision of emergency service because of delays in determining this fee or because of the unwillingness or inability of the parent to pay the fee. Emergency services must include assessment, crisis intervention, and appropriate case disposition. Emergency services must:

- (1) promote the safety and emotional stability of children with emotional disturbances or emotional crises;
- (2) minimize further deterioration of the child with emotional disturbance or emotional crisis;
- (3) help each child with an emotional disturbance or emotional crisis to obtain ongoing care and treatment; and
- (4) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet the child's needs.

Subd. 2. [SPECIFIC REQUIREMENTS.] The county board shall require that all service providers of emergency services to the child with an emotional disturbance provide immediate direct access to a mental health professional during regular business hours. For evenings, weekends, and holidays, the service may be by direct toll-free telephone access to a mental health professional, a mental health practitioner, or until January 1, 1991, a designated person with training in human services who receives clinical supervision from a mental health professional. The commissioner may waive the requirement that the evening, weekend, and holiday service be provided by a mental health professional or mental health practitioner after January 1, 1991, if the county documents that:

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

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

(3) the service provider is not also the provider of fire and public safety emergency services.

When emergency service during nonbusiness hours is provided by anyone other than a mental health professional, a mental health professional must be available for at least telephone consultation within 30 minutes.

Sec. 18. Minnesota Statutes 1989 Supplement, section 245.4881, subdivision 1, is amended to read:

Subdivision 1. [AVAILABILITY OF CASE MANAGEMENT SERVICES.] (a) By July 1, 1991, the county board shall provide case management activities services for each child with severe emotional disturbance residing in who is a resident of the county and the child's family who request or consent to the services. Staffing ratios must be sufficient to serve the needs of the clients. The case manager must meet the requirements in section 245.4871, subdivision 4.

(b) Case management services provided to children with severe emotional disturbance eligible for medical assistance must be billed to the medical assistance program under sections 256B.02, subdivision 8, and 256B.0625.

Sec. 19. Minnesota Statutes 1989 Supplement, section 245.4881, subdivision 2, is amended to read:

Subd. 2. [NOTIFICATION AND DETERMINATION OF CASE MANAGEMENT ELIGIBILITY.] (a) The county board shall notify, as appropriate, the child, child's parent, or child's legal representative of the child's potential eligibility for case management services within five working days after receiving a request from an individual or a referral from a provider under section 245.4876, subdivision 4.

(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.

The county board shall send a written notice that identifies the designated case management providers. The county board shall send the notice, as appropriate, to the child, the child's parent, or the child's legal representative, if any.

(c) The county board must promptly determine whether a child who requests or is referred for case management services meets the criteria of section 245.4871, subdivision 6 or section 245.471. If a diagnostic assessment is needed to make the determination, the county board must offer to assist the child and the child's family in obtaining one. The county board shall notify, in writing, the child and the child's representative, if any, of the eligibility determination. If the child is determined to be eligible for case management services, and if the child and the child's family consent to the services, the county board shall refer the child to the case management provider for case management services. If the child is determined not to be eligible or refuses case management services, the county board shall notify the child of the appeal process and shall offer to refer the child to a mental health provider or other appropriate service provider and to assist the child in making an appointment with the provider of the child's choice.

Sec. 20. Minnesota Statutes 1989 Supplement, section 245.4881, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF CASE MANAGER.] (a) The case manager shall promptly arrange for a diagnostic assessment of the child when one is not available as described in section 245.4876, subdivision 2, to determine the child's eligibility as a child with severe emotional disturbance for family community support services. The county board shall notify in writing, as appropriate, the child, the child's parent, or the child's legal representative, if any, if the child is determined ineligible for family community support services.

(b) Upon a determination of eligibility for family support case management services, the case manager shall complete a written functional assessment according to section 245.4871, subdivision 18. The case manager shall develop an individual family community support plan for a child as specified in subdivision 4, review the child's progress, and monitor the provision of services. If services are

to be provided in a host county that is not the county of financial responsibility, the case manager shall consult with the host county and obtain a letter demonstrating the concurrence of the host county regarding the provision of services.

(b) The case manager shall ~~perform a functional assessment and~~ note in the ~~client's~~ child's record the services needed by the child and the child's family, the services requested by the family, services that are not available, and the unmet needs of the child and family's unmet needs ~~child's family~~. The information required under section 245.4886 shall be provided in writing to the child and the child's family. The case manager shall note this provision in the ~~client~~ child's record.

Sec. 21. Minnesota Statutes 1989 Supplement, section 245.4881, subdivision 4, is amended to read:

Subd. 4. [INDIVIDUAL FAMILY COMMUNITY SUPPORT PLAN.] (a) For each child, the case manager must develop an individual family community support plan that incorporates the child's individual treatment plan. The individual treatment plan may not be a substitute for the development of an individual family community support plan. The case manager is responsible for developing the individual family community support plan within 30 days of intake based on a diagnostic assessment and a functional assessment and for implementing and monitoring the delivery of services according to the individual family community support plan. The case manager must review the plan every 90 calendar days after it is developed. To the extent appropriate, the child with severe emotional disturbance, the child's family, advocates, service providers, and significant others must be involved in all phases of development and implementation of the individual family community support plan. Notwithstanding the lack of a an individual family community support plan, the case manager shall assist the child and child's family in accessing the needed services listed in subdivision 6.

(b) The child's individual family community support plan must state:

- (1) the goals and expected outcomes of each service and criteria for evaluating the effectiveness and appropriateness of the service;
- (2) the activities for accomplishing each goal;
- (3) a schedule for each activity; and
- (4) the frequency of face-to-face contacts by the case manager, as appropriate to client need and the implementation of the individual family community support plan.

Sec. 22. Minnesota Statutes 1989 Supplement, section 245.4882, subdivision 1, is amended to read:

Subdivision 1. [AVAILABILITY OF RESIDENTIAL TREATMENT SERVICES.] County boards must provide or contract for enough residential treatment services to meet the needs of each child with severe emotional disturbance residing in the county and needing this level of care. Length of stay is based on the child's residential treatment need and shall be subject to the six-month review process established in section 257.071, subdivisions 2 and 4. Services must be appropriate to the child's age and treatment needs and must be made available as close to the county as possible. Residential treatment must be designed to:

(1) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet the child's needs;

(2) help the child improve family living and social interaction skills;

(3) help the child gain the necessary skills to return to the community;

(4) stabilize crisis admissions; and

(5) work with families throughout the placement to improve the ability of the families to care for children with severe emotional disturbance in the home.

Sec. 23. Minnesota Statutes 1989 Supplement, section 245.4883, subdivision 1, is amended to read:

Subdivision 1. [AVAILABILITY OF ACUTE CARE HOSPITAL INPATIENT SERVICES.] County boards must make available through contract or direct provision enough acute care hospital inpatient treatment services as close to the county as possible for children with severe emotional disturbances residing in the county needing this level of care. Acute care hospital inpatient treatment services must be designed to:

(1) stabilize the medical and mental health condition for which admission is required;

(2) improve functioning to the point where discharge to residential treatment or community-based mental health services is possible;

(3) facilitate appropriate referrals for follow-up mental health care in the community;

(4) work with families to improve the ability of the families to care for those children with severe emotional disturbances at home; and

(5) assist families and children in the transition from inpatient services to community-based services or home setting, and provide notification to the child's case manager, if any, so that the case manager can monitor the transition and make timely arrangements for the child's appropriate follow-up care in the community.

Sec. 24. [245.4884] [FAMILY COMMUNITY SUPPORT SERVICES.]

Subdivision 1. [AVAILABILITY OF FAMILY COMMUNITY SUPPORT SERVICES.] By July 1, 1991, county boards must provide or contract for sufficient family community support services within the county to meet the needs of each child with severe emotional disturbance who resides in the county and the child's family. Children or their parents may be required to pay a fee in accordance with section 245.481.

Family community support services must be designed to improve the ability of children with severe emotional disturbance to:

- (1) handle basic activities of daily living;
- (2) improve functioning in school settings;
- (3) participate in leisure time or community youth activities;
- (4) set goals and plans;
- (5) reside with the family in the community;
- (6) participate in after-school and summer activities;
- (7) make a smooth transition among mental health services provided to children; and
- (8) make a smooth transition into the adult mental health system as appropriate.

In addition, family community support services must be designed to improve overall family functioning if clinically appropriate to the child's needs, and to reduce the need for and use of placements more intensive, costly, or restrictive both in the number of admissions and lengths of stay than indicated by the child's diagnostic assessment.

Subd. 2. [DAY TREATMENT SERVICES PROVIDED.] (a) Day treatment services must be part of the family community support services available to each child with severe emotional disturbance

residing in the county. A child or the child's parent may be required to pay a fee according to section 245.481. Day treatment services must be designed to:

- (1) provide a structured environment for treatment;
- (2) provide support for residing in the community;
- (3) prevent placements that are more intensive, costly, or restrictive than necessary to meet the child's need;
- (4) coordinate with or be offered in conjunction with the child's education program;
- (5) provide therapy and family intervention for children that are coordinated with education services provided and funded by schools; and
- (6) operate during all 12 months of the year.

(b) County boards may request a waiver from including day treatment services if they can document that:

- (1) alternative services exist through the county's family community support services for each child who would otherwise need day treatment services; and
- (2) county demographics and geography make the provision of day treatment services cost ineffective and unfeasible.

Subd. 3. [PROFESSIONAL HOME-BASED FAMILY TREATMENT PROVIDED.] (a) By January 1, 1991, county boards must provide or contract for sufficient professional home-based family treatment within the county to meet the needs of each child with severe emotional disturbance who is at risk of out-of-home placement due to the child's emotional disturbance or who is returning to the home from out-of-home placement. The child or the child's parent may be required to pay a fee according to section 245.481. The county board shall require that all service providers of professional home-based family treatment set fee schedules approved by the county board that are based on the child's or family's ability to pay. The professional home-based family treatment must be designed to assist each child with severe emotional disturbance who is at risk of or who is returning from out-of-home placement and the child's family to:

- (1) improve overall family functioning in all areas of life;
- (2) treat the child's symptoms of emotional disturbance that contribute to a risk of out-of-home placement;

(3) provide a positive change in the emotional, behavioral, and mental well-being of children and their families; and

(4) reduce risk of out-of-home placement for the identified child with severe emotional disturbance and other siblings or successfully reunify and reintegrate into the family a child returning from out-of-home placement due to emotional disturbance.

(b) Professional home-based family treatment must be provided by a team consisting of a mental health professional and others who are skilled in the delivery of mental health services to children and families in conjunction with other human service providers. The professional home-based family treatment team must maintain flexible hours of service availability and must provide or arrange for crisis services for each family, 24 hours a day, seven days a week. Case loads for each professional home-based family treatment team must be small enough to permit the delivery of intensive services and to meet the needs of the family. Professional home-based family treatment providers shall coordinate services and service needs with case managers assigned to children and their families. The treatment team must develop an individual treatment plan that identifies the specific treatment objectives for both the child and the family.

Subd. 4. [THERAPEUTIC SUPPORT OF FOSTER CARE.] By January 1, 1992, county boards must provide or contract for foster care with therapeutic support as defined in section 245.4871, subdivision 34. Foster families caring for children with severe emotional disturbance must receive training and supportive services, as necessary, at no cost to the foster families within the limits of available resources.

Subd. 5. [BENEFITS ASSISTANCE.] The county board must offer help to a child with severe emotional disturbance and the child's family in applying for federal benefits, including supplemental security income, medical assistance, and Medicare.

Sec. 25. Minnesota Statutes 1989 Supplement, section 245.4885, subdivision 1, is amended to read:

Subdivision 1. [SCREENING REQUIRED.] The county board shall ensure that, upon admission, screen all children are screened upon admission admitted for treatment of severe emotional disturbance to a residential treatment facility, an acute care hospital, or informally admitted to a regional treatment center if public funds are used to pay for the services. If a child is admitted to a residential treatment facility or acute care hospital for emergency treatment of emotional disturbance or held for emergency care by a regional treatment center under section 253B.05, subdivision 1, screening must occur within five working days of admission. Screening shall determine whether the proposed treatment:

- (1) is necessary;
- (2) is appropriate to the child's individual treatment needs;
- (3) cannot be effectively provided in the child's home;
- (4) ~~the~~ provides a length of stay is as short as possible consistent with the individual child's need; and
- (5) ~~the case manager, if assigned, is developing an~~ 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 that an individual family community support plan is being developed by the case manager, if assigned.

Screening shall be in compliance with section 256F.07 or 257.071, whichever applies. Wherever possible, the parent shall be consulted in the screening process, unless clinically inappropriate.

The screening process and placement decision must be documented in the child's record.

An alternate review process may be approved by the commissioner if the county board demonstrates that an alternate review process has been established by the county board and the times of review, persons responsible for the review, and review criteria are comparable to the standards in clauses (1) to ~~(4)~~ (5).

Sec. 26. 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.

Sec. 27. Minnesota Statutes 1989 Supplement, section 245.696, subdivision 2, is amended to read:

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

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

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

(3) employ qualified personnel to implement this chapter;

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

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

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

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

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

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

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

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

(12) (11) provide technical assistance to county boards to improve fiscal management and accountability and quality of mental health services, and consult regularly with county boards, public and

private mental health agencies, and client advocacy organizations for purposes of implementing this chapter;

~~(13)~~ (12) promote coordination between the mental health system and other human service systems in the planning, funding, and delivery of services; entering into cooperative agreements with other state and local agencies for that purpose as deemed necessary by the commissioner;

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

~~(15)~~ (14) enter into contracts and promulgate rules the commissioner deems necessary to carry out the purposes of this chapter.

Sec. 28. 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 subdivision 1, except that terms of subcommittee members who are also members of the advisory council are coterminous with their terms on the advisory council. The subcommittee shall meet at the call of the subcommittee chair who is elected by the subcommittee from among its members. The subcommittee expires with the expiration of the advisory council.

Sec. 29. Minnesota Statutes 1989 Supplement, section 253B.03, subdivision 6a, is amended to read:

Subd. 6a. [ADMINISTRATION OF NEUROLEPTIC MEDICATIONS.] (a) Neuroleptic medications may be administered to persons committed as mentally ill or mentally ill and dangerous only as described in this subdivision.

(b) A neuroleptic medication may be administered to a patient who is competent to consent to neuroleptic medications only if the patient has given written, informed consent to administration of the neuroleptic medication.

(c) A neuroleptic medication may be administered to a patient who is not competent to consent to neuroleptic medications only if a court approves the administration of the neuroleptic medication ~~or~~.

(d) A neuroleptic medication may be administered without court review to a patient who is not competent to consent to neuroleptic medications if:

(1) the patient does not object to or refuse the medication;

(2) a guardian ad litem appointed by the court with authority to consent to neuroleptic medications gives written, informed consent to the administration of the neuroleptic medication; and

(3) a multidisciplinary treatment review panel composed of persons who are not engaged in providing direct care to the patient gives written approval to administration of the neuroleptic medication.

(e) A neuroleptic medication may be administered without judicial review and without consent in an emergency situation for so long as the emergency continues to exist if the treating physician determines that the medication is necessary to prevent serious, immediate physical harm to the patient or to others and it is impracticable to first obtain consent from the patient. The treatment facility shall document the emergency in the patient's medical record in specific behavioral terms.

(d) (f) A person who consents to treatment pursuant to this subdivision is not civilly or criminally liable for the performance of or the manner of performing the treatment. A person is not liable for performing treatment without consent if written, informed consent was given pursuant to this subdivision. This provision does not affect any other liability that may result from the manner in which the treatment is performed.

(e) (g) The court may allow and order paid to a guardian ad litem a reasonable fee for services provided under paragraph (c), or the court may appoint a volunteer guardian ad litem.

(h) A medical director or patient may petition the committing court, or the court to which venue has been transferred, for a hearing concerning the administration of neuroleptic medication. A hearing may also be held pursuant to section 253B.08, 253B.09, 253B.12, or 253B.18. The hearing concerning the administration of neuroleptic medication must be held within 14 days from the date of the filing of the petition. The court may extend the time for hearing up to an additional 15 days for good cause shown.

Sec. 30. Minnesota Statutes 1988, section 253B.17, subdivision 1, is amended to read:

Subdivision 1. [PETITION.] Any patient, except one committed as mentally ill and dangerous to the public, or any interested person may petition the committing court or the court to which venue has been transferred for an order that the patient is not in need of continued institutionalization or for an order that an individual is no longer mentally ill, mentally retarded, or chemically dependent, or for any other relief as the court deems just and equitable. A patient committed as mentally ill or mentally ill and dangerous may petition the committing court or the court to which venue has been

transferred for a hearing concerning the administration of neuroleptic medication. A hearing may also be held pursuant to sections 253B.08, 253B.09 and, 253B.12, and 253B.18.

Sec. 31. 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 and may order a child in need of special treatment for mental illness, chemical dependency, or a developmental disability to be placed in a residential treatment facility in accordance with subdivision 3. 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. 32. Minnesota Statutes 1988, section 260.151, is amended by adding a subdivision to read:

Subd. 3. [JUVENILE TREATMENT SCREENING TEAM.] The county welfare board shall establish a juvenile treatment screening team to conduct screenings and prepare the evaluations, reports, and case plans required by this subdivision. The team shall consist of social workers, juvenile justice professionals, and persons with expertise in the treatment of juveniles who are mentally ill, chemically dependent, or have a developmental disability. The team shall have the following duties:

(a) If the court, prior to final disposition, proposes to place a child in a residential treatment facility out of state or in one which is within the state and licensed by the commissioner of human services under chapter 245A, the screening team must evaluate the child to determine whether residential treatment is necessary. No child may be sent to a residential treatment facility out of state nor held for more than 72 hours in residential treatment within the state, under

this paragraph, unless a treatment professional certifies that an emergency requires the placement or unless the screening team has evaluated the child and recommended that the residential placement is the least restrictive alternative available in light of the child's treatment needs and the safety of the community. Where placement is made pursuant to an emergency certification, a screening team evaluation must be made as soon as possible. Unless the screening team recommends continued placement, the child must be released within five days of placement. All screening team recommendations must be supported by a report to be filed with the juvenile court within seven days of the recommendation. The report shall include a professional diagnosis of the child's condition and an outline of the proposed treatment plan.

(b) If it appears to the court that the child is likely to need special treatment and care for reasons of physical or mental health as part of a final disposition under this chapter, the court shall direct the county juvenile treatment screening team to complete a screening and assessment of the child and to develop a case plan for services, including residential services, if necessary. The case plan must be completed within 30 days of the court's order for the assessment and shall be developed in coordination with court services personnel to ensure that the best interests of the child and the safety needs of the community are met. The assessment and case plan shall be filed with the court and shall include a professional diagnosis of the child's condition and a proposed plan for treatment. If the plan recommends placement in a residential facility, the name of the facility must be specified along with the proposed length of stay and the plan for aftercare and follow-up treatment. A final disposition which involves commitment to a treatment facility out of state or to one which is within the state and licensed under chapter 245A shall not be entered in any proceeding under this chapter, unless the county board has developed and approved a case plan for treatment under this paragraph.

Sec. 33. Minnesota Statutes 1988, section 260.172, is amended by adding a subdivision to read:

Subd. 2c. [RESIDENTIAL TREATMENT FACILITY PLACEMENT.] The court may not place a child in a residential treatment facility under a detention order except as authorized under section 260.151, subdivision 3, paragraph (a).

Sec. 34. Minnesota Statutes 1989 Supplement, section 260.181, subdivision 2, is amended to read:

Subd. 2. [CONSIDERATION OF REPORTS.] Before making a disposition in a case, or terminating parental rights, or appointing a guardian for a child the court may consider any report or recommendation made by the county welfare board, probation officer, licensed child placing agency, foster parent, guardian ad litem, tribal repre-

sentative, or other authorized advocate for the child or child's family, or any other information deemed material by the court. In issuing a disposition order requiring that a child be placed in a residential treatment facility, the court must follow the juvenile screening team recommendation and case plan required by section 260.151, subdivision 3, paragraph (b).

Sec. 35. [COMPREHENSIVE STUDY.]

The commissioner of human services shall conduct a comprehensive study of state delivered hospital and community-based services for the six regional treatment centers and their catchment areas. The study must examine the need for hospital and community-based services within each catchment area. The state mental health advisory council shall serve as an advisory group for the study. The commissioner shall present study findings and a plan for the provision of hospital and community-based services in each catchment area to the legislature by January 1, 1991.

Sec. 36. [INSTRUCTION TO REVISOR.]

In each section of Minnesota Statutes referred to in column A, the revisor of statutes shall delete the reference in column B and insert the reference in column C.

Column A	Column B	Column C
<u>245.462, subd. 8, clause (3)</u>	<u>245.4711, subd. 7</u>	<u>245.4712, subd. 2</u>
<u>245.4871, subd. 10, clauses (3) and (4)</u>	<u>245.4881, subd. 7</u>	<u>245.4884, subd. 2</u>
<u>245.4871, subd. 17, clause (11)</u>	<u>245.4881, subd. 10</u>	<u>245.4884, subd. 5</u>
<u>245.4875, subd. 2, clause (6)</u>	<u>245.4881, subd. 7</u>	<u>245.4884, subd. 2</u>
<u>245.4875, subd. 2, clauses (11) and (12)</u>	<u>245.4881, subd. 9</u>	<u>245.4884, subd. 4</u>
<u>245.4881, subd. 4, paragraph (a)</u>	<u>subd. 6</u>	<u>245.4884, subd. 1</u>

Sec. 37. [REPEALER.]

Minnesota Statutes 1989 Supplement, sections 245.4711, subdivisions 6, 7, and 8; and 245.4881, subdivisions 6, 7, 8, 9, and 10, are repealed.

Sec. 38. [EFFECTIVE DATE.]

Sections 29 and 30 are effective May 1, 1990."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for human services and health and other purposes with certain conditions; amending Minnesota Statutes 1988, sections 4.071; 13.46, subdivision 5; 144.581, subdivision 1; 144A.073, by adding a subdivision; 148B.23, by adding a subdivision; 148B.48, subdivision 1; 151.06, subdivision 1; 151.25; 171.07, subdivision 1a; 214.07, subdivision 1, and by adding a subdivision; 245.467, subdivision 2; 245A.14, subdivision 1; 252.27, as amended; 253B.17, subdivision 1; 254A.03, by adding a subdivision; 254B.06, by adding a subdivision; 254B.08; 256.73, subdivision 2; 256.736, subdivisions 1a and 3a; 256.7365, subdivision 2; 256B.04, subdivisions 15 and 16; 256B.055, subdivisions 3, 5, 6, and 12; 256B.056, subdivisions 2, 7, and by adding a subdivision; 256B.0625, subdivisions 4, 5, 9, and by adding subdivisions; 256B.091, subdivisions 4 and 6; 256B.15; 256B.19, by adding a subdivision; 256B.431, subdivision 3e, and by adding subdivisions; 256B.48, subdivision 2; 256B.49, by adding a subdivision; 256B.50, subdivisions 1 and 1b; 256B.501, subdivisions 3c, 3e, and by adding a subdivision; 256B.69, subdivision 3; 256D.01, by adding a subdivision; 256D.02, subdivisions 5, 8, and 12; 256D.03, subdivisions 3 and 7; 256D.052, subdivision 5; 256D.06, subdivision 2; 256E.06, subdivisions 2 and 7; 256H.01, by adding subdivisions; 256H.10, subdivisions 1 and 4; 256H.17; 260.151, subdivision 1, and by adding a subdivision; 260.172, by adding a subdivision; 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; 462.357, subdivision 7; 518.171, subdivisions 1, 3, 4, and 7; 518.54, by adding subdivisions; 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; and 518C.27, subdivision 1; Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 9; 116.78, by adding subdivisions; 144.50, subdivision 6; 144.562, subdivision 2; 144.802, subdivision 3; 144.804, subdivisions 1 and 7; 144.809; 144.8091; 145.894; 245.467, subdivision 3; 245.469; 245.4711, subdivisions 1, 2, and 3; 245.474; 245.487, subdivision 5; 245.4871, subdivision 3; 245.4873, subdivision 2; 245.4874; 245.4875, subdivision 5; 245.4876, subdivisions 2, 3, and 4; 245.4879; 245.4881, subdivisions 1, 2, 3, and 4; 245.4882, subdivision 1; 245.4883, subdivision 1; 245.4885, subdivisions 1 and 2; 245.696, subdivision 2; 245.697, subdivision 2a; 252.025, subdivision 4; 252.46, subdivisions 1, 2, 3, and 12; 253B.03, subdivision 6a; 254B.03, subdivision 4; 256.73, subdivision 3a; 256.736, subdivisions 3, 3b, 4, 10, 10a, 11, 14, 16, and 18; 256.737, subdivisions 1 and 2; 256.74, subdivision 1; 256.936, subdivisions 1 and 4; 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.0625, subdivision 13; 256B.092, subdivision 7; 256B.14; 256B.431, subdivisions 3g and 7; 256B.495, subdivision 1; 256B.69, subdivision 16;

256D.01, subdivision 1a; 256D.03, subdivision 4; 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; 260.181, subdivision 2; 268.0111, subdivision 4; 268.86, subdivision 2; 268.88; 268.881; 518.551, subdivision 10; 518.611, subdivision 4; and 518.613, subdivision 2; Minnesota Statutes Second 1989 Supplement, sections 256B.091, subdivision 8; and 256D.03, subdivision 2; Laws 1988, chapter 689, article 2, section 256, subdivision 3; Laws 1989, chapter 338, section 11; proposing coding for new law in Minnesota Statutes, chapters 62A; 144; 151; 245; 252; 254A; 256; 256B; and 268; repealing Minnesota Statutes 1988, sections 148B.01, subdivision 2; 148B.02; 214.411; 256.736, subdivisions 1b, 2a, 8, and 17; 256.7365, subdivision 8; 256B.431, subdivisions 3, 3b, 3c, and 3d; 256B.50, subdivision 2; 256D.06, subdivision 1c; 256H.01, subdivision 14; 256H.16; 268.672, subdivision 12; 268.86, subdivisions 9 and 10; and 268.872, subdivision 3; Minnesota Statutes 1989 Supplement, sections 245.4711, subdivisions 6, 7, and 8; 245.4881, subdivisions 6, 7, 8, 9, and 10; 256B.055, subdivision 8; 256B.43, subdivisions 3a and 3f; 256H.05, subdivisions 1, 1a, and 3a; and Laws 1989, chapter 338, section 11, subdivisions 1 and 3.”

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2419 and 2646 were read for the second time.

MOTIONS AND RESOLUTIONS

Steensma moved that his name be stricken and that the name of Wenzel be shown as chief author on H. F. No. 2809. The motion prevailed.

Steensma moved that his name be stricken and that the name of Wenzel be shown as chief author on H. F. No. 2810. The motion prevailed.

Steensma moved that his name be stricken and that the name of Wenzel be shown as chief author on H. F. No. 2811. The motion prevailed.

Wenzel moved that H. F. No. 1834 be returned to its author. The motion prevailed.

Vellenga moved that H. F. No. 1951 be returned to its author. The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 12:00 noon, Friday, March 30, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Friday, March 30, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION — 1990

EIGHTY-FIRST DAY

SAINT PAUL, MINNESOTA, FRIDAY, MARCH 30, 1990

The House of Representatives convened at 12:00 noon and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Father John Sankovitz, College of St. Thomas, St. Paul, 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	Swiggum
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	Miller	Quinn	Uphus
Carlson, D.	Jaros	Morrison	Redalen	Valento
Carlson, L.	Jefferson	Munger	Reding	Vellenga
Carruthers	Jennings	Murphy	Rest	Wagenius
Clark	Johnson, A.	Nelson, C.	Rice	Waltman
Cooper	Johnson, R.	Nelson, K.	Richter	Weaver
Dauner	Johnson, V.	Neuenschwander	Rodosovich	Welle
Dawkins	Kahn	O'Connor	Rukavina	Wenzel
Dempsey	Kalis	Ogren	Runbeck	Williams
Dille	Kelly	Olsen, S.	Sarna	Winter
Dorn	Kelso	Olson, E.	Schafer	Spk. Vanasek
Forsythe	Kinkel	Olson, K.	Scheid	
Frederick	Knickerbocker	Omann	Schreiber	
Frerichs	Krueger	Onnen	Seaberg	

A quorum was present.

Kostohryz 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.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 2786, 2770, 1839, 2419, 2365, 2666 and 2646 and S. F. Nos. 488, 2618 and 2617 have been placed in the members' files.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Kalis; Lasley; Anderson, G.; Seaberg and Morrison introduced:

H. F. No. 2816, A bill for an act relating to motor carriers; providing rules exemptions for certain private and agricultural carriers; amending Minnesota Statutes 1988, section 221.031, subdivision 3; Minnesota Statutes 1989 Supplement, section 221.031, subdivisions 2 and 2a.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1839, A bill for an act relating to employment; raising the minimum wage; amending Minnesota Statutes 1988, sections 177.23, subdivision 7; 177.24, subdivisions 1 and 2 and by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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 Senate has appointed as such committee:

Messrs. Solon, Spear, Metzen, Larson and Dahl.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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 Senate has appointed as such committee:

Messrs. Chmielewski, Renneke and Spear.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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 Senate has appointed as such committee:

Messrs. Dicklich, Marty and McGowan.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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 Senate has appointed as such committee:

Messrs. Marty, Spear and Belanger.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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 Senate has appointed as such committee:

Messrs. Berg, Lessard and Frederickson, D. R.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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 Senate has appointed as such committee:

Messrs. Stumpf, Belanger and Langseth.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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 Senate has appointed as such committee:

Messrs. Langseth, Stumpf and Frederickson, D. J.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2135, A bill for an act relating to Anoka county; authorizing the sale or exchange of certain land.

The Senate has appointed as such committee:

Messrs. Novak, Frank and Merriam.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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 Senate has appointed as such committee:

Messrs. Solon, Anderson and Freeman.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

O'Connor moved that the House refuse to concur in the Senate amendments to H. F. No. 1730, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Skoglund moved that the House refuse to concur in the Senate amendments to H. F. No. 2474, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Hausman moved that the House refuse to concur in the Senate amendments to H. F. No. 2294, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2618, A bill for an act relating to public administration; appropriating money or reducing appropriations to the higher education coordinating board, regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, with certain conditions; excepting notification of committee chairs on certain capital projects; establishing a community college at Cambridge; clarifying the duties and powers of the higher education coordinating board; authorizing tuition reciprocity agreements with contiguous Canadian provinces; establishing a state matching grant program to match private gifts to endowment funds; requiring administrative service plans for technical colleges under certain circumstances; changing permitted kinds of investments for the permanent university fund; permitting capital gains of the fund to be used to support endowed academic chairs; authorizing the purchase of a certain building by the state university board; requiring development of a consumer information system for occupational programs; regulating public post-secondary plans; requiring reports; adjusting contributions to state system retirement plans; amending Minnesota Statutes 1988, sections 136.60; 136.602; 136C.05, by adding a subdivision; 137.022, subdivisions 1 and 3; 352.92, subdivision 2; 352B.02, subdivision 1c; 353.27, subdivision 3a; and 354.42, subdivision 5; Minnesota Statutes 1989 Supplement, sections 16B.335, subdivision 2; 136A.04; 136A.08; 352.04, subdivisions 2 and 3; and 354B.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Minnesota Statutes 1988, section 353.27, subdivision 3.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Waldorf; Hughes; Johnson, D. E.; Dicklich and Mrs. Brataas.

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

Carlson, L., moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2618. The motion prevailed.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

McEachern moved that the House concur in the Senate amendments to H. F. No. 2042 and that the bill be repassed as amended by the Senate. The motion prevailed.

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 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	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	Himle	McPherson	Price	Trimble
Boo	Hugoson	Milbert	Pugh	Tunheim
Brown	Jacobs	Miller	Quinn	Uphus
Burger	Janezich	Morrison	Redalen	Valento
Carlson, D.	Jaros	Munger	Reding	Vellenga
Carlson, L.	Jefferson	Murphy	Rest	Wagenius
Carruthers	Jennings	Nelson, C.	Rice	Waltman
Clark	Johnson, A.	Nelson, K.	Richter	Weaver
Cooper	Johnson, R.	Neuenschwander	Rodosovich	Welle
Dauner	Johnson, V.	O'Connor	Rukavina	Wenzel
Dawkins	Kahn	Ogren	Runbeck	Williams
Dempsey	Kelly	Olsen, S.	Sarna	Winter
Dille	Kelso	Olson, E.	Schafer	Spk. Vanasek
Dorn	Kinkel	Olson, K.	Scheid	
Forsythe	Knickerbocker	Omann	Schreiber	
Frederick	Krueger	Onnen	Seaberg	
Frerichs	Lasley	Orenstein	Segal	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Gruenes moved that the House concur in the Senate amendments to H. F. No. 2462 and that the bill be repassed as amended by the Senate. The motion prevailed.

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, 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 132 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	Miller	Quinn	Uphus
Carlson, D.	Jaros	Morrison	Redalen	Valento
Carlson, L.	Jefferson	Munger	Reding	Vellenga
Carruthers	Jennings	Murphy	Rest	Wagenius
Clark	Johnson, A.	Nelson, C.	Rice	Waltman
Cooper	Johnson, R.	Nelson, K.	Richter	Weaver
Dauner	Johnson, V.	Neuenschwander	Rodosovich	Welle
Dawkins	Kahn	O'Connor	Rukavina	Wenzel
Dempsey	Kalis	Ogren	Runbeck	Williams
Dille	Kelly	Olsen, S.	Sarna	Winter
Dorn	Kelso	Olson, E.	Schafer	Spk. Vanasek
Forsythe	Kinkel	Olson, K.	Scheid	
Frederick	Knickerbocker	Omann	Schreiber	
Frerichs	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. 2195, 1104, 1790, 2236 and 2617.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2195, 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; providing for a task force on radioactive waste deregulation; proposing coding for new law in Minnesota Statutes, chapter 116C.

The bill was read for the first time.

Greenfield moved that S. F. No. 2195 and H. F. No. 2311, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1104, 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; 390.36; and 525.921, subdivisions 1, 4, 5, 8, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 525; repealing Minnesota Statutes 1988, sections 525.921, subdivision 2; and 525.922 to 525.94, as amended.

The bill was read for the first time.

Greenfield moved that S. F. No. 1104 and H. F. No. 1101, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1790, A bill for an act relating to 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.

Jaros moved that S. F. No. 1790 and H. F. No. 1997, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2236, 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.

The bill was read for the first time.

Kahn moved that S. F. No. 2236 and H. F. No. 2695, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2617, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; reducing appropriations for the biennium ending June 30, 1991, with certain conditions; providing for the transfer of money in the state treasury; amending Minnesota Statutes 1989 Supplement, section 297B.09, subdivision 1.

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, Rice moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2617 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Rice moved that the Rules of the House be so far suspended that S. F. No. 2617 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2617 was read for the second time.

Rice moved to amend S. F. No. 2617, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked “APPROPRIATIONS” are added to, or if shown in parentheses, are subtracted from the appropriations in Laws 1989, chapter 269, to the specified agencies and for the purposes specified in this act. All appropriations are from the general fund unless otherwise indicated. The figures “1990,” and “1991,” where used in this act, mean that the appropriations or reductions listed under them are available for the year ending June 30, 1990, or June 30, 1991, respectively.

SUMMARY BY FUND

	1990	1991
GENERAL	\$477,000	\$ 1,841,000
TRUNK HIGHWAY		533,000
HIGHWAY USER		130,000
SPECIAL REVENUE		(9,950,000)

APPROPRIATIONS
Available for the Year
Ending June 30
1990 1991

Sec. 2. TRANSPORTATION

Subdivision 1. Truck Safety Program	475,000
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This appropriation is from the trunk highway fund. The approved complement of the department is increased by seven trunk highway fund positions for the truck safety program. The authorized complement is reduced by six federal fund positions in this activity. The department may use existing balances in equipment appropriations to support the equipment needs of this function.

Subd. 2. Air Traffic Control Training Grant

The department is authorized to accept a federal grant from the Federal Aviation Administration. \$3,400,000 in fiscal year 1990 and \$5,700,000 in fiscal year 1991 for a demonstration project to develop an alternative method of training air traffic controllers.

Sec. 3. TRANSPORTATION REGULATION BOARD

58,000

(a) \$25,000 is from the trunk highway fund for space rental and furniture for the South St. Paul Administrative Truck Center Building.

(b) \$33,000 is from the trunk highway fund for data processing enhancement.

	1990	1991
	\$	\$
Sec. 4. TRANSPORTATION STUDY BOARD		130,000

This appropriation is from the highway user tax distribution fund.

Sec. 5. REGIONAL TRANSIT BOARD

\$1,497,000 is transferred from the appropriation made in Laws 1989, chapter 269, section 3, subdivision 3, to the Regional Transit Board for Metro Mobility services to the department of human services to pay transportation costs of eligible disabled riders of Metro Mobility.

Sec. 6. PUBLIC SAFETY

Subdivision 1. Bureau of Criminal Apprehension

(a) Criminal Investigation and Assistance

326,000

The general fund approved complement of the Bureau of Criminal Apprehension is increased by six positions. This appropriation is to enhance narcotic investigation activities in greater Minnesota.

(b) Minnesota automated fingerprint identification network

\$(275,000)

Subd. 2. Office of Drug Policy

50,000

(a) This appropriation is to match a federal Bureau of Justice Assistance grant to evaluate drug control programs.

(b) The department is authorized to accept a federal grant from the federal Bureau of Justice Assistance in the amount of \$6,873,000 for drug enforcement activity to be matched with 25 percent state funds. Match funds for

	1990	1991
	\$	\$
this grant are available until spent for the purposes appropriated.		
Subd. 3. Lawful Gambling Regulation and Enforcement		1,078,000
The general fund approved complement of the department is increased by nine positions. The positions and appropriation in this subdivision are available only if the bill styled as H.F. 2005 is enacted in the 1990 legislative session. Any unencumbered balance in this appropriation remaining in the first year does not cancel, but is available for the second year of the biennium. Any unencumbered balance remaining from the appropriation made in Laws 1989, chapter 334, article 8, section 5, subdivision 2, does not cancel, but is available for the second year of the biennium.		
Subd. 4. Capitol Security Tunnel Surveillance		\$(45,000)
Subd. 5. Fire Safety		(4,000)
The approved complement of the department is increased by five positions for school building inspection. These positions shall only be filled if funding is provided by the commissioner of education.		
Subd. 6. Ancillary Services Crime Victims Reparations		(50,000)
Subd. 7. Administration and Related Services		
(a) Traffic Safety		(53,000)
(b) Soft Body Armor Reimbursement		(50,000)
Subd. 8. Bicycle Registration		(50,000)
Sec. 7. BOARD OF PEACE OFFICER STANDARDS AND TRAINING		(100,000)
Sec. 8. DEPARTMENT OF COMMERCE		
Administrative Services		(122,000)

	1990	1991
	\$	\$
Sec. 9. BOARD OF WATER AND SOIL RESOURCES		
(a) Local water resources protection grants		(500,000)
(b) Well sealing cost share grants		(100,000)
Sec. 10. GAMING		
Subdivision 1. Lawful Gambling Regulation and Enforcement		1,623,000

The approved complement of the department is increased by 30 positions for this activity.

Subd. 2. Lottery-related costs

The lottery shall reimburse the general fund \$150,000 in fiscal year 1991 for lottery-related costs incurred by the department of public safety.

Sec. 11. AGRICULTURE

Subdivision 1. Apiary Deficiency	\$39,000	
Subd. 2. Haylift Expenses	24,000	
Subd. 3. Building Lease Renewal Cost Increases	196,000	83,000
Subd. 4. Agricultural Lime Regulation		60,000

The approved general fund complement of the department is increased by one position for this activity.

Subd. 5. Grasshopper Control Costs 597,000

This appropriation is to reimburse counties and townships for up to 50 percent of the costs incurred for grasshopper control activities during calendar year 1989. Eligible costs must be documented and submitted on forms provided by the commissioner. Reimbursements will be made only for activities conducted in designated grasshopper control zones.

	1990	1991
	\$	\$
Subd. 6. Bovine Growth Hormone Study		25,000

The department shall immediately undertake research to determine the potential economic consequences of the use of bovine growth hormone. The department shall report its findings to the legislature by January 15, 1991.

Subd. 7. Reductions

The following amounts are reduced from the appropriations made in Laws 1989, chapter 269, section 7, and Laws 1989, chapter 350.

(a) Family farm security interest adjustment payments	\$(126,000)	\$(126,000)
(b) Minnesota Grown Program		(100,000)
(c) Ethanol promotion		(38,000)
(d) Livestock compensation		(31,000)
(e) General		(211,000)

Sec. 12. BOARD OF ANIMAL HEALTH

Pseudorabies Control		\$(100,000)
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The approved complement of the board is increased by one position.

Sec. 13. GREATER MINNESOTA CORPORATION

(10,000,000)

\$10,000,000 is transferred from the greater Minnesota account in the special revenue fund to the general fund.

Sec. 14. WORLD TRADE CENTER CORPORATION

35,000

This appropriation is to be matched with \$25,000 in goods and services from other sources to conduct the World Export Processing Zone Association international convention to be held in Minnesota in May 1991.

	1990	1991
	\$	\$
Sec. 15. INDIAN AFFAIRS COUNCIL		
Subdivision 1. Reburial of Indian Remains		90,000
Subd. 2. Indian Business Loan Program		50,000

This appropriation is from the special revenue fund.

The approved complement of the council is increased by one position for this activity.

Sec. 16. BOARD OF THE ARTS	116,000
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This appropriation is to match a grant from the National Endowment for the Arts.

Sec. 17. BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING AND LANDSCAPE ARCHITECTURE	\$22,000
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Sec. 18. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Fiscal Agent

(a) Minnesota Humanities Commission	35,000
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Sec. 19. PUBLIC SERVICE

The public service department shall develop and implement options to recover part of the costs of the energy division in evaluation and approval activities related to the conservation improvement program.

Sec. 20. EFFECT OF REDUCTIONS TO TRUNK HIGHWAY FUND

It is the intent of the legislature that any reduction in revenues to the trunk

1990

1991

\$

\$

highway fund in fiscal year 1991 caused by changes in the 1990 legislative session in the allocation of revenues from the motor vehicle excise tax not result in the delay, deferral, or cancellation of any trunk highway improvement project presently included in the department of transportation's trunk highway construction plan.

Sec. 21. [RULES FOR AQUICULTURE RESEARCH PERMITS.]

Not later than October 1, 1991, the commissioner of agriculture, in consultation with the commissioners of health, natural resources, and the pollution control agency; and the advisory committee established under Minnesota Statutes, section 17.49, subdivision 1, shall adopt rules to expedite permits from all permitting authorities for aquiculture research projects and for private or public-private economic ventures in aquiculture.

Sec. 22. [ENERGY SAVINGS GRANTS; APPROPRIATION.]

Subdivision 1. [AUTHORITY.] Notwithstanding any law to the contrary, including but not limited to Minnesota Statutes, section 4.071, the amounts provided in this section are appropriated from the money received by the governor, the commissioner of finance, or any other state agency as a result of the settlement of the United States District Court, 578 F. Supp. 586 (D.Kan. 1983). The appropriations remain available until spent.

Subd. 2. [GRANT TO SCHOOL DISTRICT 625.] \$230,000 is appropriated to the commissioner of public service, energy division, for the purposes of a grant to independent school district No. 625 to engage in programs promoting energy savings.

Sec. 23. [CHILD PROTECTION HOTLINE; FUND TRANSFER.]

Notwithstanding Minnesota Statutes, sections 299A.22 to 299A.25, or any other law to the contrary, up to \$45,000 from the children's trust fund established under section 299A.22, to be administered by the children's trust fund for the fiscal year ending June 30, 1991, must be used to fund and administer the professional consultation telephone line and service authorized by Minnesota Statutes, section 626.562.

Sec. 24. [MOTOR VEHICLE EXCISE TAX REVENUE TRANSFER; LIMITATION.]

Notwithstanding Minnesota Statutes, section 297B.09, the commissioner of finance may not transfer in the biennium ending June 30, 1991, from revenues received from the tax imposed by section 297B.02, more than \$175,500,000 to the highway user tax distribution fund, the trunk highway fund, and the transit assistance fund combined. Any revenue from the tax which but for this section would be transferred to those funds, must be credited to the general fund.

Sec. 25. [TRUCK OVERWEIGHT PENALTIES; REFUNDS.]

The commissioner of public safety may pay refunds of civil penalties collected for truck weight violations cited by state patrol officers and committed while crossing the marked trunk highway No. 169 bridge between the cities of Anoka and Champlin between January 15, 1988, and November 15, 1988. The refund in each case must be the difference between the civil penalty actually paid for the violation and the maximum fine which could have been imposed as a criminal penalty for the violation had the violation been charged as a misdemeanor; provided that in no case shall a refund for a civil penalty exceed the amount received by the highway user tax distribution fund from that civil penalty. The commissioner of public safety may require documentation as the commissioner deems necessary to determine eligibility for a refund under this section. A sum of money sufficient to pay the refunds authorized under this section is appropriated to the commissioner of public safety from the highway user tax distribution fund. This appropriation is available until expended.

Sec. 26. Minnesota Statutes 1988, section 37.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS.] Members of the state agricultural society must be citizens of this state. The membership is as follows:

(a) Three delegates chosen annually by each agricultural society or association in the state which maintains an active existence, holds annual fairs, and is entitled to share in the state appropriation under the provisions of section 38.02. If one of those societies or associations fails to choose delegates, then its president, secretary, and treasurer, by virtue of their offices, are its delegates. If two fairs receiving state aid are operating in one county, each delegate from each society or association is entitled to one-half vote at regular or special meetings of the state society.

(b) One delegate appointed by the county board of each county in which no county or district agricultural society exists.

(c) Individuals elected by the society as honorary members for having performed eminent services in agriculture, horticulture, or related arts and sciences or long and faithful service in or benefits to

the society. Honorary members must be elected by two-thirds vote at any annual meeting. The number of honorary members may not exceed the society's membership and only one honorary member may be elected annually. Each honorary member is entitled to one vote.

(d) Two elected delegates and the president may represent each of the following societies and associations: Red River Valley Winter Shows, the Minnesota State Horticultural Society, the State Dairyman's Association, the Minnesota Dairy Goat Association, the Minnesota Honey Producers Association, Inc., the Minnesota Livestock Breeders' Association, the Minnesota Crop Improvement Association, the Minnesota Pork Producers Association, the Minnesota Lamb and Wool Producers Association, the Minnesota Horse Breeders' Association, the Minnesota Veterinary Medical Association, the Minnesota Cattle Breeders' Association, the Central Livestock Association, the Minnesota State Poultry Association, the Farm Equipment Association, the North Central Florist Association, the Minnesota Garden Flower Society, the State Fair Exhibitors' Organization, the Minnesota Federation of County Fairs, the State Forestry Association, the Minnesota Horse Council, Minnesota Nurserymen's Association, Minnesota Apple Growers' Association, State Grange of Minnesota, Minnesota Farmers' Union, American Dairy Association of Minnesota, and the Minnesota Farm Bureau Federation.

(e) The following societies and associations are entitled to one delegate each: Central Minnesota Vegetable Growers Association, the Minnesota Fruit and Vegetable Growers' Association, Minnesota Shorthorn Breeders' Association, the Minnesota Milking Shorthorn Association, Minnesota Guernsey Breeders' Association, Minnesota Jersey Cattle Club, Minnesota Holstein Association, Minnesota Hereford Association, Minnesota Aberdeen Angus Breeders', Minnesota Red Polled Breeders', Minnesota Ayreshire Breeders' Association, Minnesota Brown Swiss Association, Minnesota Poland China Breeders' Association, Minnesota Duroc Breeders', Minnesota Chester White Association, Minnesota Turkey Growers' Association, Minnesota Gladiolus Society, Minnesota Hampshire Association, Minnesota Suffolk Association, North American Dairy Sheep Association, and the Minnesota Berkshire Association. All of these societies and associations must be active and statewide in their scope and operation, hold annual meetings, and be incorporated under the laws of the state before they are entitled to a delegate. The societies and associations must file with the secretary of state, on or before December 20, a report showing that the society or association has held a regular annual meeting for that year, a summary of its financial transactions for the current year, and an affidavit of the president and secretary that it has a paid-up membership of at least 25. On or before December 31, the secretary of state shall certify to the secretary of the state agricultural society the names of the societies or associations that have complied with these provisions.

(f) The members of the board of managers of the state agricultural society are members of the society and entitled to one vote each.

Sec. 27. Minnesota Statutes 1988, section 84B.11, is amended by adding a subdivision to read:

Subd. 5. [EXPIRATION DATE.] Notwithstanding any law to the contrary, the citizens council on Voyageurs National Park is extended until June 30, 1993.

Sec. 28. Minnesota Statutes 1989 Supplement, section 168.011, subdivision 7, is amended to read:

Subd. 7. [PASSENGER AUTOMOBILE.] "Passenger automobile" means any motor vehicle designed and used for the carrying of not more than 15 persons including the driver. "Passenger automobile" does not include motorcycles and, motor scooters, and buses described in subdivision 9, paragraph (a), clause (2). For purposes of taxation only, "passenger automobile" includes pickup trucks and vans.

Sec. 29. Minnesota Statutes 1989 Supplement, section 168.011, subdivision 9, is amended to read:

Subd. 9. [BUS; INTERCITY BUS.] (a) "Bus" means (1) every motor vehicle designed for carrying more than 15 passengers including the driver and used for transporting persons, and (2) every motor vehicle that is (i) designed for carrying more than ten passengers including the driver, (ii) used for transporting persons, and (iii) owned by a nonprofit organization and not operated for hire or for commercial purposes.

(b) "Intercity bus" means any bus operating as a common passenger carrier over regular routes and between fixed termini, but excluding all buses operating wholly within the limits of one city, or wholly within two or more contiguous cities, or between contiguous cities and a terminus outside the corporate limits of such cities, and not more than 20 miles distant measured along the fixed route from such corporate limits.

Sec. 30. Minnesota Statutes 1989 Supplement, section 168.33, subdivision 7, is amended to read:

Subd. 7. [FEES.] In addition to all other statutory fees and taxes, a filing fee of \$3.50 is imposed on every application; except that a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the department or a deputy registrar. The filing fee shall be shown as a separate item on all registration renewal notices sent out by the department of public safety. No filing fee or other fee may be charged for the permanent

surrender of a certificate of title and license plates for a motor vehicle. Filing fees collected under this subdivision by the registrar must be paid into the state treasury and credited to the highway user tax distribution fund, except fees for registrations of new motor vehicles. Filing fees collected for registrations of new motor vehicles must be paid into the state treasury with 50 percent of the money credited to the general fund and 50 percent credited to the highway user tax distribution fund.

Sec. 31. Minnesota Statutes 1988, section 170.23, is amended to read:

170.23 [ABSTRACTS; FEE; ADMISSIBLE IN EVIDENCE.]

The commissioner shall upon request furnish any person a certified abstract of the operating record of any person subject to the provisions of this chapter, and, if there shall be no record of any conviction of such person of violating any law relating to the operation of a motor vehicle or of any injury or damage caused by such person, the commissioner shall so certify. Such abstracts shall not be admissible as evidence in any action for damages or criminal proceedings arising out of a motor vehicle accident. A fee of \$5 shall be paid for each such abstract. The commissioner shall permit a person to inquire into the operating record of any person by means of the inquiring person's own computer facilities for a fee to be determined by the commissioner of at least \$2 for each inquiry. The commissioner shall furnish an abstract that is not certified for a fee to be determined by the commissioner in an amount less than the fee for a certified abstract but more than the fee for an inquiry by computer. Fees collected under this section must be paid into the state treasury with 90 percent of the money credited to the trunk highway fund and ten percent credited to the general fund.

Sec. 32. [174.026] [PROHIBITION ON EXCLUSIVE CONTRACTS.]

The commissioner of transportation may not enter into a contract that provides a radio or television station with an exclusive right to broadcast traffic information that is compiled and made available by the department of transportation. The commissioner may not renew a contract entered into before July 1, 1990, that is not in compliance with this section.

Sec. 33. Minnesota Statutes 1988, section 297B.09, is amended by adding a subdivision to read:

Subd. 3. [REDUCTION OF TRANSFER.] Notwithstanding subdivision I, the commissioner of finance shall reduce by \$1,300,000 the amount of money collected and received under this chapter that would otherwise be transferred to the trunk highway fund in the fiscal year ending June 30, 1991.

Sec. 34. Laws 1989, chapter 307, section 43, is amended to read:

Sec. 43. [APPROPRIATION.]

\$480,000 is appropriated to the commissioner of public safety from the trunk highway fund for record keeping, implementation, and administration of sections 1 to 42. \$252,000 is for fiscal year 1990 and \$228,000 is for fiscal year 1991. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money and reducing appropriations for the department of transportation and other agencies with certain conditions; transferring funds; regulating certain activities and practices; providing for certain funds, accounts, and fees; requiring studies and reports; providing penalties; amending Minnesota Statutes 1988, sections 37.03, subdivision 1; 84B.11, by adding a subdivision; 170.23; and 297B.09, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 168.011, subdivisions 7 and 9; and 168.33, subdivision 7; Laws 1989, chapter 307, section 43; proposing coding for new law in Minnesota Statutes, chapter 174."

The motion prevailed and the amendment was adopted.

Rice moved to amend S. F. No. 2617, as amended, as follows:

Pages 6 and 7, delete section 22

Renumber the sections in sequence

Correct internal references

The motion prevailed and the amendment was adopted.

Rice and Solberg moved to amend S. F. No. 2617, as amended, as follows:

Page 8, after line 5, insert:

"Sec. 26. Minnesota Statutes 1988, section 10A.02, subdivision 1, is amended to read:

Subdivision 1. There is hereby created a state ~~ethical practices~~ campaign reporting board composed of six members. The members

shall be appointed by the governor with the advice and consent of three-fifths of both the senate and the house of representatives acting separately. If either house fails to confirm the appointment of a board member within 45 legislative days after appointment, or by adjournment sine die, whichever occurs first, the appointment shall terminate on the day following the 45th legislative day or on adjournment sine die, whichever occurs first. If either house votes not to confirm an appointment, the appointment terminates on the day following the vote not to confirm. One member shall be a former member of the legislature from a major political party different from that of the governor; one member shall be a former member of the legislature from the same political party as the governor; two members shall be persons who have not been public officials, held any political party office other than precinct delegate, or been elected to public office for which party designation is required by statute in the three years preceding the date of their appointment; and the other two members shall not support the same political party. No more than three of the members of the board shall support the same political party.

Sec. 27. Minnesota Statutes 1988, section 10A.04, subdivision 4, is amended to read:

Subd. 4. The report shall include such information as the board may require from the registration form and the following information for the reporting period:

(a) The lobbyist's total disbursements on lobbying, listing lobbying to influence legislative action separately from lobbying to influence administrative action, and a breakdown of those disbursements for each of those kinds of lobbying into categories specified by the board, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses;

(b) The amount and nature of each honorarium, gift, loan, item or benefit, excluding contributions to a candidate, equal in value to \$50 or more, given or paid to any public official by the lobbyist or any employer or any employee of the lobbyist. The list shall include the name and address of each public official to whom the honorarium, gift, loan, item or benefit was given or paid and the date it was given or paid; and

(c) Each original source of funds in excess of \$500 in any year used for the purpose of lobbying to influence legislative action and each such source of funds used to influence administrative actions. The list shall include the name, address and employer, or, if self-employed, the occupation and principal place of business, of each payer of funds in excess of \$500.

Sec. 28. Minnesota Statutes 1988, section 10A.05, is amended to read:

10A.05 [LOBBYIST REPORT.]

Within 30 days after each lobbyist filing date set by section 10A.04, the executive director of the board shall report to the governor, and the presiding officer of each house of the legislature, the names of the lobbyists registered who were not previously reported, the names of the persons or associations whom they represent as lobbyists and, the subject or subjects on which they are lobbying, and whether in each case they lobby to influence legislative or administrative action or both."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Macklin, Frederick, Swenson, Poppenhagen, Blatz, Bennett, Seaberg, Limmer, Morrison, Runbeck and Marsh moved to amend S. F. No. 2617, as amended, as follows:

Page 3, delete lines 10 and 11 and insert:

"Subd. 2. Office of Drug Policy 2,300,000

(a) This appropriation is for grants to multidisciplinary chemical abuse prevention teams.

(b) \$50,000 for fiscal year ending June 30, 1991, is to match"

Page 3, line 14, delete "(b)" and insert "(c)"

Page 5, line 22, delete "(10,000,000)" and insert "(11,500,000)"

Page 5, line 28, delete "35,000" and insert "(765,000)"

Page 12, after line 24, insert:

"Sec. 33. Minnesota Statutes 1989 Supplement, section 299A.40, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF TEAM.] A county, a multicounty organization of counties formed by an agreement under section 471.59, or a any city with a population of no more than 50,000 other than a city of the first class, may establish a multidisciplinary chemical abuse prevention team. The chemical abuse prevention team may include, but not be limited to, representatives of health, mental health, public health, law enforcement, educational, social service, court service, community education, religious, and other appropriate agencies, civic organizations, city councils, and parent and youth groups. For purposes of this section, "chemical abuse" has the meaning given in Minnesota Rules, part 9530.6605, subpart 6. When possible the team must coordinate its activities with existing local groups, organizations, and teams dealing with the same issues the team is addressing.

Sec. 34. 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 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.~~ Grants may only be awarded to applicants who agree to match each 50 cents of state grant money with \$1 of local funds derived from nongovernmental sources. The total amount of the state grant may not exceed an amount equal to the applicant's per capita population multiplied by \$1. The grant funds must be used to establish a multidisciplinary chemical abuse prevention team to carry out the duties in subdivision 2.

Sec. 35. Laws 1989, chapter 269, section 8, is amended to read:

Sec. 8. WORLD TRADE CENTER CORPORATION	1,350,000	800,000
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This appropriation includes \$450,000 in the first year to cover part of the cost of conducting the World Assembly in Minnesota in 1990. It is the intent of the legislature that the World Trade Center Corporation secure an additional \$300,000 from sources other than state funds to cover the cost of conducting this event. The corporation shall report the results of its efforts to the legislature by January 15, 1991.

Any unencumbered balance remaining in fiscal year 1989 does not cancel but

is available for fiscal year 1990 and any unencumbered balance remaining in fiscal year 1990 does not cancel but is available for fiscal year 1991."

Adjust figures accordingly

Renumber the sections in sequence

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Macklin et al amendment and the roll was called. There were 52 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Onnen	Sviggum
Bennett	Girard	Limmer	Ozment	Swenson
Bishop	Gruenes	Lynch	Pauly	Tjornhom
Blatz	Gutknecht	Macklin	Pellow	Tompkins
Boo	Hartle	Marsh	Poppenhagen	Uphus
Burger	Hasskamp	McDonald	Redalen	Valento
Carlson, D.	Haukoos	McPherson	Richter	Waltman
Carruthers	Heap	Miller	Runbeck	Weaver
Dempsey	Henry	Morrison	Schafer	
Dille	Himle	Olsen, S.	Schreiber	
Forsythe	Johnson, V.	Omann	Stanius	

Those who voted in the negative were:

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

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

Boo moved to amend S. F. No. 2617, as amended, as follows:

Page 12, delete section 33

Renumber sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Boo amendment and the roll was called. There were 57 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Johnson, V.	Omann	Sviggum
Anderson, R.	Frerichs	Knickerbocker	Onnen	Swenson
Beard	Girard	Limmer	Ozment	Tjornhom
Bennett	Gruenes	Lynch	Pauly	Tompkins
Bishop	Gutknecht	Macklin	Pellow	Uphus
Blatz	Hartle	Marsh	Poppenhagen	Valento
Boo	Haukoos	McDonald	Quinn	Waltman
Carlson, D.	Heap	McEachern	Redalen	Weaver
Dauner	Henry	McPherson	Richter	Winter
Dempsey	Himle	Miller	Schafer	
Dille	Hugoson	Morrison	Schreiber	
Forsythe	Jacobs	Olsen, S.	Stanius	

Those who voted in the negative were:

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

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

Runbeck, Macklin and McPherson moved to amend S. F. No. 2617, as amended, as follows:

Page 8, after line 5, insert:

"Sec. 26. [CAPITAL IMPROVEMENTS FOR MINOR AIRPORTS.]

Notwithstanding other law to the contrary, no capital expansion improvements may be made to any minor airport in the seven-

county metropolitan area until the commission selects a site for a major new airport under Minnesota Statutes, section 473.616, subdivision 3. For purposes of this section, "capital improvement" does not include the repair and maintenance of present runways and facilities and safety improvements."

Renumber the sections in sequence

A roll call was requested and properly seconded.

POINT OF ORDER

Carruthers raised a point of order pursuant to rule 3.9 that the Runbeck et al amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

The question recurred on the Runbeck et al amendment and the roll was called. There were 29 yeas and 89 nays as follows:

Those who voted in the affirmative were:

Bennett	Frerichs	Jaros	Poppenhagen	Stanius
Boo	Girard	Macklin	Quinn	Sviggum
Burger	Gutknecht	McDonald	Redalen	Swenson
Dempsey	Haukoos	McPherson	Richter	Valento
Forsythe	Heap	Miller	Runbeck	Waltman
Frederick	Hugoson	Omann	Schafer	

Those who voted in the negative were:

Abrams	Hartle	Lynch	Ostrom	Simoneau
Anderson, G.	Hasskamp	Marsh	Otis	Skoglund
Battaglia	Hausman	McEachern	Ozment	Solberg
Bauerly	Henry	McGuire	Pappas	Sparby
Beard	Himle	McLaughlin	Pellow	Steensma
Begich	Jacobs	Milbert	Pelowski	Tjornhom
Bertram	Jefferson	Munger	Peterson	Trimble
Brown	Jennings	Murphy	Price	Tunheim
Carlson, D.	Johnson, R.	Nelson, C.	Pugh	Uphus
Carlson, L.	Kahn	Nelson, K.	Reding	Vellenga
Carruthers	Kalis	Neuenschwander	Rest	Wagenius
Clark	Kelly	O'Connor	Rice	Weaver
Cooper	Kelso	Ogren	Rodosovich	Welle
Dauner	Krueger	Olson, E.	Rukavina	Wenzel
Dawkins	Lasley	Olson, K.	Sarna	Williams
Dorn	Lieder	Onnen	Scheid	Winter
Greenfield	Limmer	Orenstein	Seaberg	Spk. Vanasek
Gruenes	Long	Osthoff	Segal	

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

Olsen, S.; Valento; Tompkins; McDonald; Waltman; Uphus; For-

sythe; Richter; Burger; Pellow; Heap; Carlson, D.; Swenson; Sviggum; Limmer; Bennett; McPherson; Hugoson and Girard moved to amend S. F. No. 2617, as amended, as follows:

Page 5, line 22, delete "(10,000,000)" and insert "(10,800,000)"

Page 5, line 29, before "This" insert "(a)"

Page 5, after line 34, insert:

"(b) General reduction (800,000)"

Page 7, delete section 24

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 Olsen, S., et al amendment and the roll was called. There were 46 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Lynch	Ozment	Swenson
Bennett	Gutknecht	Macklin	Pauly	Tjornhom
Blatz	Hartle	Marsh	Pellow	Tompkins
Boo	Haukoos	McDonald	Poppenhagen	Valento
Burger	Heap	McPherson	Richter	Waltman
Carlson, D.	Henry	Miller	Runbeck	Weaver
Dempsey	Himle	Morrison	Schafer	
Forsythe	Hugoson	Olsen, S.	Schreiber	
Frederick	Knickerbocker	Omann	Stanisus	
Girard	Limmer	Onnen	Sviggum	

Those who voted in the negative were:

Anderson, G.	Dawkins	Johnson, R.	McGuire	Orenstein
Battaglia	Dorn	Johnson, V.	McLaughlin	Osthoff
Bauerly	Frerichs	Kahn	Milbert	Ostrom
Beard	Greenfield	Kalis	Munger	Otis
Begich	Hasskamp	Kelly	Murphy	Pappas
Bertram	Hausman	Kelso	Nelson, C.	Pelowski
Brown	Jacobs	Kinkel	Nelson, K.	Peterson
Carlson, L.	Janezich	Krueger	Neuenschwander	Pugh
Carruthers	Jaros	Lasley	O'Connor	Quinn
Clark	Jefferson	Lieder	Ogren	Redafen
Cooper	Jennings	Long	Olson, E.	Reding
Dauner	Johnson, A.	McEachern	Olson, K.	Rest

Rice	Seaberg	Sparby	Vellenga	Winter
Rodosovich	Segal	Steensma	Wagenius	Spk. Vanasek
Rukavina	Simoneau	Trimble	Welle	
Sarna	Skoglund	Tunheim	Wenzel	
Scheid	Solberg	Uphus	Williams	

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

Stanis moved to amend S. F. No. 2617, as amended, as follows:

Page 3, after line 39, insert:

“The gambling control board may publish notice of intent to adopt a rule with or without a hearing under chapter 14 only once in a calendar year unless the proposed rule is reviewed and approved by the legislative commission to review administrative rules prior to the publication of the notice of intent to adopt the rule.”

A roll call was requested and properly seconded.

The question was taken on the Stanis amendment and the roll was called. There were 90 yeas and 41 nays as follows:

Those who voted in the affirmative were:

Abrams	Forsythe	Kelso	O'Connor	Schafer
Anderson, G.	Frederick	Kinkel	Olsen, S.	Scheid
Anderson, R.	Frerichs	Knickerbocker	Olson, E.	Schreiber
Bauerly	Girard	Krueger	Olson, K.	Seaberg
Beard	Gruenes	Lasley	Omann	Solberg
Bennett	Gutknecht	Limmer	Onnen	Sparby
Bertram	Hartle	Lynch	Ostrom	Stanis
Bishop	Hasskamp	Macklin	Ozment	Steensma
Blatz	Haukoos	Marsh	Pauly	Swiggum
Boo	Heap	McDonald	Pellow	Swenson
Burger	Henry	McEachern	Pelowski	Tjornhom
Carlson, D.	Himle	McGuire	Poppenhagen	Tompkins
Carlson, L.	Hugoson	McPherson	Price	Tunheim
Cooper	Jacobs	Milbert	Pugh	Uphus
Dauner	Janezich	Miller	Redalen	Valento
Dempsey	Jennings	Morrison	Richter	Waltman
Dille	Johnson, R.	Nelson, C.	Runbeck	Weaver
Dorn	Johnson, V.	Neuenschwander	Sarna	Winter

Those who voted in the negative were:

Battaglia	Clark	Jaros	Kalis	McLaughlin
Begich	Dawkins	Jefferson	Kelly	Munger
Brown	Greenfield	Johnson, A.	Lieder	Murphy
Carruthers	Hausman	Kahn	Long	Nelson, K.

Ogren	Peterson	Rodosovich	Trimble	Spk. Vanasek
Orenstein	Quinn	Rukavina	Vellenga	
Osthoff	Reding	Segal	Wagenius	
Otis	Rest	Simoneau	Welle	
Pappas	Rice	Skoglund	Wenzel	

The motion prevailed and the amendment was adopted.

Omann; Vellenga; Gruenes; Bertram; Beard; McEachern; Johnson, V.; Bauerly; Marsh and Uphus moved to amend S. F. No. 2617, as amended, as follows:

Page 3, after line 39, insert:

“Subd. 4. Stearns County

Criminal Investigation Assistance 100,000

This appropriation is to reimburse Stearns county for costs associated with investigation and production of criminal files, which will assist in future investigations in Minnesota, while responding to the Jacob Wetterling abduction.”

ReNUMBER the subdivisions in sequence

Adjust figures accordingly

Amend the title accordingly

The question was taken on the Omann et al amendment and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Clark	Henry	Lasley	Nelson, C.
Anderson, G.	Cooper	Himle	Lieder	Nelson, K.
Anderson, R.	Dauner	Hugoson	Limmer	Neuenschwander
Battaglia	Dempsey	Jacobs	Long	O'Connor
Bauerly	Dorn	Janezich	Lynch	Ogren
Beard	Forsythe	Jaros	Macklin	Olsen, S.
Begich	Frederick	Jennings	Marsh	Olson, E.
Bennett	Frerichs	Johnson, A.	McDonald	Olson, K.
Bertram	Girard	Johnson, R.	McEachern	Omann
Bishop	Greenfield	Johnson, V.	McGuire	Onnen
Blatz	Gruenes	Kahn	McLaughlin	Orenstein
Boo	Gutknecht	Kalis	McPherson	Ostrom
Brown	Hartle	Kelly	Milbert	Otis
Burger	Hasskamp	Kelso	Miller	Ozment
Carlson, D.	Haukoos	Kinkel	Morrison	Pappas
Carlson, L.	Hausman	Knickerbocker	Munger	Pauly
Carruthers	Heap	Krueger	Murphy	Pellow

Pelowski	Rice	Segal	Tompkins	Welle
Peterson	Richter	Simoneau	Trimble	Wenzel
Poppenhagen	Rodosovich	Solberg	Tunheim	Williams
Price	Rukavina	Sparby	Uphus	Winter
Pugh	Runbeck	Stanius	Valento	Spk. Vanasek
Quinn	Sarna	Steensma	Vellenga	
Redalen	Schafer	Sviggum	Wagenius	
Reding	Schreiber	Swenson	Waltman	
Rest	Seaberg	Tjornhom	Weaver	

The motion prevailed and the amendment was adopted.

Waltman and Sviggum moved to amend S. F. No. 2617, as amended, as follows:

Page 5, delete line 14

Page 5, after line 17, insert:

“The appropriation in Laws 1989, section 7, subdivision 3, for the Minnesota Grown account may not be used for salaries or administrative costs associated with the program.”

Page 5, line 22, delete “(10,000,000)” and insert “(10,100,000)”

Renumber the clauses in sequence

The question was taken on the Waltman and Sviggum amendment and the roll was called. There were 50 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Knickerbocker	Onnen	Solberg
Anderson, R.	Gutknecht	Limmer	Ozment	Stanius
Bishop	Hartle	Macklin	Pauly	Sviggum
Blatz	Haukoos	Marsh	Pellow	Swenson
Boo	Heap	McDonald	Poppenhagen	Tjornhom
Burger	Henry	McPherson	Redalen	Tompkins
Carlson, D.	Himle	Miller	Richter	Uphus
Dempsey	Hugoson	Morrison	Runbeck	Valento
Forsythe	Jennings	Olsen, S.	Schafer	Waltman
Frederick	Johnson, V.	Omann	Schreiber	Williams

Those who voted in the negative were:

Anderson, G.	Carruthers	Gruenes	Kalis	McEachern
Battaglia	Clark	Hausman	Kelly	McGuire
Bauerly	Cooper	Jacobs	Kelso	McLaughlin
Beard	Dauner	Janezich	Kinkel	Milbert
Begich	Dawkins	Jaros	Krueger	Munger
Bennett	Dorn	Jefferson	Lasley	Murphy
Bertram	Frerichs	Johnson, A.	Lieder	Nelson, C.
Carlson, L.	Greenfield	Johnson, R.	Long	Nelson, K.

Neuenschwander	Otis	Rest	Simoneau	Welle
O'Connor	Pappas	Rice	Skoglund	Wenzel
Ogren	Pelowski	Rodosovich	Sparby	Winter
Olson, E.	Peterson	Rukavina	Steensma	Spk. Vanasek
Olson, K.	Price	Sarna	Trimble	
Orenstein	Pugh	Scheid	Tunheim	
Osthoff	Quinn	Seaberg	Vellenga	
Ostrom	Reding	Segal	Wagenius	

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

Kahn and Carlson, D., moved to amend S. F. No. 2617, as amended, as follows:

Page 6, line 28, delete "AQUICULTURE" and insert "AQUACULTURE"

Page 6, lines 34 and 35, delete "aquiculture" and insert "aquaculture"

The motion prevailed and the amendment was adopted.

CALL OF THE HOUSE

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

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

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

Stanius; Kahn; Carlson, D.; Battaglia; Runbeck; Schreiber; Waltman; Omann; Hartle; Scheid; Bennett; Redalen; Himle; Henry; Lynch; Marsh; Limmer; Knickerbocker; Tompkins; Macklin; Blatz; Miller; Girard; Uphus; Bishop; Tjornhom; McPherson; Heap; Johnson, V.; Hugoson; Munger; Weaver; Frerichs; Osthoff; McDonald; Olsen, S.; Richter; Ozment; Swenson; Schafer; Sviggum; Abrams; Pugh; Poppenhagen; Frederick; Gruenes; Haukoos; Pellow and Valento moved to amend S. F. No. 2617, as amended, as follows:

Page 1, after line 16, insert:

“ARTICLE 1”

Page 12, after line 33, insert:

“ARTICLE 2

ENVIRONMENTAL INITIATIVE

Section 1. Minnesota Statutes 1988, section 84.95, is amended by adding a subdivision to read:

Subd. 1a. [REVENUE.] Beginning with the first full fiscal year during which lottery proceeds are received and for the first full five fiscal years, the commissioner of finance shall credit 25 percent of the net proceeds from the state-operated lottery to the reinvest in Minnesota resources fund established in subdivision 1 to be used, as appropriated by the legislature, for the purposes of subdivisions 2 and 3. Thereafter, the commissioner shall credit up to 25 percent as determined by law each biennium, of the net proceeds from the state-operated lottery to the reinvest in Minnesota resources fund.

Sec. 2. Minnesota Statutes 1989 Supplement, section 1160.12, is amended to read:

1160.12 [GREATER MINNESOTA ACCOUNT.]

(a) The Greater Minnesota account is in the special revenue fund. Money in the account not needed for the immediate purposes of the corporation may be invested by the state board of investment in any way authorized by section 11A.24. Money in the account is appropriated to the corporation to be used as provided in this chapter.

(b) The account consists of:

- (1) money appropriated and transferred from other state funds;
- (2) fees and charges collected by the corporation;

- (3) income from investments and purchases;
- (4) revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes;
- (5) gifts, donations, and bequests made to the corporation; and
- (6) through the first five full fiscal years, during which proceeds from the lottery are received, ~~one-half~~ 25 percent of the net proceeds of the state-operated lottery must be credited to the Greater Minnesota Corporation account. Thereafter, up to ~~one-half~~ 25 percent, as determined by law each biennium, of the net proceeds from the state-operated lottery must be credited to the Greater Minnesota Corporation account.

Sec. 3. [APPROPRIATION.]

The following appropriations made to the commissioner of natural resources for fiscal year 1991 from the lottery proceeds attributed to the reinvest in Minnesota resources fund in Minnesota Statutes, section 84.95, subdivision 1a, are subject to receipt of anticipated revenues. Should revenues be less than anticipated, the appropriations indicated shall be reduced on a pro rata basis:

(1) \$2,000,000 for fisheries habitat acquisition and improvement including rock reefs under Minnesota Statutes, section 84.95;

(2) \$2,500,000 for wildlife habitat acquisition and improvement under Minnesota Statutes, section 84.95;

(3) \$500,000 for forest wildlife habitat improvement;

(4) \$1,000,000 for forest acquisition in the Richard J. Dorer Memorial Hardwood Forest;

(5) \$1,000,000 for prairie to protect and enhance native prairie lands under Minnesota Statutes, section 84.96;

(6) \$1,500,000 for wetlands preservation through the waterbank program, under Minnesota Statutes, section 105.392;

(7) \$500,000 for acquisition of lands and scenic easements on designated wild and scenic rivers under Minnesota Statutes, section 104.37;

(8) \$1,000,000 for acquisition of scientific and natural areas designated under Minnesota Statutes, section 84.033;

(9) \$1,000,000 for acquisition and enhancement of critical natural habitat under Minnesota Statutes, section 84.944; and

(10) \$1,000,000 for the County Biological Survey.

The commissioner of natural resources shall provide the necessary professional services for the performance of the duties under this section from the amount appropriated for the various purposes."

Adjust figures accordingly

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Stanius et al amendment and the roll was called.

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

There were 56 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kelso	Omann	Sviggum
Battaglia	Girard	Knickerbocker	Onnen	Swenson
Bennett	Gruenes	Limmer	Ozment	Tjornhom
Bertram	Gutknecht	Lynch	Pellow	Tompkins
Bishop	Hartle	Macklin	Poppenhagen	Uphus
Blatz	Haukoos	Marsh	Pugh	Valento
Burger	Hausman	McDonald	Redalen	Waltman
Carlson, D.	Heap	McGuire	Richter	Weaver
Dempsey	Henry	McPherson	Runbeck	
Dille	Himle	Miller	Schafer	
Forsythe	Hugoson	Munger	Schreiber	
Frederick	Johnson, V.	Olsen, S.	Stanius	

Those who voted in the negative were:

Anderson, G.	Hasskamp	McEachern	Pappas	Simoneau
Anderson, R.	Jacobs	McLaughlin	Pauly	Skoglund
Bauerly	Janezich	Milbert	Pelowski	Solberg
Beard	Jaros	Morrison	Peterson	Sparby
Begich	Jefferson	Murphy	Price	Steensma
Boo	Jennings	Nelson, C.	Quinn	Trimble
Brown	Johnson, A.	Nelson, K.	Reding	Tunheim
Carlson, L.	Johnson, R.	Neuenschwander	Rest	Vellenga
Carruthers	Kalis	O'Connor	Rice	Wagenius
Clark	Kelly	Ogren	Rodosovich	Welle
Cooper	Kinkel	Olson, E.	Rukavina	Wenzel
Dauner	Krueger	Olson, K.	Sarna	Williams
Dawkins	Lasley	Orenstein	Scheid	Winter
Dorn	Lieder	Ostrom	Seaberg	Spk. Vanasek
Greenfield	Long	Otis	Segal	

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

Valento moved to amend S. F. No. 2617, as amended, as follows:

Page 2, after line 28, insert:

“Subd. 3. Public Transit Assistance (3,408,000)

\$3,408,000 is transferred from the appropriations made for light rail transit in Laws 1989, chapter 269, section 2, subdivision 3, paragraph (a), for distribution as provided in section 32, subdivision 1, paragraph (b).”

Adjust the totals accordingly

Page 7, delete section 24

Page 12, after line 17, insert:

“Sec. 32. Minnesota Statutes 1989 Supplement, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [GENERAL FUND SHARE.] (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund. The amounts collected and received shall be credited as provided in this subdivision, and transferred from the general fund on July 15 and January 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund.

(b) Thirty percent of the money collected and received under this chapter after June 30, 1988, and before July 1, 1991, and an additional \$3,408,000 for the fiscal year ending June 30, 1991, must be transferred to the highway user tax distribution fund and the transit assistance fund for apportionment as follows: 75 percent must be transferred to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent of the money must be transferred to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board.

(c) Five percent of the money collected and received under this chapter after June 30, 1989, and before July 1, 1991, must be

transferred as follows: 75 percent must be transferred to the trunk highway fund and 25 percent must be transferred to the transit assistance fund.

(d) Thirty-five percent of the money collected and received under this chapter after June 30, 1991, must be transferred as follows: 75 percent must be transferred to the trunk highway fund and 25 percent must be transferred to the transit assistance fund.

(e) The distributions under this subdivision to the highway user tax distribution fund until June 30, 1991, and to the trunk highway fund thereafter, must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period."

Renumber the sections in sequence

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Valento amendment and the roll was called.

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

There were 42 yeas and 89 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Lynch	Pauly	Swenson
Bertram	Gruenes	Macklin	Pellow	Tjornhom
Blatz	Haukoos	Marsh	Poppenhagen	Tompkins
Boo	Heap	McDonald	Redalen	Valento
Burger	Henry	McPherson	Richter	Waltman
Dempsey	Himle	Miller	Schafer	Weaver
Dille	Johnson, V.	Morrison	Schreiber	
Frederick	Knickerbocker	Omann	Stanius	
Frerichs	Limmer	Onnen	Sviggum	

Those who voted in the negative were:

Anderson, G.	Greenfield	Krueger	Osthoff	Seaberg
Anderson, R.	Gutknecht	Lasley	Ostrom	Segal
Battaglia	Hartle	Lieder	Otis	Simoneau
Bauerly	Hasskamp	McEachern	Ozment	Skoglund
Beard	Hausman	McGuire	Pappas	Solberg
Begich	Hugoson	McLaughlin	Pelowski	Sparby
Bennett	Jacobs	Milbert	Peterson	Steensma
Bishop	Janezich	Munger	Price	Trimble
Brown	Jaros	Murphy	Pugh	Tunheim
Carlson, D.	Jefferson	Nelson, C.	Quinn	Uphus
Carlson, L.	Jennings	Nelson, K.	Reding	Vellenga
Carruthers	Johnson, A.	Neuenschwander	Rest	Wagenius
Clark	Johnson, R.	O'Connor	Rice	Welle
Cooper	Kahn	Ogren	Rodosovich	Wenzel
Dauner	Kalis	Olsen, S.	Rukavina	Williams
Dawkins	Kelly	Olsen, E.	Runbeck	Winter
Dorn	Kelso	Olson, K.	Sarna	Spk. Vanasek
Forsythe	Kinkel	Orenstein	Scheid	

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

S. F. No. 2617, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; reducing appropriations for the biennium ending June 30, 1991, with certain conditions; providing for the transfer of money in the state treasury; amending Minnesota Statutes 1989 Supplement, section 297B.09, 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.

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

There were 126 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Burger	Dempsey	Miller	Richter
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The bill was passed, as amended, and its title agreed to.

CALL OF THE HOUSE LIFTED

Johnson, V., moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

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.

Beard and Price were excused for the remainder of today's session.

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:

Bishop introduced:

H. F. No. 2817, A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1988, section 343.21, subdivision 10, as amended.

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

Kinkel introduced:

H. F. No. 2818, 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.

Segal introduced:

H. F. No. 2819, A bill for an act relating to health; abortions; preventing abortions for birth control purposes; 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.

Trimble introduced:

H. F. No. 2820, 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.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 2621.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2621, A bill for an act relating to the organization and operation of state government; appropriating money for human services and health and other purposes with certain conditions; amending Minnesota Statutes 1988, sections 13.46, subdivision 5; 144A.073, by adding a subdivision; 245A.07, subdivision 3; 245A.08, subdivision 3; 245A.16, subdivision 4; 254B.04, subdivision 1; 254B.08; 256.736, subdivision 3a; 256.936, by adding a subdivision; 256B.04, subdivisions 15 and 16; 256B.055, subdivisions 3, 5, 6, and 12; 256B.056, subdivisions 2 and 7, and by adding a subdivision; 256B.0625, subdivisions 4, 5, 9, and by adding subdivisions; 256B.091, subdivisions 4 and 6; 256B.092, subdivisions 1a and 1b; and by adding subdivisions; 256B.15; 256B.19, by adding a subdivision; 256B.431, subdivision 3e, and by adding subdivisions; 256B.48, subdivision 2, and by adding a subdivision; 256B.49, by adding a subdivision; 256B.50, subdivisions 1 and 1b; 256B.501, subdivision 3e, and by adding a subdivision; 256B.69, subdivision 3; 256D.03, subdivision 7; 256E.06, subdivisions 2 and 7; 256H.01, by adding subdivisions; 518.171, subdivisions 1, 3, 4, and 7; 518.54, by adding subdivisions; 518.551, subdivisions 1 and 5; 518.611, subdivisions 1, 2, 8, and 8a, and by adding a subdivision; 518C.02, by adding subdivisions; 518C.03; 518C.05; 518C.09; 518C.12; and 518C.27, subdivision 1; Minnesota Statutes 1988, section 252.27, as amended by Laws 1989, chapter 282, article 2, section 92; Minnesota Statutes 1989 Supplement, sections 144.50, subdivision 6; 245.470, subdivision 1; 245.488, subdivision 1; 245A.02, subdivision 6a; 245A.03, subdivision 2; 245A.04, subdivisions 3, 3a, and 3b; 245A.12; 245A.13; 245A.16, subdivision 1; 252.46, subdivisions 1, 2, 3, 4, and 12; 254B.03, subdivision 4; 256.736, subdivision 16; 256.74, subdivision 1; 256.936, subdivision 1; 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 and 2, and by adding subdivisions; 256B.0575; 256B.059, subdivisions 4 and 5; 256B.0595, subdivisions 1, 2, and 4; 256B.0625, subdivision 13; 256B.091, subdivision 8; 256B.14; 256B.431, subdivision 2b; 256B.495, subdivision 1; 256B.69, subdivision 16; 256D.03, subdivisions 3, 4, and 6; 256D.425, subdivision 3; 256H.03, subdivisions 2, 2a, and 2b; 256H.05, subdivisions 1b, 1c, 2, and 5; 256H.08; 256H.15, subdivisions 1 and 2; 256I.05, subdivisions 1 and 7; 257.57, subdivision 1; 518.551, subdivision 10; 518.611, subdivision 4; and 518.613, subdivision 2; Laws 1988, chapter 689, article 2, section 256; Laws 1989, chapter 282, article 3, section 98, subdivisions 4 and 5; proposing coding for new law in Minnesota Statutes, chapters 60A; 144; 245A; 252; 254A; 256; and 256B; repealing Minnesota Statutes 1988, sections 256.736, subdivision 8; 256B.0625, subdivision 2; 256B.431, subdivisions 3, 3b, 3c, and 3d; and 256B.50, subdivision 2; Minnesota Statutes 1989 Supplement, sections 256.736, subdivision 15; 256B.055, subdivision 8; and 256B.431, subdivisions 3a and 3f.

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, Greenfield moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2621 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Greenfield moved that the Rules of the House be so far suspended that S. F. No. 2621 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2621 was read for the second time.

Greenfield moved to amend S. F. No. 2621, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. [HUMAN SERVICES; HEALTH; APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the

agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1990" and "1991," where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1990, or June 30, 1991, respectively.

SUMMARY BY FUND

	1990	1991	TOTAL
General	\$40,607,000	\$74,372,900	\$114,979,900
Special Revenue	\$ 50,000	\$ 6,091,000	\$ 6,141,000
TOTAL	\$40,657,000	\$80,463,900	\$121,120,900

APPROPRIATIONS
Available for the Year
Ending June 30,
1990 1991

Sec. 2. HUMAN SERVICES

Subdivision 1. Appropriation by Fund

General Fund	\$40,604,000	\$74,576,000
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This appropriation is added to the appropriation in Laws 1989, chapter 282, article 1, section 2.

Subd. 2. Human Services Administration

-0-	150,000
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Subd. 3. Legal and Intergovernmental Programs

-0-	(37,000)
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Subd. 4. Social Services

3,248,000	15,402,000
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Notwithstanding the provisions of Minnesota Statutes, section 254B.02, money appropriated for the consolidated chemical dependency treatment fund for fiscal year 1990 may be allocated as needed to the reserve accounts created by Minnesota Statutes, sections 254B.02, subdivision 3; 254B.09, subdivision 5; and 254B.09, subdivision 7.

Money appropriated in Laws 1989, chapter 282, article 1, section 2, subdivision 4, for the Joining Forces pilot projects does not cancel, but is avail-

	1990	1991
	\$	\$
able for fiscal year 1991.		
Subd. 5. Mental Health	-0-	196,000

Notwithstanding the provisions of Laws 1989, chapter 282, article 1, section 2, subdivision 5, \$102,000 is transferred in fiscal year 1991 from state mental health grants to state mental health administration, and 2.25 positions are authorized to implement federal requirements relating to nursing homes and people with mental illness.

\$500,000 is transferred from the appropriation in Laws 1989, chapter 282, article 1, section 2, subdivision 5, in fiscal year 1990 for state mental health grants to fiscal year 1991 for state mental health special projects. These funds are to be used for alternative placements for people being discharged from the Metro Regional Treatment Center.

Subd. 6. Family Support Programs	(3,352,000)	(2,500,000)
(a) Aid to Families with Dependent Children, General Assistance, Work Readiness, and Minnesota Supplemental Aid		
\$(2,352,000)	\$(1,202,000)	
(b) Family Support Programs Administration		
\$(1,000,000)	\$(1,298,000)	

During the biennium ending June 30, 1991, the commissioner may request, and providers receiving General Assistance or Minnesota Supplemental Aid negotiated rate payments must provide, information about their operating costs and property costs used in determining their negotiated rates. This information must be provided in a format specified by the commissioner.

Money appropriated in Laws 1989, chapter 282, article 1, section 2, subdi-

	1990	1991
	\$	\$
vision 6, for assisting in the development of a statewide negotiated rate setting system does not cancel to the general fund but is available in fiscal year 1991.		

The commissioner of human services shall postpone the implementation of the establishment of program operating cost payment rates as provided in Minnesota Statutes, section 256B.501, subdivision 3g, until October 1, 1992. Beginning January 1, 1990, each facility's interdisciplinary team shall assess each new admission to the facility. The quality assurance and review teams in the department of health shall continue to assess all residents annually. The quality assurance and review teams and the interdisciplinary team shall assess residents using a uniform assessment instrument developed by the commissioner of human services and the ICF/MR reimbursement and quality assurance and review procedures manual. The commissioner of human services shall annually collect client statistical data based on assessments performed by the quality assurance and review teams and by the interdisciplinary team on the cost reports submitted by the facility and may use this data in the calculation of operating cost payment rates after October 1, 1992.

Money appropriated in Laws 1989, chapter 282, article 1, section 2, subdivision 6 for administration and maintenance of the child support enforcement information system does not cancel but is available for fiscal year 1991 to finalize development of the system.

Subd. 7. Health Care Programs	40,708,000	61,665,000
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(a) Medical Assistance, General Assistance Medical Care, Preadmission

	1990	1991
	\$	\$
Screening and Alternative Care Grants, and Children's Health Plan		
	\$40,708,000	\$59,715,000

Money appropriated for preadmission screening and alternative care grants in fiscal year 1991 may be used for these purposes in fiscal year 1990.

Effective for services rendered on or after July 1, 1990, payments for obstetrical and pediatric services to medical assistance recipients shall be increased by 15 percent. This increase shall be applied to the provider categories under section 6402(b) of the Omnibus Budget Reconciliation Act of 1989, and applicable federal guidelines. For obstetrical services, this increase is in addition to the ten percent increase effective October 1, 1988.

Notwithstanding the provisions of Laws 1989, chapter 282, article 1, section 2, subdivision 7, clause (a), the 50th percentile of the prevailing charge for 1982 will be estimated by the commissioner in the following situations:

- (1) there were less than ten billings in the calendar year specified in legislation governing maximum payment rates;
- (2) the service was not available in the calendar year specified in legislation governing maximum payment rates;
- (3) the payment amount is the result of a provider appeal;
- (4) the procedure code description has changed since the calendar year specified in legislation governing maximum payment rates, therefore, the prevailing charge information reflects the

	1990	1991
	\$	\$
same code but a different procedure description; or		

(5) the 50th percentile reflects a payment which is grossly inequitable when compared with payment rates for procedures or services which are substantially similar.

When one of the above situations occur, the commissioner will use the following methodology to reconstruct a rate comparable to the 50th percentile of the prevailing rate:

(1) refer to information which exists for the first nine billings in the calendar year specified in legislation governing maximum payment rates; or

(2) refer to surrounding or comparable procedure codes; or

(3) refer to the 50th percentile of years subsequent to the calendar year specified in legislation governing maximum payment rates; and backdown the amount by applying an appropriate Consumer Price Index formula; or

(4) refer to relative value indexes; or

(5) refer to reimbursement information from other third parties, such as Medicare.

Pharmacies whose computer systems failed to recognize pharmacy claims for one or more nursing homes for the period May through December 1987 may be reimbursed for the state share of the medical assistance allowable payment for the cost of those claims.

The \$480,000 appropriated to the Children's Health Plan for outpatient mental health benefits, by Laws 1989, chapter 282, article 1, section 2, subdi-

	1990	1991
	\$	\$

vision 7, paragraph (c), shall be used to serve children enrolled in the Children's Health Plan. The department of human services in preparing its 1992-1993 biennial budget shall calculate the expected costs of the outpatient mental health component of the Children's Health Plan on the basis of increasing the number of children enrolled for this service beyond the number of children enrolled for the service on June 30, 1991.

(b) Health Care Programs Administration \$ 0 \$1,950,000

For fiscal years 1990 and 1991, federal receipts received for review of medical assistance prepaid health plan activities and for the study of utilization of outpatient mental health services by children enrolled in medical assistance are appropriated to the commissioner for these purposes.

For fiscal years 1990 and 1991, federal money received as a result of state expenditures for the development of an early childhood screening tool to screen for mental health problems in children through the early, periodic, screening, diagnosis, and treatment component of the medical assistance program is appropriated to the commissioner for this development work.

Notwithstanding Laws 1989, chapter 282, article 3, section 62, or any other law to the contrary, for the biennium ending June 30, 1991, the commissioner may transfer money from the contracts account to the salaries account to hire qualified persons to provide case management to brain injured persons.

Before collecting the changed parental contribution under article 2, section 35, counties must provide 30 days advance

	1990	1991
	\$	\$
notice of an increased or new parental contribution.		

The commissioner of human services, in consultation with the commissioners of revenue and commerce, shall study issues related to prescription drug costs. Issues to be examined shall include, but are not limited to: levels of copayments and deductibles for prescription drug coverage, the cost of prescription drugs, the need for prescription drug coverage among the general population, and the feasibility of private and public initiatives to ensure affordable prescription drug coverage. The commissioner of human services shall report findings and recommendations to the legislature by February 15, 1991.

\$70,000 is appropriated to the commissioner of human services for fiscal year 1991 for a regional demonstration project under Minnesota Statutes, section 256B.73, to provide health coverage to low-income uninsured persons. This appropriation is available when the planning for the project is complete, sufficient money has been committed from nonstate sources to allow the project to proceed, and the project is prepared to begin accepting and approving applications from uninsured individuals. The commissioner shall contract with the coalition formed for the nine counties named in Minnesota Statutes, section 256B.73, subdivision 2.

Subd. 8. State Residential Facilities	-0-	(300,000)
Sec. 3. VETERANS NURSING HOMES BOARD	-0-	(1,875,000)

The appropriation to the Veterans Nursing Homes Board for the operation of the Silver Bay Veteran's Nursing Home is reduced by \$1,700,000 for fis-

	1990	1991
	\$	\$
cal year ending June 30, 1991. This reduction shall not be a reduction in the budget base for the board in the biennium beginning July 1, 1991.		

Sec. 4. COMMISSIONER OF JOBS
AND TRAINING

Subdivision 1. Appropriation by
Fund

General Fund	-0-	(550,000)
Special Revenue Fund	-0-	6,000,000

This appropriation is added to the appropriation in Laws 1989, chapter 282, article 1, section 5.

Subd. 2. Economic Opportunity Of-
fice

Special Revenue Fund

-0-	6,000,000
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Subd. 3. Employment and Training

General Fund

-0-	(550,000)
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\$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. 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).

1990

1991

\$

\$

MEED service providers may retain 75 percent of outstanding payback funds they collect to be used for the cost of collection and for program closeout activities without regard to existing cost category requirements. The commissioner of jobs and training may retain the following money, up to a total of \$70,000, to be used to close out the MEED program: 25 percent of the outstanding payback funds collected by MEED service providers, 100 percent of payback funds collected by the collection agency under contract with the department, and any remaining unspent payback funds in the special revenue account.

The commissioner of jobs and training shall estimate the amount of unobligated funds anticipated by each service provider in the Minnesota employment and economic development program on June 30, 1990, and shall reduce the amount available to each local service unit service provider by the estimated amount. If the total estimated amount is less than \$500,000, the commissioner shall reduce each local service unit service provider proportionately to bring the total of unobligated funds to \$500,000.

Notwithstanding Laws 1989, chapter 282, article 1, section 5, subdivision 5, any balance remaining in the first year of the appropriation for the Minnesota employment and economic development program does not carry forward to the second year.

The commissioner of jobs and training may include as a budget change request in the fiscal year 1992 and 1993 detailed expenditure budget submitted to the legislature under Minnesota Statutes, section 16A.11, an annual adjustment in the extended employment program grants as of July 1 of

1990

1991

\$

\$

each year, beginning July 1, 1991, by a percentage amount equal to the percentage increase, if any, in the consumer price index (CPI-U-U.S.) city average, as published by the Bureau of Labor Statistics, United States Department of Labor, during the preceding calendar year for the biennium ending June 30, 1993.

Sec. 5. CORRECTIONS

Subdivision 1. Total Appropriation

-0-

2,111,900

This appropriation is added to the appropriation in Laws 1989, chapter 282, article 1, section 6.

Subd. 2. Correctional Institutions

-0-

1,754,900

\$1,754,900 is appropriated to the commissioner of corrections for the biennium ending June 30, 1991, for the purpose of services to adult women commitments at the Moose Lake Regional Treatment Center. These funds may be used to fund these services at other sites or through contracts if locating at the Moose Lake Regional Treatment Center is not feasible.

For the biennium ending June 30, 1991, and effective May 1, 1990, the commissioner of corrections may, with the approval of the commissioner of finance and upon notification of the chairs of the health and human services divisions of the house appropriations committee and the health and human services subcommittee of the senate finance committee, transfer funds to or from salaries.

For the commissioner of corrections, any unencumbered balances remaining from fiscal year 1990 shall not cancel, but are available for the second year of the biennium.

	1990	1991
	\$	\$
Subd. 3. Community Services		
-0-	357,000	

Notwithstanding any law to the contrary, whenever the commissioner of corrections selects inmates under the commissioner's control for the purpose of any work under agreement with any other state department or agency or local unit of government, or any other government subdivision, the state department or agency or local unit, or any other government subdivision, must certify to the appropriate bargaining unit representative that the work performed by inmates will not result in the displacement of currently employed workers or workers on seasonal layoff or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits.

Sec. 6. SENTENCING GUIDELINES COMMISSION

3,000	5,000
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Funds provided to the sentencing guidelines commission to cover rent increases for staff offices shall be included in the calculation of their fiscal year 1992-1993 base.

The Minnesota sentencing guidelines commission is authorized to use the \$38,000 appropriated in fiscal year 1991 for a study on the mandatory minimum sentencing law to also complete the study on correctional resources.

Sec. 7. HEALTH

Subdivision 1. Appropriation by Fund

General Fund	-0-	105,000
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This appropriation is added to the appropriation in Laws 1989, chapter 282, article, section 9.

	1990	1991
	\$	\$

Subd. 2. Preventive and Protective Health Services

-0- (387,000)

\$56,450 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to validate the respiratory health findings of the Childhood Respiratory Health Feasibility Study. The commissioner shall present the results of this follow-up study and recommendations to the legislature by December 1, 1992.

For the fiscal year ending June 30, 1991, the commissioner of health is authorized to accept up to \$231,904 in federal funding for indoor radon abatement if granted by the United States Environmental Protection Agency (EPA).

Subd. 3. Health Delivery Systems

-0- 352,000

\$150,000 is appropriated to the commissioner of the department of health for the purpose of grants to rural hospitals in isolated areas of the state for the biennium ending June 30, 1991. In order to qualify for financial assistance, a hospital must be eligible to be classified as a sole-community hospital according the Code of Federal Regulations, title 42, section 412.92, have experienced net income losses in two of the most recent consecutive hospital fiscal years for which audited financial information is available, and consist of fewer than 50 licensed beds. Prior to application for state assistance, the hospital must have developed a strategic plan.

By January 15, 1991, the department of health shall submit to the legisla-

1990

1991

\$

\$

ture, a bill providing for the licensure of residential care homes. The bill shall be based on information contained in the joint report of the departments of health and human services to the legislature prepared in accordance with Laws 1989, chapter 282, article 2, section 213. The proposal for the licensure of residential care homes shall also estimate the fiscal impact associated with implementation of a licensure program on the state, counties, and on providers of these services. The department of human services and the inter-agency board for quality assurance shall cooperate with the department of health in developing the legislative proposal and fiscal data. \$100,000 is appropriated from the general fund to the department of health for the purposes of completing this activity.

Notwithstanding the provisions of Minnesota Statutes, section 245A.03, subdivision 2, board and lodging establishments licensed by the commissioner of health that provide services for five or more persons whose primary diagnosis is mental illness and who have refused an appropriate residential program offered by a county agency shall be exempt from licensure under Minnesota Statutes, sections 245A.01 to 245A.16, until the residential care home license is available. At that time, these establishments shall be licensed under the provisions of Minnesota Statutes, sections 245A.01 to 245A.16, or as a residential care home.

Notwithstanding the provisions of Minnesota Statutes, section 256I.05, subdivision 7, payments to recipients residing in a board and lodging establishment that must meet the special services licensing rules established by the commissioner of health under the provisions of Minnesota Statutes, section 157.031, for which the county has

1990

1991

\$

\$

a negotiated rate, shall be increased to cover the necessary additional costs incurred by the establishment to meet the rule requirements. The necessary additional costs shall be determined by the county in which the establishment is located and approved by the commissioner of human services. In order for a recipient to receive the increased payment, a board and lodging establishment must submit information to support the necessary additional costs on forms provided by the commissioner of human services.

The special service licensing rules for board and lodging establishments required under the provisions of Minnesota Statutes, section 157.031, shall be adopted by July 1, 1991.

Notwithstanding the provisions of Minnesota Statutes, section 144A.48, subdivision 2, clause (9), the commissioner of health may issue a hospice license to a free standing residential facility that was registered and was providing hospice services as of March 1, 1990, if such facility is licensed as a board and lodging facility, provides services to no more than six residents, meets Group R, Division 3 occupancy requirements and meets the fire protection provisions of chapter 21 of the 1985 Life Safety Code, NFPA 101, for facilities housing persons with impractical evacuation capabilities. Continued licensure as a hospice shall be contingent on the facility's compliance with the department of health rules for hospices and for board and lodging facilities providing health supervision services upon adoption of those rules.

For the fiscal year ending June 30, 1991, the commissioner of health may transfer funds between the emergency medical systems review and the rural hospital and health professional study.

	1990	1991
	\$	\$
Subd. 4. Health Support Services		
-0- 140,000		

Notwithstanding any law to the contrary, the commissioner of health may carry forward into fiscal year 1991 any unobligated balances of fiscal year 1990 appropriations in an amount not to exceed \$260,000. These balances are to be used solely for payment of increased rental costs in fiscal year 1991. If such balances are less than \$260,000, the commissioner of health may use unobligated salary appropriations in fiscal year 1991 to pay for increased rental costs so that the combined total of funds carried forward and use of unobligated salary appropriations spent for this purpose does not exceed \$260,000.

Sec. 8. HEALTH RELATED BOARDS

Subdivision 1. Total Appropriation

Special Revenue Fund	50,000	91,000
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Subd. 2. Social Work

-0- 82,000

Subd. 3. Psychology

46,000 -0-

Subd. 4. Optometry

4,000 4,000

Subd. 5. Pharmacy

-0- 5,000

Sec. 9. [EFFECTIVE DATE.]

Subdivision 1. [REED ACT MONEY.] The appropriation in section 4, subdivision 3, of REED Act money available to the state under

United States Code, title 42, section 1103, is effective the day following final enactment.

Subd. 2. [UNOBLIGATED MEED PROGRAM MONEY.] The provision in section 4, subdivision 3, that requires a reduction in funds for the Minnesota employment and economic development program based upon unobligated funds is effective the day following final enactment.

ARTICLE 2

HEALTH DEPARTMENT; SOCIAL SERVICES

Section 1: Minnesota Statutes 1988, section 4.071, is amended to read:

4.071 [OIL OVERCHARGE MONEY.]

Subdivision 1. [APPROPRIATION REQUIRED.] "Oil overcharge money" means money received by the state as a result of litigation or settlements of alleged violations of federal petroleum pricing regulations. Oil overcharge money may not be spent until the legislative commission on Minnesota resources has reviewed the proposed projects and the money it is specifically appropriated by law.

Subd. 2. [MINNESOTA RESOURCES PROJECTS.] The legislature intends to appropriate one-half of the oil overcharge money for projects that have been reviewed and recommended by the legislative commission on Minnesota resources. A work plan must be prepared for each proposed project for review by the commission. The commission must recommend specific projects to the legislature.

Subd. 3. [ENERGY CONSERVATION PROJECTS.] The oil overcharge money that is not otherwise appropriated by law or dedicated by court order is appropriated to the commissioner of jobs and training for energy conservation projects that directly serve low-income Minnesotans. This appropriation is available until spent.

Sec. 2: Minnesota Statutes 1989 Supplement, section 116.76, subdivision 9, is amended to read:

Subd. 9. [GENERATOR.] "Generator" means a person whose activities produce infectious waste. "Generator" does not include a person who produces sharps as a result of administering medication to oneself. "Generator" does not include an ambulance service licensed under section 144.802, an eligible board of health, community health board, or public health nursing agency as defined in section 116.78, subdivision 10, or a program providing school health service under section 123.35, subdivision 17.

Sec. 3. Minnesota Statutes 1989 Supplement, section 116.78, is amended by adding a subdivision to read:

Subd. 9. [DISPOSAL OF INFECTIOUS WASTE BY AMBULANCE SERVICES.] Any infectious waste, as defined in section 116.76, subdivision 12, produced by an ambulance service in the transport or care of a patient must be properly packaged and disposed of at the destination hospital or at the nearest hospital if the patient is not transported. A hospital must accept the infectious waste if it is properly packaged according to the standards the hospital uses for packaging its own infectious wastes. The hospital may charge the ambulance service a reasonable fee for disposal of the infectious waste. Nothing in this subdivision shall require a hospital to accept infectious waste if the waste is of a type not generated by the hospital or if the hospital cannot safely store the waste.

Sec. 4. Minnesota Statutes 1989 Supplement, section 116.78, is amended by adding a subdivision to read:

Subd. 10. [DISPOSAL OF INFECTIOUS WASTE BY PUBLIC HEALTH AGENCIES AND PROGRAMS PROVIDING SCHOOL HEALTH SERVICES.] Any infectious waste, as defined in section 116.76, subdivision 12, produced by an eligible board of health, community health board, or public health nursing agency or a program providing school health services under section 123.35, subdivision 17, must be properly packaged and may be disposed of at a hospital. For purposes of this subdivision, an "eligible 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 located in a county with a population of less than 40,000. A hospital must accept the infectious waste if it is properly packaged according to the standards the hospital uses for packaging its own infectious wastes. The hospital may charge an eligible board of health, community health board, or public health nursing agency or a program providing school health services a reasonable fee for disposal of the infectious waste. Nothing in this subdivision shall require a hospital to accept infectious waste if the waste is of a type not generated by the hospital or if the hospital cannot safely store the waste.

Sec. 5. [144.062] [VACCINE COST REDUCTION PROGRAM.]

The commissioner of administration, after consulting with the commissioner of health, may negotiate discounts or rebates on vaccine or may purchase vaccine at reduced prices, and offer it to medical care providers at the department's cost plus a fee for administrative costs. As a condition of receiving the vaccine at reduced cost, a medical care provider must agree to pass on the savings to patients. The commissioner of health may transfer money appropriated for other department of health programs to the com-

missioner of administration for the initial cost of purchasing vaccine, provided the money is repaid by the end of each state fiscal year and the commissioner of finance approves the transfer. Proceeds from the sale of vaccines to medical care providers are appropriated to the commissioner of administration. If the commissioner of administration, in consultation with the commissioner of health, determines that a vaccine cost reduction program is not economically feasible or cost effective, the commissioner may elect not to implement the program, but shall provide a report to the legislature that explains the reasons for the decision.

Sec. 6. [144.1465] [FINDING AND PURPOSE.]

The legislature finds that rural hospitals are an integral part of the health care delivery system and are fundamental to the development of a sound rural economy. The legislature further finds that access to rural health care must be assured to all Minnesota residents. The rural health care system is undergoing a restructuring that threatens to jeopardize access in rural areas to quality health services. To assure continued rural health care access the legislature proposes to establish a grant program to assist rural hospitals and their communities with the development of strategic plans and transition projects, provide subsidies for geographically isolated hospitals facing closure, and examine the problem of recruitment and retention of rural physicians, nurses, and other allied health care professionals.

Sec. 7. [144.147] [RURAL HOSPITAL PLANNING AND TRANSITION GRANT PROGRAM.]

Subdivision 1. [DEFINITION.] "Eligible rural hospital" means any nonfederal, general acute care hospital that is either:

(1) located in a rural area, as defined in the federal Medicare regulations, United States Code, title 42, section 405.1041, or located in a community with a population of less than 5,000, according to United States Census Bureau statistics, outside the seven-county metropolitan area;

(2) has 100 or fewer beds; and

(3) is not for profit.

Subd. 2. [GRANTS AUTHORIZED.] The commissioner shall establish a program of grants to assist eligible rural hospitals. The commissioner shall award grants to hospitals and communities for the purposes set forth in paragraphs (a) and (b).

(a) Grants may be used by hospitals and their communities to

develop strategic plans for preserving access to health services. At a minimum, a strategic plan must consist of:

(1) a needs assessment to determine what health services are needed and desired by the community. The assessment must include interviews with or surveys of area health professionals, local community leaders, and public hearings;

(2) an assessment of the feasibility of providing needed health services that identifies priorities and timeliness for potential changes; and

(3) an implementation plan.

The strategic plan must be developed by a committee that includes representatives from the hospital, local public health agencies, other health providers, and consumers from the community.

(b) The grants may also be used by eligible rural hospitals that have developed strategic plans to implement transition projects to modify the type and extent of services provided, in order to reflect the needs of that plan. Grants may be used by hospitals under this paragraph to develop hospital-based physician practices that integrate hospital and existing medical practice facilities that agree to transfer their practices, equipment, staffing, and administration to the hospital. Not more than one-third of any grant shall be used to offset losses incurred by physicians agreeing to transfer their practices to hospitals.

Subd. 3. [CONSIDERATION OF GRANTS.] In determining which hospitals will receive grants under this section, the commissioner shall take into account:

(1) improving community access to hospital or health services;

(2) changes in service populations;

(3) demand for ambulatory and emergency services;

(4) the extent that the health needs of the community are not currently being met by other providers in the service area;

(5) the need to recruit and retain health professionals; and

(6) the involvement and extent of support of the community and local health care providers.

Subd. 4. [ALLOCATION OF GRANTS.] (a) Eligible hospitals must apply to the commissioner no later than September 1, 1990, for

grants awarded in the 1991 state fiscal year; and no later than September 1, 1990, for grants awarded in the 1992 state fiscal year.

(b) The commissioner may award up to two grants for each fiscal year. The commissioner must make a final decision on the funding of each application within 60 days of the deadline for receiving applications.

(c) Each relevant community health board has 30 days in which to review and comment to the commissioner on grant applications from hospitals in their community health service area.

(d) In determining which hospitals will receive grants under this section, the commissioner shall consider the following factors:

(1) Description of the problem, description of the project and the likelihood of successful outcome of the project. The applicant must explain clearly the nature of the health services problems in their service area, how the grant funds will be used, what will be accomplished, and the results expected. The applicant should describe achievable objectives, a timetable, and roles and capabilities of responsible individuals and organizations.

(2) The extent of community support for the hospital and this proposed project. The applicant should demonstrate support for the hospital and for the proposed project from other local health service providers and from local community and government leaders. Evidence of such support may include past commitments of financial support from local individuals, organization or government entities; and commitment of financial support, in-kind services or cash, for this project.

(3) The comments, if any, resulting from a review of the application by the community health board in whose community health service area the hospital is located.

(e) In evaluating applications, the commissioner shall score each application on a 100 point scale, assigning the maximum of 70 points for an applicant's understanding of the problem, description of the project, and likelihood of successful outcome of the project; and a maximum of 30 points for the extent of community support for the hospital and this project. The commissioner may also take into account other relevant factors.

(f) A grant to a hospital, including hospitals that submit applications as consortia, may not exceed \$50,000 a year, and may not exceed a term of two years. Prior to the receipt of any grant, the hospital must certify to the commissioner that at least one-half of the amount, which may include in-kind services, is available for the same purposes from nonstate sources. A hospital receiving a grant

under this section may use the grant for any expenses incurred in the development of strategic plans or the implementation of transition projects with respect to which the grant is made. Project grants may not be used to retire debt incurred with respect to any capital expenditure made prior to the date on which the project is initiated.

Subd. 5. [EVALUATION.] The commissioner shall evaluate the overall effectiveness of the grant program. The commissioner may collect, from the hospital, and communities receiving grants, the information necessary to evaluate the grant program. Information related to the financial condition of individual hospitals shall be classified as nonpublic data.

Sec. 8. Minnesota Statutes 1989 Supplement, section 144.562, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY FOR LICENSE CONDITION.] A hospital is not eligible to receive a license condition for swing beds unless (1) it either has a licensed bed capacity of less than 50 beds defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 482.66; or it has a licensed bed capacity of 50 beds or more and has swing beds that were approved for Medicare reimbursement before May 1, 1985, or it has a licensed bed capacity of less than 65 beds and, as of the effective date, the available nursing homes within 50 miles have had occupancy rates of 96 percent or higher in the past two years, or it has a licensed capacity of less than 63 beds and is a nonprofit facility; (2) it is located in a rural area as defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 482.66; and (3) it agrees to utilize no more than four hospital beds as swing beds at any one time, except that the commissioner may approve the utilization of up to three additional beds at the request of a hospital if no Medicare certified skilled nursing facility beds are available within 25 miles of that hospital.

Sec. 9. 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.

Sec. 10. Minnesota Statutes 1989 Supplement, section 144.802, subdivision 3, is amended to read:

Subd. 3. [APPLICATIONS; NOTICE OF APPLICATION; RECOMMENDATIONS.] (a) Each prospective licensee and each present licensee wishing to offer a new type or types of ambulance service, to establish a new base of operation, or to expand a primary service area, shall make written application for a license to the commissioner on a form provided by the commissioner.

(b) For applications for the provision of ambulance services in a service area located within a county, the commissioner shall promptly send notice of the completed application to the county board and to each community health service board, governing body of a regional emergency medical services system designated under section 144.8093, ambulance service, and municipality in the area in which ambulance service would be provided by the applicant. The commissioner shall publish the notice, at the applicant's expense, in the State Register and in a newspaper in the municipality in which the base of operation will be located, or if no newspaper is published in the municipality or if the service would be provided in more than one municipality, in a newspaper published at the county seat of the county in which the service would be provided.

(c) For applications for the provision of ambulance services in a service area larger than a county, the commissioner shall promptly send notice of the completed application to the municipality in

which the service's base of operation will be located and to each community health board, county board, governing body of a regional emergency medical services system designated under section 144.8093, and ambulance service located within the counties in which any part of the service area described by the applicant is located, and any contiguous counties. The commissioner shall publish this notice, at the applicant's expense, in the State Register.

(d) The commissioner shall request that the chief administrative law judge appoint an administrative law judge to hold a public hearing in the municipality in which the service's base of operation will be located. The public hearing shall be conducted as contested case hearing under chapter 14.

(e) Each municipality, county, community health service board, governing body of a regional emergency medical services system, ambulance service, and other person wishing to make recommendations concerning the disposition of the application shall make written recommendations to the administrative law judge within 30 days of the publication of notice of the application in the State Register.

(f) The administrative law judge shall:

(1) hold a public hearing in the municipality in which the service's base of operations is or will be located;

(2) provide notice of the public hearing in the newspaper or newspapers in which notice was published under paragraph (b) for two successive weeks at least ten days before the date of the hearing;

(3) allow any interested person the opportunity to be heard, to be represented by counsel, and to present oral and written evidence at the public hearing;

(4) provide a transcript of the hearing at the expense of any individual requesting it.

(g) The administrative law judge shall review and comment upon the application and shall make written recommendations as to its disposition to the commissioner within 90 days of receiving notice of the application. In making the recommendations, the administrative law judge shall consider and make written comments as to whether the proposed service, change in base of operations, or expansion in primary service area is needed, based on consideration of the following factors:

(1) the relationship of the proposed service, change in base of operations or expansion in primary service area to the current

community health plan as approved by the commissioner under section ~~145.018~~ 145A.12, subdivision 4;

(2) the recommendations or comments of the governing bodies of the counties and municipalities in which the service would be provided;

(3) the deleterious effects on the public health from duplication, if any, of ambulance services that would result from granting the license;

(4) the estimated effect of the proposed service, change in base of operation or expansion in primary service area on the public health;

(5) whether any benefit accruing to the public health would outweigh the costs associated with the proposed service, change in base of operations, or expansion in primary service area.

The administrative law judge shall recommend that the commissioner either grant or deny a license or recommend that a modified license be granted. The reasons for the recommendation shall be set forth in detail. The administrative law judge shall make the recommendations and reasons available to any individual requesting them.

Sec. 11. Minnesota Statutes 1989 Supplement, section 144.804, subdivision 1, is amended to read:

Subdivision 1. [DRIVERS AND ATTENDANTS.] No publicly or privately owned basic ambulance service shall be operated in the state unless its drivers and attendants possess a current emergency medical care course certificate authorized by rules adopted by the commissioner of health according to chapter 14. Until August 1, 1994, a licensee may substitute a person currently certified by the American Red Cross in advanced first aid and emergency care or a person who has successfully completed the United States Department of Transportation first responder curriculum, and who has also been trained to use ~~all of the equipment carried in the ambulance~~ basic life support equipment as required by rules adopted by the commissioner under section 144.804, subdivision 2, for one of the persons on a basic ambulance, provided that person will function as the driver while transporting a patient. The commissioner may grant a variance to allow a licensed ambulance service to use attendants certified by the American Red Cross in advanced first aid and emergency care in order to ensure 24-hour emergency ambulance coverage. ~~The variance must expire no later than August 1, 1990.~~ The commissioner shall study the roles and responsibilities of first responder units and report the findings by January 1, 1991. This study shall address at a minimum: (1) education and training; (2) appropriate equipment and its use; (3) medical direction and supervision; and (4) supervisory and regulatory requirements.

Sec. 12. 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.

Sec. 13. Minnesota Statutes 1989 Supplement, section 144.809, is amended to read:

144.809 [~~RENEWAL OF BASIC EMERGENCY MEDICAL TECHNICIAN'S CARE COURSE CERTIFICATE;~~ FEE.]

Subdivision 1. [STANDARDS FOR RECERTIFICATION.] The commissioner shall adopt rules establishing minimum standards for expiration and recertification of basic emergency care course certificates. These standards shall require:

(1) four years after initial certification, and every four years thereafter, formal classroom training and successful completion of a written test and practical examination, both of which must be approved by the commissioner; and

(2) two years after initial certification, and every four years thereafter, in-service continuing education, including knowledge and skill proficiency testing, all of which must be conducted under the supervision of a medical director or medical advisor and approved by the commissioner.

Course requirements under clause (1) shall not exceed 24 hours. Course requirements under clause (2) shall not exceed 36 hours, of which at least 12 hours may consist of course material developed by the medical director or medical advisor.

Individuals may choose to complete, two years after initial certification, and every two years thereafter, formal classroom training and successful completion of a written test and practical examination, both of which are approved by the commissioner, in lieu of completing requirements in clauses (1) and (2).

Subd. 2. [UPGRADING TO BASIC EMERGENCY CARE COURSE CERTIFICATE.] By August 1, 1994, the commissioner

shall adopt rules authorizing the equivalence of the following as credit toward successful completion of the commissioner's basic emergency care course:

(1) successful completion of the United States Department of Transportation first responder curriculum;

(2) a minimum of two years of documented continuous service as an ambulance driver, as authorized in section 144.804, subdivision 7;

(3) documented clinical experience obtained through work or volunteer activity as a first responder; and

(4) documented continuing education in emergency care.

Subd. 3. [LIMITATION ON FEES.] No fee set by the commissioner for biennial renewal of an a basic emergency medical technician's care course certificate by a volunteer member of an ambulance service, fire department, or police department shall exceed \$2.

Sec. 14. Minnesota Statutes 1989 Supplement, section 144.8091, is amended to read:

144.8091 [REIMBURSEMENT TO NONPROFIT AMBULANCE SERVICES.]

Subdivision 1. [REPAYMENT FOR VOLUNTEER TRAINING.] Any political subdivision, or nonprofit hospital or nonprofit corporation operating a licensed ambulance service shall be reimbursed by the commissioner for the necessary expense of the initial training of a volunteer ambulance attendant upon successful completion by the attendant of a basic emergency medical care course, or a continuing education course for basic emergency medical care, or both, which has been approved by the commissioner, pursuant to section 144.804. Reimbursement may include tuition, transportation, food, lodging, hourly payment for the time spent in the training course, and other necessary expenditures, except that in no instance shall a volunteer ambulance attendant be reimbursed more than ~~\$210~~ \$350 for successful completion of a basic course, and ~~\$70~~ \$140 for successful completion of a continuing education course.

Subd. 2. [VOLUNTEER ATTENDANT DEFINED.] For purposes of this section, "volunteer ambulance attendant" means a person who provides emergency medical services for a Minnesota licensed ambulance service without the expectation of remuneration and who does not depend in any way upon the provision of these services for the person's livelihood. An individual may be considered a volunteer ambulance attendant even though that individual receives an hourly stipend for each hour of actual service provided,

except for hours on standby alert, even though this hourly stipend is regarded as taxable income for purposes of state or federal law, provided that this hourly stipend does not exceed \$500 \$3,000 within one year of the final certification examination. Reimbursement will be paid under provisions of this section when documentation is provided the department of health that the individual has served for one year from the date of the final certification exam as an active member of a Minnesota licensed ambulance service.

Sec. 15. [144.8095] [FUNDING FOR THE EMERGENCY MEDICAL SERVICES REGIONS.]

The commissioner of health shall distribute funds appropriated from the general fund equally among the emergency medical service regions. Each regional board may use this money to reimburse eligible emergency medical services personnel for continuing education costs related to emergency care that are personally incurred and are not reimbursed from other sources. Eligible emergency medical services personnel include, but are not limited to, dispatchers, emergency room physicians, emergency room nurses, first responders, emergency medical technicians, and paramedics. Any funds remaining after all eligible emergency medical services personnel are reimbursed may be used to fund the task force for medical directors and advisers required under section 144.8096. Any remaining funds may be used to purchase equipment for emergency medical services providers, or used as determined by each regional board.

Sec. 16. [144.8096] [MEDICAL DIRECTORS AND ADVISERS; TASK FORCES.]

(a) Each regional emergency medical services system designated under section 144.8093, subdivision 4, may establish a task force for medical advisers and medical directors of ambulance services in the region.

(b) Each task force established under paragraph (a) shall:

(1) evaluate problems facing medical directors and advisers;

(2) provide educational forums and programs for medical directors and medical advisers on regional topics relevant to the duties of medical directors and advisers;

(3) establish priorities for the region to address problems related to medical directors and advisers;

(4) advise and counsel medical advisers and directors in the region on problems they may be facing;

(5) provide medical directors and advisers in the region with technical assistance education, including continuing education opportunities;

(6) develop methods and incentives to recruit and retain physicians to serve as medical directors and advisers; and

(7) assist in recruiting a replacement medical director or medical adviser for an ambulance service seeking to hire a new medical director or medical adviser.

(c) Task force activities shall be funded as provided in section 144.8095.

Sec. 17. [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) Members of the council shall be compensated for expenses.

(d) The removal of all members and the expiration of the council shall be as provided in section 15.059.

Sec. 18. 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:

(a) 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; or

(b) is also certified as a chemical dependency practitioner.

Sec. 19. Minnesota Statutes 1988, section 148B.48, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF HEALTH.] The commissioner of health shall review the report of the office under sections 214.001, 214.13, and 214.141. The commissioner shall make recommendations to the legislature by January 15, 1991, on the need for registration or licensure of unlicensed mental health service providers and the need to retain the board of unlicensed mental health service providers.

Sec. 20. Minnesota Statutes 1988, section 151.06, subdivision 1, is amended to read:

Subdivision 1. (a) [POWERS AND DUTIES.] The board of pharmacy shall have the power and it shall be its duty:

- (1) to regulate the practice of pharmacy;
- (2) to regulate the manufacture, wholesale, and retail sale of drugs within this state;
- (3) to regulate the identity, labeling, purity, and quality of all drugs and medicines dispensed in this state, using the United States Pharmacopeia and the National Formulary, or any revisions thereof, or standards adopted under the federal act as the standard;
- (4) to enter and inspect by its authorized representative any and all places where drugs, medicines, medical gases, or veterinary drugs or devices are sold, vended, given away, compounded, dispensed, manufactured, wholesaled, or held; it may secure samples or specimens of any drugs, medicines, medical gases, or veterinary drugs or devices after paying or offering to pay for such sample; it shall be entitled to inspect and make copies of any and all records of shipment, purchase, manufacture, quality control, and sale of these items provided, however, that such inspection shall not extend to financial data, sales data, or pricing data;
- (5) to examine and license as pharmacists all applicants whom it shall deem qualified to be such;
- (6) to license wholesale drug distributors;
- (7) to deny, suspend, revoke, or refuse to renew any registration or license required under this chapter, to any applicant or registrant or licensee upon any of the following grounds:
 - (i) fraud or deception in connection with the securing of such license or registration;
 - (ii) in the case of a pharmacist, conviction in any court of a felony;
 - (iii) in the case of a pharmacist, conviction in any court of an offense involving moral turpitude;
 - (iv) habitual indulgence in the use of narcotics, stimulants, or depressant drugs; or habitual indulgence in intoxicating liquors in a manner which could cause conduct endangering public health;
 - (v) unprofessional conduct or conduct endangering public health;

(vi) gross immorality;

(vii) employing, assisting, or enabling in any manner an unlicensed person to practice pharmacy;

(viii) conviction of theft of drugs, or the unauthorized use, possession, or sale thereof;

(ix) violation of any of the provisions of this chapter or any of the rules of the state board of pharmacy;

(x) in the case of a pharmacy license, operation of such pharmacy without a pharmacist present and on duty;

(xi) in the case of a pharmacist, physical or mental disability which could cause incompetency in the practice of pharmacy; or

(xii) in the case of a pharmacist, the suspension or revocation of a license to practice pharmacy in another state;

~~(7)~~ (8) to employ necessary assistants and make rules for the conduct of its business; and

~~(8)~~ (9) to perform such other duties and exercise such other powers as the provisions of the act may require.

(b) [TEMPORARY SUSPENSION.] In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend a license for not more than 60 days if the board finds that a pharmacist has violated a statute or rule that the board is empowered to enforce and continued practice by the pharmacist would create an imminent risk of harm to others. The suspension shall take effect upon written notice to the pharmacist, specifying the statute or rule violated. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held under the administrative procedure act. The pharmacist shall be provided with at least 20 days notice of any hearing held under this subdivision.

(c) [RULES.] For the purposes aforesaid it shall be the duty of the board to make and publish uniform rules not inconsistent herewith for carrying out and enforcing the provisions of this chapter.

Sec. 21. Minnesota Statutes 1988, section 151.25, is amended to read:

151.25 [REGISTRATION OF MANUFACTURERS OR WHOLESALEERS; 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 of drugs, medicines, chemicals, or poisons for medicinal purposes, or the person's agent, to sell legend drugs to other than a pharmacy, except as provided in this chapter.

Sec. 22. [151.42] [CITATION.]

Sections 151.42 to 151.51 may be cited as the "wholesale drug distribution licensing act of 1990."

Sec. 23. [151.43] [SCOPE.]

Sections 151.42 to 151.51 apply to any person, partnership, corporation, or business firm engaging in the wholesale distribution of prescription drugs within the state.

Sec. 24. [151.44] [DEFINITIONS.]

As used in sections 151.42 to 151.51, the following terms have the meanings given in paragraphs (a) to (f):

(a) "Wholesale drug distribution" means distribution of prescription drugs to persons other than a consumer or patient, but does not include:

(1) a sale between a division, subsidiary, parent, affiliated, or related company under the common ownership and control of a corporate entity;

(2) the purchase or other acquisition, by a hospital or other health care entity that is a member of a group purchasing organization, of a drug for its own use from the organization or from other hospitals or health care entities that are members of such organizations;

(3) the sale, purchase, or trade of a drug or an offer to sell, purchase, or trade a drug by a charitable organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended

through December 31, 1988, to a nonprofit affiliate of the organization to the extent otherwise permitted by law;

(4) the sale, purchase, or trade of a drug or offer to sell, purchase, or trade a drug among hospitals or other health care entities that are under common control;

(5) the sale, purchase, or trade of a drug or offer to sell, purchase, or trade a drug for emergency medical reasons;

(6) the sale, purchase, or trade of a drug, an offer to sell, purchase, or trade a drug, or the dispensing of a drug pursuant to a prescription;

(7) the transfer of prescription drugs by a retail pharmacy to another retail pharmacy to alleviate a temporary shortage;

(8) the distribution of prescription drug samples by manufacturers representatives; or

(9) the sale, purchase, or trade of blood and blood components.

(b) "Wholesale drug distributor" means anyone engaged in wholesale drug distribution, including but not limited to, manufacturers; repackers; own-label distributors; jobbers; brokers; warehouses, including manufacturers' and distributors' warehouses, chain drug warehouses, and wholesale drug warehouses; independent wholesale drug traders; and pharmacies that conduct wholesale drug distribution. A wholesale drug distributor does not include a common carrier or individual hired primarily to transport prescription drugs.

(c) "Manufacturer" means anyone who is engaged in the manufacturing, preparing, propagating, compounding, processing, packaging, repackaging, or labeling of a prescription drug.

(d) "Prescription drug" means a drug required by federal or state law or regulation to be dispensed only by a prescription, including finished dosage forms and active ingredients subject to United States Code, title 21, sections 811 and 812.

(e) "Blood" means whole blood collected from a single donor and processed either for transfusion or further manufacturing.

(f) "Blood components" means that part of blood separated by physical or mechanical means.

The board shall appoint a wholesale drug distributor advisory task force composed of five members, to be selected and to perform duties and responsibilities as follows:

(a) One member shall be a pharmacist who is neither a member of the board nor a board employee.

(b) Two members shall be representatives of wholesale drug distributors as defined in section 151.44, paragraph (b).

(c) One member shall be a representative of drug manufacturers.

(d) One member shall be a public member as defined by section 214.02.

(e) The advisory task force shall review and make recommendations to the board on the merit of all rules dealing with wholesale drug distributors and drug manufacturers that are proposed by the board; and no rule affecting wholesale drug distributors proposed by the board shall be adopted without first being submitted to the task force for review and comment.

(f) In making advisory task force appointments, the board shall consider recommendations received from each of the wholesale drug distributor, pharmacist, and drug manufacturer classes cited in paragraphs (a) to (c), and shall adopt rules that provide for solicitation of the recommendations.

Sec. 26. [151.46] [PROHIBITED DRUG PURCHASES OR RECEIPT.]

It is unlawful for any person to knowingly purchase or receive a prescription drug from a source other than a person or entity licensed under the laws of the state, except where otherwise provided. Licensed wholesale drug distributors other than pharmacies shall not dispense or distribute prescription drugs directly to patients. A person violating the provisions of this section is guilty of a misdemeanor.

Sec. 27. [151.47] [WHOLESALE DRUG DISTRIBUTOR LICENSING REQUIREMENTS.]

Subdivision 1. [REQUIREMENTS.] All wholesale drug distributors are subject to the requirements in paragraphs (a) to (e).

(a) No person or distribution outlet shall act as a wholesale drug distributor without first obtaining a license from the board and paying the required fee.

(b) No license shall be issued or renewed for a wholesale drug distributor to operate unless the applicant agrees to operate in a manner prescribed by federal and state law and according to the rules adopted by the board.

(c) The board may require a separate license for each facility directly or indirectly owned or operated by the same business entity within the state, or for a parent entity with divisions, subsidiaries, or affiliate companies within the state, when operations are conducted at more than one location and joint ownership and control exists among all the entities.

(d) As a condition for receiving and retaining a wholesale drug distributor license issued under sections 151.42 to 151.51, an applicant shall satisfy the board that it has and will continuously maintain:

- (1) adequate storage conditions and facilities;
- (2) minimum liability and other insurance as may be required under any applicable federal or state law;
- (3) a viable security system that includes an after hours central alarm, or comparable entry detection capability; restricted access to the premises; comprehensive employment applicant screening; and safeguards against all forms of employee theft;
- (4) a system of records describing all wholesale drug distributor activities set forth in section 151.44 for at least the most recent two-year period and which shall be reasonably accessible as defined by board regulations in any inspection authorized by the board;
- (5) principals and persons, including officers, directors, primary shareholders, and key management executives who must at all times demonstrate and maintain their capability of conducting business in conformity with sound financial practices as well as state and federal law;
- (6) complete, updated information, to be provided to the board as a condition for obtaining and retaining a license, about each wholesale drug distributor to be licensed, including all pertinent corporate licensee information, if applicable, or other ownership, principal, key personnel, and facilities information found to be necessary by the board;
- (7) written policies and procedures that assure reasonable wholesale drug distributor preparation for, protection against, and handling of any facility security or operation problems, including, but not limited to, those caused by natural disaster or government emergency, inventory inaccuracies or product shipping and receiv-

ing, outdated product or other unauthorized product control, appropriate disposition of returned goods, and product recalls;

(8) sufficient inspection procedures for all incoming and outgoing product shipments; and

(9) operations in compliance with all federal requirements applicable to wholesale drug distribution.

(e) An agent or employee of any licensed wholesale drug distributor need not seek licensure under this section.

Subd. 2. [REQUIREMENTS MUST CONFORM WITH FEDERAL LAW.] All requirements set forth in this section shall conform to wholesale drug distributor licensing guidelines formally adopted by the United States Food and Drug Administration; and in case of conflict between a wholesale drug distributor licensing requirement imposed by the board and a Food and Drug Administration wholesale drug distributor guideline, the latter shall control.

Sec. 28. [151.48] [OUT-OF-STATE WHOLESALE DRUG DISTRIBUTOR LICENSING REQUIREMENTS.]

(a) It is unlawful for an out-of-state wholesale drug distributor to conduct business in the state without first obtaining a license from the board and paying the required fee.

(b) Application for an out-of-state wholesale drug distributor license under this section shall be made on a form furnished by the board.

(c) The issuance of a license under sections 151.42 to 151.51 shall not change or affect tax liability imposed by the department of revenue on any out-of-state wholesale drug distributor.

(d) No person acting as principal or agent for any out-of-state wholesale drug distributor may sell or distribute drugs in the state unless the distributor has obtained a license.

(e) The board may adopt regulations that permit out-of-state wholesale drug distributors to obtain a license on the basis of reciprocity to the extent that an out-of-state wholesale drug distributor:

(1) possesses a valid license granted by another state under legal standards comparable to those that must be met by a wholesale drug distributor of this state as prerequisites for obtaining a license under the laws of this state; and

(2) can show that the other state would extend reciprocal treatment under its own laws to a wholesale drug distributor of this state.

Sec. 29. [151.49] [LICENSE RENEWAL APPLICATION PROCEDURES.]

Application blanks for renewal of a license required by sections 151.42 to 151.51 shall be mailed to each licensee on or before the first day of the month prior to the month in which the license expires and, if application for renewal of the license with the required fee is not made before the expiration date, the existing license or renewal shall lapse and become null and void upon the date of expiration.

Sec. 30. [151.50] [RULES.]

The board shall adopt rules to carry out the purposes and enforce the provisions of sections 151.42 to 151.51. All rules adopted under this section shall conform to wholesale drug distributor licensing guidelines formally adopted by the United States Food and Drug Administration; and in case of conflict between a rule adopted by the board and a Food and Drug Administration wholesale drug distributor guideline, the latter shall control.

Sec. 31. [151.51] [BOARD ACCESS TO WHOLESALE DRUG DISTRIBUTOR RECORDS.]

Wholesale drug distributors may keep records at a central location apart from the principal office of the wholesale drug distributor or the location at which the drugs were stored and from which they were shipped, provided that the records shall be made available for inspection within two working days of a request by the board. The records may be kept in any form permissible under federal law applicable to prescription drugs record keeping.

Sec. 32. Minnesota Statutes 1988, section 171.07, subdivision 1a, is amended to read:

Subd. 1a. [PHOTOGRAPHIC NEGATIVES; FILING; DATA CLASSIFICATION.] The department shall file, or contract to file, all photographic negatives obtained in the process of issuing driver licenses or Minnesota identification cards. The negatives shall be private data pursuant to section 13.02, subdivision 12. Notwithstanding section 13.04, subdivision 3, the department shall not be required to provide copies of photographic negatives to data subjects. The use of the files is restricted:

(1) to the issuance and control of driver licenses and;

(2) for law enforcement purposes in the investigation and prose-

cution of felonies and violations of section 169.09; 169.121; 169.123; 169.129; 171.22; 171.24; 171.30; 609.41; 609.487, subdivision 3; 609.631, subdivision 4, clause (3); or 609.821, subdivision 3, clauses (1), item (iv), and (3); and

(3) for child support enforcement purposes under section 256.978.

Sec. 33. Minnesota Statutes 1988, section 245A.14, subdivision 1, is amended to read:

Subdivision 1. [PERMITTED SINGLE-FAMILY RESIDENTIAL USE.] A licensed nonresidential program with a licensed capacity of 12 or fewer persons and a group family day care facility licensed under Minnesota Rules, parts 9502.0315 to 9502.0445, to serve 14 or fewer children shall be considered a permitted single-family residential use of property for the purposes of zoning and other land use regulations.

Sec. 34. Minnesota Statutes 1989 Supplement, section 252.025, subdivision 4, is amended to read:

Subd. 4. [STATE-PROVIDED SERVICES.] (a) It is the policy of the state to capitalize and recapitalize the regional treatment centers as necessary to prevent depreciation and obsolescence of physical facilities and to ensure they retain the physical capability to provide residential programs. Consistent with that policy and with section 252.50, and within the limits of appropriations made available for this purpose, the commissioner may establish, by June 30, 1991, the following state-operated, community-based programs for the least vulnerable regional treatment center residents: at Brainerd regional services center, two residential programs and two day programs; at Cambridge regional treatment center, four residential programs and two day programs; at Faribault regional treatment center, ten residential programs and six day programs; at Fergus Falls regional treatment center, two residential programs and one day program; at Moose Lake regional treatment center, four residential programs and two day programs; and at Willmar regional treatment center, two residential programs and one day program. With appropriations made available for the purpose of this subdivision, the commissioner may also establish in the catchment area of Willmar regional treatment center: by June 30, 1992, technical training, technical assistance, and crisis services provided for in sections 245.073, 252.038, subdivision 2, and 252.50, subdivision 7; by June 30, 1994, a total of eight state-operated residential program sites, two per year through June 30, 1994; and, as needed, two state-operated day programs.

(b) By January 15, 1991, the commissioner shall report to the legislature a plan to provide continued regional treatment center capacity and state-operated, community-based residential and day programs for persons with developmental disabilities at Brainerd,

Cambridge, Faribault, Fergus Falls, Moose Lake, St. Peter, and Willmar, as follows:

(1) by July 1, 1998, continued regional treatment center capacity to serve 350 persons with developmental disabilities as follows: at Brainerd, 80 persons; at Cambridge, 12 persons; at Faribault, 110 persons; at Fergus Falls, 60 persons; at Moose Lake, 12 persons; at St. Peter, 35 persons; at ~~Willmar, 25 persons~~; and up to 16 crisis beds in the Twin Cities metropolitan area; and

(2) by July 1, 1999, continued regional treatment center capacity to serve 254 persons with developmental disabilities as follows: at Brainerd, 57 persons; at Cambridge, 12 persons; at Faribault, 80 persons; at Fergus Falls, 35 persons; at Moose Lake, 12 persons; at St. Peter, 30 persons; at Willmar, 12 persons, and up to 16 crisis beds in the Twin Cities metropolitan area. In addition, the plan shall provide for the capacity to provide residential services to 570 persons with developmental disabilities in 95 state-operated, community-based residential programs.

Sec. 35. Minnesota Statutes 1988, section 252.27, as amended by Laws 1989, chapter 282, article 2, section 92, is amended to read:

252.27 [COST OF BOARDING CARE OUTSIDE OF HOME OR INSTITUTION PARENTAL CONTRIBUTION FOR THE COST OF CHILDREN'S SERVICES.]

Subdivision 1. [COUNTY RESPONSIBILITY.] Whenever any child who has mental retardation or a related condition, or a physical or emotional handicap is in 24-hour care outside the home including respite care, in a facility licensed by the commissioner of human services, the cost of care services shall be paid by the county of financial responsibility determined pursuant to chapter 256G. If the child's parents or guardians do not reside in this state, the cost shall be paid by the responsible governmental agency in the state from which the child came, by the parents or guardians of the child if they are financially able, or, if no other payment source is available, by the commissioner of human services.

Subd. 1a. [DEFINITIONS.] A person has a "related condition" if that person has a severe, chronic disability that is (a) attributable to cerebral palsy, epilepsy, autism, Prader-Willi syndrome, or any other condition, other than mental illness, found to be closely related to mental retardation because the condition results in impairment of general intellectual functioning or adaptive behavior similar to that of persons with mental retardation or requires treatment or services similar to those required for persons with mental retardation; (b) is likely to continue indefinitely; and (c) results in substantial functional limitations in three or more of the following areas of major life activity: self-care, understanding and use of language, learning, mobility, self-direction, or capacity for independent living. For the

purposes of this section, a child has an "emotional handicap" if the child has a psychiatric or other emotional disorder which substantially impairs the child's mental health and requires 24-hour treatment or supervision.

Subd. 2. [PARENTAL RESPONSIBILITY.] Responsibility of the parents for the cost of care services shall be based upon ability to pay. The state agency shall adopt rules to determine responsibility of the parents for the cost of care services when:

(a) Insurance or other health care benefits pay some but not all of the cost of care services; and

(b) No insurance or other health care benefits are available.

Subd. 2a. [CONTRIBUTION AMOUNT.] (a) The natural or adoptive parents of a minor child, including a child determined eligible for medical assistance without consideration of parental income, must contribute monthly to the cost of services, unless the child is married or has been married, parental rights have been terminated, or the child's adoption is subsidized according to section 259.40 or through title IV-E of the Social Security Act.

(b) The parental contribution equals 15 percent of the natural or adoptive parents' income that exceeds 200 percent of the federal poverty guidelines for the applicable household size, reduced by the following amounts:

(1) \$200 if the child lives with the parent;

(2) the personal needs allowance under section 256B.35, if paid by the parent, and if the child resides in an institution specified in that section; and

(3) any amount required to be paid directly to the child pursuant to a court order, and only if actually paid.

(c) The household size to be used in determining the amount of contribution under paragraph (b) includes natural and adoptive parents and their dependents under age 21, including the child receiving services.

(d) For purposes of paragraph (b), "income" means the natural or adoptive parents' adjusted gross income determined according to the previous year's federal tax form.

(e) The contribution shall be explained to the parents when eligibility for services is determined. The contribution amount shall be reviewed upon eligibility redetermination or upon request of the responsible relative. The contribution shall be made on a monthly

basis beginning with the first month in which the child receives services. Annually upon redetermination or at termination of eligibility, if the contribution exceeded the cost of services provided, the local agency or the state shall reimburse that excess amount to the parents, either by direct reimbursement if the parent is no longer required to pay a contribution, or by a reduction in or waiver of parental fees until the excess amount is exhausted.

(f) The monthly contribution amount must be reviewed at least every 12 months; when there is a change in household size; and when there is a loss of or gain in income from one month to another in excess of ten percent.

(g) Divorced parents of a minor child shall each pay the contribution required under paragraph (a), except that a court-ordered child support payment actually paid on behalf of the child receiving services shall be deducted from the contribution of the parent making the payment.

(h) The contribution under paragraph (b) shall be increased by an additional five percent if the local agency determines that insurance coverage is available but not obtained for the child. For purposes of this section, "available" means the insurance is a benefit of employment for a family member at an annual cost of no more than five percent of the family's annual income. For purposes of this section, insurance means health and accident insurance coverage, enrollment in a nonprofit health service plan, health maintenance organization, self-insured plan, or preferred provider organization.

Parents who have more than one child in out-of-home care receiving services shall not be required to pay more than the amount for one the child in out-of-home care. In no event shall the parents be required to pay more than five percent of their income as defined in section 290A.03, subdivision 3 with the highest expenditures. There shall be no resource contribution from the parents. The parent shall not be required to pay a contribution in excess of the cost of the services provided to the child. Notice of an increase in fee payment must be given at least 30 days before the increased fee is due.

Subd. 2b. [CHILD'S RESPONSIBILITY.] Responsibility of the child for the cost of care shall be up to the maximum amount of the total income and resources attributed to the child except for the clothing and personal needs allowance as provided in section 256B.35, subdivision 1. Reimbursement by the parents and child shall be made to the county making any payments for care and treatment services. The county board may require payment of the full cost of caring for children whose parents or guardians do not reside in this state.

To the extent that a child described in subdivision 1 is eligible for benefits under chapter 62A, 62C, 62D, 62E, or 64B, the county is not

liable for the cost of care. A parent or legal guardian who discontinues payment of health insurance premiums, subscriber fees or enrollment fees for a child who is otherwise eligible for those benefits is ineligible for payment of the cost of care of that child under this section.

The commissioner's determination shall be conclusive in any action to enforce payment of the cost of care. Any appeals from the commissioner's determination shall be made pursuant to section 256.045, subdivisions 2 and 3 services.

Subd. 2c. [APPEALS.] A parent may appeal the determination of an obligation to make a contribution under this section, according to section 256.045.

Subd. 3. [CIVIL ACTIONS.] If the parent fails to make appropriate reimbursement as required in subdivision 2, the county attorney may initiate a civil action to collect any unpaid reimbursement.

Subd. 4. [ORDER OF PAYMENT.] If the parental contribution is for reimbursement for the cost of services to both the local agency and the medical assistance program, the local agency shall be reimbursed for its expenses first and the remainder shall be dedicated to the medical assistance program.

Sec. 36. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 1, is amended to read:

Subdivision 1. [RATES FOR CALENDAR YEARS 1989 AND 1990.] Payment rates to vendors, except regional centers, for county-funded day training and habilitation services and transportation provided to persons receiving day training and habilitation services established by a county board for calendar years 1989 and 1990 are governed by subdivisions 2 to ~~10~~ 11.

"Payment rate" as used in subdivisions 2 to ~~10~~ 11 refers to three kinds of payment rates: a full-day service rate for persons who receive at least six service hours a day, including the time it takes to transport the person to and from the service site; a partial-day service rate that must not exceed 75 percent of the full-day service rate for persons who receive less than a full day of service; and a transportation rate for providing, or arranging and paying for, transportation of a person to and from the person's residence to the service site.

Sec. 37. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 2, is amended to read:

Subd. 2. [~~1989 AND 1990 RATE MINIMUM.~~] Unless a variance is granted under subdivision 6, the minimum payment rates set by a

county board for each vendor ~~for calendar years 1989 and 1990~~ must be equal to the payment rates approved by the commissioner for that vendor in effect January 1, 1988, ~~and January 1, 1989, respectively~~ of the previous calendar year.

Sec. 38. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 3, is amended to read:

Subd. 3. ~~[1989 AND 1990 RATE MAXIMUM.]~~ Unless a variance is granted under subdivision 6, the maximum payment rates for each vendor for ~~calendar years 1989 and 1990~~ a calendar year must be equal to the payment rates approved by the commissioner for that vendor in effect December 1, 1988, and December 1, 1989, ~~respectively,~~ of the previous calendar year increased by no more than the projected percentage change in the urban consumer price index, all items, published by the United States Department of Labor, for the upcoming calendar year over the current calendar year.

Sec. 39. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 4, is amended to read:

Subd. 4. ~~[NEW VENDORS.]~~ Payment rates established by a county ~~for calendar years 1989 and 1990~~, for a new vendor for which there were no previous rates must not exceed 125 percent of the average payment rates in the regional development commission district under sections 462.381 to 462.396 in which the new vendor is located. When at least 50 percent of the persons to be served by the new vendor are persons discharged from a regional treatment center on or after January 1, 1990, the recommended payment rates for the new vendor shall not exceed twice the current statewide average payment rates.

For purposes of this subdivision, persons discharged from the regional treatment center do not include persons who received temporary care under section 252A.111, subdivision 3.

Sec. 40. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 12, is amended to read:

Subd. 12. ~~[RATES ESTABLISHED AFTER 1990.]~~ Unless a variance is granted under subdivision 6, payment rates established by a county for calendar year 1990 and which are in effect December 31, 1990, remain in effect until June 30, 1991. Payment rates established by a county board to be paid to a vendor on or after January 1, 1991, must be determined under permanent rules adopted by the commissioner. Until permanent rules are adopted, the payment rates must be determined according to subdivisions 1 to 11 except for the period from July 1, 1991, through December 31, 1991, when the increase determined under subdivision 3 must not exceed the projected percentage change in the urban consumer price index, all items, published by the United States Department of Labor, for the

current calendar year over the previous calendar year. No county shall pay a rate that is less than the minimum rate determined by the commissioner.

In developing procedures for setting minimum payment rates and procedures for establishing payment rates, the commissioner shall consider the following factors:

- (1) a vendor's payment rate and historical cost in the previous year;
- (2) current economic trends and conditions;
- (3) costs that a vendor must incur to operate efficiently, effectively and economically and still provide training and habilitation services that comply with quality standards required by state and federal regulations;
- (4) increased liability insurance costs;
- (5) costs incurred for the development and continuation of supported employment services;
- (6) cost variations in providing services to people with different needs;
- (7) the adequacy of reimbursement rates that are more than 15 percent below the statewide average; and
- (8) other appropriate factors.

The commissioner may develop procedures to establish differing hourly rates that take into account variations in the number of clients per staff hour, to assess the need for day training and habilitation services, and to control the utilization of services.

In developing procedures for setting transportation rates, the commissioner may consider allowing the county board to set those rates or may consider developing a uniform standard.

Medical assistance rates for home and community-based services provided under section 256B.501 by licensed vendors of day training and habilitation services must not be greater than the rates for the same services established by counties under sections 252.40 to 252.47.

Sec. 41. [252.478] [METRO TRANSPORTATION SUPPORT GRANTS.]

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The commissioner of human services shall establish and operate a metro transportation support grants program to provide reimbursement for client transportation by metro mobility to day training and habilitation services for which client transportation is a required and funded component, and to maximize use of federal funds for this reimbursement. A metro transportation support grants account shall be established in the department of human services chart of accounts.

Subd. 2. [RATES.] Costs of transportation to and from a day training and habilitation service agency must be a part of the payment rate established for each day training and habilitation services agency.

The commissioner may approve payment rates for day training and habilitation services that exceed the limits in Minnesota Statutes, section 252.46, subdivision 6, for vendors whose transportation costs increase as a result of action taken by the regional transit board under Laws of Minnesota 1988, chapter 684, article 2, section 3, or Laws of Minnesota 1989, chapter 269, section 35, or Minnesota Statutes, section 473.386, subdivision 4.

Subd. 3. [COUNTY SHARE.] The county share of the metro transportation support grants program costs will be distributed by the department to all metropolitan counties from the metro transportation support grants account. For state fiscal year 1991, the funds transferred from the regional transit board to this account shall be distributed to: Ramsey county, 48 percent; Hennepin county, 46 percent; Dakota county, five percent; and Anoka county, one percent. For subsequent fiscal years, funds shall be distributed annually based on each county's percentage of total expenses incurred for trips provided on metro mobility to and from day training and habilitation services during the preceding 12-month period. Counties should deposit these funds into the program accounts that will incur the transportation expenses.

Sec. 42. [252.53] [TASK FORCE ON COMPENSATION FOR DIRECT CARE EMPLOYEES.]

The commissioner of human services shall establish a task force on the compensation and training of direct care employees. 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 that provide direct care services to individuals. Programs include nursing homes, intermediate care facilities for persons with mental retardation, semi-independent living services, day training and habilitation, waived services, supported employment, rehabilitation facilities, services for persons with mental illness, child care, and chemical dependency. 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, and the department of health, advocates, direct care staff from unionized and nonunionized 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. 43. 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 individ-

uals 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. 44. [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. 45. 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. 46. 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. 47. 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 dependency services. The commissioner may seek amendments to the waivers or apply for additional waivers to contain costs. The commissioner shall ensure that payment for the cost of providing chemical dependency services under the federal waiver plan does not exceed the cost of chemical dependency services that would have been provided without the waived services.

~~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. 48. Minnesota Statutes 1989 Supplement, section 256.74, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for the dependent child shall be determined by the county agency in accordance with rules promulgated by the commissioner and shall be sufficient, when added to all other income and support available to the child, to provide the child with a reasonable subsistence compatible with decency and health. The amount shall be based on the method of budgeting required in Public Law Number 97-35, section 2315, United States Code, title 42, section 602, as amended and federal regulations at Code of Federal Regulations, title 45, section 233. Nonrecurring lump sum income received by an assistance unit must be budgeted in the normal retrospective cycle. The number of months of ineligibility is determined by dividing the amount of the lump sum income and all other income, after application of the applicable disregards, by the standard of need for the assistance unit. An amount remaining after this calculation is income in the first month of eligibility. If the total monthly income including the lump sum income is larger than the standard of need for a single month the first month of ineligibility is the payment month that corresponds with the budget month in which the lump sum income was received. In making its determination the county agency shall disregard the following from family income:

(1) all of the earned income of each dependent child receiving aid to families with dependent children who is a full-time student or part-time student, and not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit students for gainful employment as well as all the earned income derived from the job training and partnership act (JTPA) for a dependent child for six calendar months per year, together with unearned income derived from the job training and partnership act;

(2) all educational grants and loans;

(3) the first \$90 of each individual's earned income. For self-employed persons; the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;

(4) thirty dollars plus one-third of each individual's earned income for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause any earned income of any person who has: (a) reduced earned income without good cause within 30 days preceding any month in which an assistance payment is made; (b) refused without good cause to accept an offer of suitable employment; (c) left employment or reduced earnings without good cause and applied for assistance so as to be able later to return to employment with the advantage of the income disregarded; or (d) failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of human services. Persons who are already employed and who apply for assistance shall have their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment. The disregard of \$30 and one-third of earned income in this clause shall be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this disregard because of the provisions of subclauses (a) to (d) shall be considered as one of the four months. An additional \$30 work incentive must be available for an eight-month period beginning in the month following the last month of the combined \$30 and one-third work incentive. This period must be in effect whether or not the person has earned income or is eligible for AFDC. To again qualify for the earned income disregards under this clause, the individual must not be a recipient of aid for a period of 12 consecutive months. When an assistance unit becomes ineligible for aid due to the fact that these disregards are no longer applied to income, the assistance unit shall be eligible for medical assistance benefits for a 12-month period beginning with the first month of AFDC ineligibility;

(5) an amount equal to the actual expenditures for the care of each dependent child or incapacitated individual living in the same home and receiving aid, not to exceed: (a) \$175 for each individual age two and older, and \$200 for each individual under the age of two, when the family member whose needs are included in the eligibility determination is employed for 30 or more hours per week; or (b) \$174

for each individual age two or older, and \$199 for each individual under the age of two, when the family member whose needs are included in the eligibility determination is not employed throughout the month or when employment is less than 30 hours per week. The dependent care disregard must be applied after all other disregards under this subdivision have been applied;

(6) the first \$50 per assistance unit of the monthly support obligation collected by the support and recovery (IV-D) unit. The first \$50 of periodic support payments collected by the public authority responsible for child support enforcement from a person with a legal obligation to pay support for a member of the assistance unit must be paid to the assistance unit within 15 days after the end of the month in which the collection of the periodic support payments occurred and must be disregarded when determining the amount of assistance;

(7) that portion of an insurance settlement earmarked and used to pay medical expenses, funeral and burial costs, or to repair or replace insured property; and

(8) all earned income tax credit payments received by the family as a refund of federal income taxes or made as advance payments by an employer.

A review of a payment decision under clause (6) must be requested within 30 days after receiving the notice of collection of assigned support, or within 90 days after receiving the notice if good cause can be shown for not making the request within the 30-day limit.

Sec. 49. [256.9791] [MEDICAL SUPPORT BONUS INCENTIVES.]

Subdivision 1. [BONUS INCENTIVE.] (a) A bonus incentive program is created to increase the identification and enforcement by county agencies of dependent health insurance coverage for persons who are receiving medical assistance under section 256B.055 and for whom the county agency is providing child support enforcement services.

(b) The bonus shall be awarded to a county child support agency for each person for whom coverage is identified and enforced by the child support enforcement program when the obligor is under a court order to provide dependent health insurance coverage.

Subd. 2. [DEFINITIONS.] For the purpose of this section, the following definitions apply.

(a) "Case" means a family unit that is receiving medical assis-

tance under section 256B.055 and for whom the county agency is providing child support enforcement services.

(b) "Commissioner" means the commissioner of the department of human services.

(c) "County agency" means the county child support enforcement agency.

(d) "Coverage" means initial dependent health insurance benefits for a case or individual member of a case.

(e) "Enforceable order" means a child support court order containing the statutory language in section 518.171 or other language ordering an obligor to provide dependent health insurance coverage.

(f) "Enforce" or "enforcement" means obtaining proof of current or future dependent health insurance coverage through an overt act by the county agency.

(g) "Identify" or "identification" means obtaining proof of dependent health insurance coverage through an overt act by the county agency.

Subd. 3. [ELIGIBILITY; REPORTING REQUIREMENTS.] (a) In order for a county to be eligible to claim a bonus incentive payment, the county agency must report to the commissioner no later than August 1 of each fiscal year the number of cases as of June 30 of the preceding fiscal year in which: (1) the court has established an obligation for coverage by the obligor and (2) the number of cases in which coverage was in effect as of June 30. The ratio resulting when the number of cases reported in clause (2) is divided by the number of cases reported under (1) shall be used to determine the amount of the bonus incentive according to subdivision 4.

(b) A county that fails to submit the required information by August 1 of each fiscal year will be ineligible for any bonus payments under this section for that fiscal year.

Subd. 4. [RATE OF BONUS INCENTIVE.] The rate of the bonus incentive shall be determined according to paragraphs (a) to (c).

(a) When a county agency has identified or enforced coverage in up to and including 50 percent of its cases, the county shall receive \$15 for each person for whom coverage is identified or enforced.

(b) When a county agency has identified or enforced coverage in more than 50 percent but less than 80 percent of its cases, the county shall receive \$20 for each person for whom coverage is identified or enforced.

(c) When a county agency has identified or enforced coverage in 80 percent or more of its cases, the county shall receive \$25 for each person for whom coverage is identified or enforced.

Subd. 5. [CLAIMS FOR BONUS INCENTIVE.] (a) Beginning July 1, 1990, county agencies shall file a claim for a medical support bonus payment by reporting to the commissioner the following information for each case where dependent health insurance is identified or enforced as a result of an overt act of the county agency:

(1) child support enforcement system case number or county specific case number;

(2) names and dates of birth for each person covered; and

(3) effective date of coverage.

(b) The report shall be made upon enrollment in coverage but no later than September 30 for coverage identified or established during the preceding fiscal year.

(c) The county agency making the initial contact resulting in the establishment of coverage shall be the county agency to claim the bonus incentive even if the case is transferred to another county agency prior to the actual establishment of coverage.

(d) Disputed claims shall be submitted to the commissioner whose decision shall be final.

Subd. 6. [DISTRIBUTION.] (a) Bonus incentives shall be issued to the county agency quarterly, within 45 days after the last day of each quarter for which a bonus incentive is being claimed, and shall be paid up to the limit of the appropriation in the order in which claims are received.

(b) Total bonus incentives shall be computed by multiplying the number of persons included in claims submitted in accordance with this section by the applicable bonus payment as determined in subdivision 4. A county agency must maintain a record of bonus incentives claimed and received for each quarter.

(c) The county agency will be required to pay back any bonus erroneously issued.

Sec. 50. [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 inten-

tional 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. 51. [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.

(c) The commissioner may adopt rules as necessary to conduct administrative fraud disqualification hearings in accordance with section 256.984 and this section.

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. 52. 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) Effective July 1, 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 15 beds. Effective July 1, 1993 1998, 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.

Sec. 53. Minnesota Statutes 1988, section 256E.06, subdivision 2, is amended to read:

Subd. 2. [FORMULA LIMITATION.] The amounts computed pursuant to subdivision 1 shall be subject to the following limitations:

(a) No county shall be allocated more than 130 percent of the amount received prior to any penalty imposed under subdivision 7 in the immediately preceding year. If the amount allocated to any county pursuant to subdivision 1 is greater than this amount, the excess shall be reallocated to all counties in direct proportion to their initial allocations.

(b) Each county shall be guaranteed a percentage increase over the previous year's allocation equal to 0.2 percent for each percentage increase in the statewide allocation, up to a maximum guaranteed increase of one percent when the statewide allocation increases by five percent or more. If the amount allocated to any county pursuant to subdivision 1 is less than this amount, the shortage shall be recovered from all counties in direct proportion to their initial allocations.

(c) If the amount to be allocated statewide in any year is less than the amount allocated in the previous year, then the provisions of clause (b) shall not apply, and each county's allocation shall be equal to its previous year's allocation reduced by the same percentage that the statewide allocation was reduced.

Sec. 54. Minnesota Statutes 1988, section 256E.06, subdivision 7, is amended to read:

Subd. 7. [FAILURE TO LEVY.] A county which levies less than the levy required in subdivision 5, shall receive a reduction in the aid calculated pursuant to subdivisions 1 and 2. The commissioner shall calculate the reduced aid as follows:

(a) Divide the amount levied by the amount required to be levied in subdivision 5; and

(b) Multiply the ratio derived in clause (a) times the aid calculated under ~~subdivision~~ subdivisions 1 and 2.

The amount of the reduction in aid shall be returned to the general fund. The reduction in aid imposed under this subdivision shall be effective for one year, and aid in the following year shall be calculated under subdivisions 1 and 2 as though the reduction had not occurred.

Sec. 55. [PURPOSE OF JOB IMPACT STATEMENT AND PREFEASIBILITY STUDY.]

A public financing role in economic development is justified for two reasons: to create or retain jobs, and to increase the tax base. Therefore it is important to support development that provides employment growth and good wages and benefits, and to encourage and support labor market stability and long-term business presence in communities. It is also important to communities and their residents to protect existing jobs and assure that actions taken by employers and government units do not lead to the temporary or permanent displacement of existing jobs through plant closings or dislocation. The purpose of the jobs impact statement is to require government units that plan to provide financial assistance for new commercial or industrial development, or plan to undertake the development themselves, to examine the potential effects of the development and to discuss them publicly. It is also important to monitor development to ensure public accountability by measuring how accurate the information from the job impact statement proved to be.

Sec. 56. [268.452] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 268.452 to 268.455, the following terms have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of jobs and training.

Subd. 3. [DEVELOPMENT.] "Development" means a multiunit rental property, or commercial or industrial project that in some way benefits from a governmental action or a project developed by a government unit, which will result or could potentially result in the displacement of jobs or which the parties involved claim to retain jobs or increase the number of jobs.

Subd. 4. [DISPLACEMENT.] "Displacement" means the loss of

employment by an individual resulting from a governmental action. An individual is not displaced if the employment loss at the site is the result of the relocation or consolidation of part or all of the employer's operations, and prior to the closing the government unit documents that: (1) the employer offers to transfer the individual to a different site of employment within a reasonable commuting distance, or (2) the employer's operations are relocated to a site within a reasonable commuting distance.

Subd. 5. [GOVERNMENTAL ACTION.] "Governmental action" means an effort made by a government unit to undertake, encourage, or promote development; or significantly restructure the administration or delivery of government services which could potentially result in a loss of jobs. These efforts include, but are not limited to, developments financed or administered directly by a government unit; a reduction in property taxes to encourage the development; and financial assistance through loans, loan guaranties, interest subsidies, tax increment financing, tax-exempt financing, grants, or other financing tools utilized by a government unit to encourage development.

Subd. 6. [GOVERNMENT UNIT.] "Government unit" means any state agency defined in section 16A.011, subdivision 2, the greater Minnesota corporation, metropolitan agency defined in section 473.121, subdivision 5a, University of Minnesota, statutory or home rule charter city, county, town, watershed district organized under chapter 112, or local economic development agency. Local economic development agencies include all entities or agencies authorized, organized, or created under chapter 469; and all port authorities created by special law.

Subd. 7. [JOB IMPACT STATEMENT; STATEMENT.] "Job impact statement" or "statement" means the detailed job impact statement required under section 268.453.

Subd. 8. [RETAIN.] "Retain" means that without the governmental action, the job could not be continued.

Sec. 57. [268.453] [JOB IMPACT STATEMENT.]

Subdivision 1. [JOB IMPACT STATEMENT REQUIREMENT.] When it is determined by the government unit that a governmental action or development will result or could potentially result in the displacement of jobs or the parties involved in the development or governmental action claim it will retain or increase the number of jobs, the government unit that is responsible for the governmental action must prepare a job impact statement before initiating the governmental action. If the responsible government unit does not prepare a statement, a person, community group, labor organization, or other organization may appeal to the commissioner to require the responsible government unit to prepare a statement.

The commissioner must determine within ten working days if a statement is required; and if a statement is required, the commissioner shall require the responsible government unit to prepare a statement. No job impact statement will be required if a government unit informs the commissioner that the governmental action under appeal is the result of a budgeting decision and the government unit has determined that the governmental action will not result in a significant restructuring of the administration or delivery of government services. When there is more than one government unit responsible for governmental actions affecting a specific development, the units involved must agree which unit is responsible for preparing the statement. This government unit may request information from all government units involved in the development.

Subd. 2. [JOB IMPACT STATEMENT CONTENTS.] (a) A job impact statement required under subdivision 1 must include the following information:

(1) number and types of permanent jobs that will be displaced, retained, or created as a result of the development;

(2) wage rates and benefits of the permanent jobs that will be displaced, retained, or created; and

(3) the total financial assistance provided by government units to the development.

(b) In addition to the information required under paragraph (a), the following information must be included in the job impact statement when there has been or potentially could be a displacement of jobs as a result of a governmental action or development:

(1) description of the demographic characteristics of the work force that could be displaced;

(2) description of skill levels and educational needs of the jobs that could be displaced;

(3) discussion of the likelihood of workers that may be displaced by the development of finding new jobs with comparable pay and benefits;

(4) past experience of parties involved in the development of meeting employment projections for other developments; and

(5) identification, if any, of alternatives to mitigate the job displacement due to the governmental action or development.

(c) In preparing the information required under this subdivision,

the commissioner must assist the government unit if so requested by the unit.

Subd. 3. [PUBLIC COMMENT.] The government unit must distribute the job impact statement to labor unions or other employee representatives that might be affected by the governmental action, community-based organizations that have expressed an interest in the development, and other persons or organizations that request a copy of the job impact statement. In addition, the job impact statement must be posted at the employment site where workers may be displaced as a result of the governmental action.

After the completion and distribution of the job impact statement, a public hearing must be held but only when the governmental action may or will result in the displacement of jobs. The appropriate governing board or senior official of the government unit must hold the public hearing on the completed statement prior to the government unit's approval of any development that receives or benefits from a governmental action. Notice of the public hearing must be provided in a newspaper of general circulation not less than ten days nor more than 30 days before the date of the hearing.

Subd. 4. [STATEMENT SUBMITTED TO COMMISSIONER; ANNUAL REPORT.] After the public meeting required under subdivision 3 and after any changes have been made as a result of testimony at the public hearing, the government unit must submit the statement to the commissioner. The commissioner must prepare and submit a report to the governor and legislature by February 1 of each year that compiles and summarizes the results of the individual statements and the monitoring reports required in section 268.455 submitted to the commissioner in the previous year. The annual report must also contain the commissioner's assessment of the overall process of preparing the statements and any recommendations the commissioner may have in improving the process.

Sec. 58. [268.454] [DISPLACED WORKER BENEFITS.]

If the statement finds that workers will be displaced or if the actual development or governmental action results in the displacement of existing workers, the government unit responsible for the governmental action must initiate and coordinate efforts with employers, developers, service providers, and other appropriate parties to attempt to secure necessary benefits for the displaced workers. The government unit must assess which of the following benefits are required by the displaced workers and must initiate and coordinate efforts to attempt to provide the required benefits. These benefits must include:

- (1) retraining and education expenses;
- (2) relocation expenses;

(3) health insurance expenses;

(4) supplemental unemployment insurance payments;

(5) child care expenses when the displaced worker is enrolled in education or retraining; and

(6) emergency expenses for shelter, clothing, and food.

The government unit must work with employment and training services providers, other government units, community organizations, labor organizations, and other organizations in efforts to administer and deliver these benefits. The government unit may contribute to but is not financially obligated for the benefits listed in clauses (1) to (6) and other benefits provided to dislocated workers under this subdivision; but is obligated for the costs of the initiation and coordination responsibilities required of the government unit under this subdivision. The government unit may participate in providing benefits.

Sec. 59. [268.455] [MONITORING.]

Each government unit must submit an annual report by February 1 of each year. The purpose of the report is to summarize all job impact statements completed during the previous year which will provide public accountability of governmental action. An explanation of any significant changes in actual employment and wage information compared to the jobs impact statement prepared for that development or governmental action in any of the three previous years must be included in the report.

Sec. 60. [268.981] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 268.981 to 268.989, the following terms have the meanings given them.

Subd. 2. [ACQUISITION.] "Acquisition" means a transaction where a person assumes control of a business entity either by (1) acquiring through the purchase or transfer of the stock and assets of another business entity, or (2) merging with another business entity. Acquisition includes mergers, corporate takeovers, and leveraged buyouts.

Subd. 3. [AFFECTED EMPLOYEE.] "Affected employee" means a worker laid off by an employer because of a plant closing or mass layoff.

Subd. 4. [CITY.] "City" means a home rule charter or statutory city.

Subd. 5. [COMMISSIONER.] “Commissioner” means the commissioner of jobs and training.

Subd. 6. [COMMUNITY RESPONSE COMMITTEE.] “Community response committee” or “committee” is the community response committee established under section 268.982.

Subd. 7. [CONTROL.] “Control” means: (1) the ownership, direct, indirect, or by acting through one or more other persons, the control of, or the power to vote 25 percent or more of, any class of voting securities; (2) control in any manner over the election of a majority of the directors; or (3) the power to exercise, directly or indirectly, a controlling influence over management and policies.

Subd. 8. [EMPLOYER.] “Employer” means the person who, as a result of a merger, leveraged buyout, corporate takeover, or other acquisition, owns or operates an establishment within this state where the employment is (1) 25 or more employees, excluding part-time employees, or (2) 25 or more employees who in the aggregate work at least 1,000 hours per week exclusive of hours of overtime. Employer does not include a unit of government or an organization that is exempt from taxation under section 501 of the Internal Revenue Code of 1986, as amended through December 31, 1988.

Subd. 9. [ESTABLISHMENT.] “Establishment” means a single site of employment or one or more facilities or operating units within a single site of employment owned by an employer.

Subd. 10. [MASS LAYOFF] “Mass layoff” means a reduction in the work force at an establishment, within three years of an acquisition by an employer, that:

(1) is not the result of a plant closing; and

(2) results in an employment loss at the single site of employment or an establishment during any 30-day period for at least:

(i) 25 percent of the employees, excluding any part-time employees, and at least 25 employees, excluding any part-time employees; or

(ii) 50 employees, excluding any part-time employees.

Subd. 11. [PART-TIME EMPLOYEE.] “Part-time employee” means an employee who is employed for an average of fewer than 20 hours per week in the three months preceding the date of plant closing or mass layoff or an employee who has been employed for fewer than six of the 12 months preceding the date of the plant closing or mass layoff.

Subd. 12. [PERSON.] "Person" means a natural person, organization, sole proprietorship, public or private corporation, partnership, or other business entity.

Subd. 13. [PLANT CLOSING.] "Plant closing" means the shutdown or termination of operations of an establishment, within three years of an acquisition by an employer, if the shutdown results in an employment loss at the single site of employment during any 30-day period for 25 or more employees excluding any part-time employees.

Subd. 14. [PUBLIC ASSISTANCE.] "Public assistance" means financial assistance provided to a person by the state, city, county, or town. Financial assistance includes loans, grants, interest subsidies, property acquisition writedowns, tax credits, tax abatements, interest cost savings from tax-exempt bonds and other securities issued on behalf of the employer, wage subsidies provided under this chapter, and utility connections paid by the public entity to the business entity.

Sec. 61. [268.982] [COMMUNITY RESPONSE COMMITTEE.]

A community response committee may be created in each community in which an employer has engaged in a plant closing or mass layoff. The committee must consist of at least 11 members and have representatives of the city or town in which the establishment is located, the appropriate county, employees that were laid off due to the plant closing or mass layoff, and recognized leaders of community groups in the area in which the establishment is located. When the establishment is located within the boundaries of a city, the mayor of that city shall appoint the members of the community response committee. When the establishment is located outside a city's boundaries, the committee shall be appointed by the governing body of the county in which the establishment is located. The committee may elect a chair and officers. Before funds made available under section 268.983 may be spent or distributed, a committee must be established and the commissioner must certify that the membership meets the requirements of this section.

The committee must:

(1) undertake a needs analysis of the community and the workers laid off because of the plant closing or mass layoff;

(2) distribute the funds made available under section 268.983 based on the needs analysis required under clause (1);

(3) determine the necessary eligibility criteria required under section 268.983, subdivisions 4 and 5, for the community service emergency grants and wage subsidies; and

(4) work closely with the commissioner and employment and training service providers in ensuring that services are made available to employees laid off because of a plant closing or mass layoff.

Sec. 62. [268.983] [COMMUNITY SUPPORT RESOURCES.]

Subdivision 1. [EMPLOYER FINANCIAL RESPONSIBILITIES.]

An employer that engages in a plant closing or mass layoff within three years after an acquisition must pay the appropriate local unit of government an amount equal to ten percent of the total wages and salaries paid to affected employees of the establishment during the 12 months prior to the plant closing or mass layoff. The payment required under this subdivision is paid to the city when the establishment is located within the boundaries of a city and to the county when the establishment is located outside a city's boundaries. The payment must be made within two weeks of the date of the plant closing or mass layoff. The money collected under this subdivision may only be used for:

- (1) economic development planning grants under subdivision 3;
- (2) community service emergency grants under subdivision 4;
- (3) wage subsidies under subdivision 5; or
- (4) administrative cost reimbursement under subdivision 2.

Subd. 2. [FISCAL AGENT.] The city or county which receives the required payment from an employer under subdivision 1 must act as the fiscal agent for the money and only disburse the money for eligible uses outlined under this section at the direction of the community response committee established under section 268.982. The city or county shall provide administrative support to the committee. Up to five percent of the money received under subdivision 1 may be used to reimburse the city or county for the administrative support.

Subd. 3. [ECONOMIC DEVELOPMENT PLANNING GRANTS.]

The community response committee may award economic development planning grants to government units or other public agencies, nonprofit organizations, for-profit organizations, or other persons to examine the short-term and long-term alternatives for strengthening the economy in the area surrounding the establishment that has experienced the plant closing or mass layoff. The committee shall award grants under this subdivision to public agencies, organizations, or persons that have the qualifications and experience for examining the alternatives. The examination of alternatives must address the following:

(1) an estimate of the economic effect of the plant closing or mass layoff in terms of direct and indirect jobs lost and, if possible, the reduction in the area's income;

(2) an estimate of the ability of other employers in the area to absorb in their work force the laid-off workers;

(3) an identification of area businesses that have the potential for expansion and the financial and other resources as well as the worker skills required of such an expansion;

(4) an identification of financial and other incentives that might be required to reopen the establishment under new ownership and management;

(5) a statement of whether the closed establishment can be reopened as an employee-owned establishment;

(6) identify the industries that might be candidates for expansion in the area and the incentives that might be required to encourage their development or location in the area; and

(7) identify the skills required by the laid-off workers to increase their chances of finding employment in the area or other regions of the state.

Subd. 4. [COMMUNITY SERVICE EMERGENCY GRANTS.] The community response committee may provide emergency grants to workers and their families directly affected by the plant closing or mass layoff. The emergency grants may be used for the immediate food, clothing, shelter, transportation, training, and relocation needs of these workers. The committee may contract with a local unit of government, other public agency, community action program, or a nonprofit organization to provide the emergency grants awarded under this subdivision. The committee or organization contracting with the committee shall coordinate their efforts with existing area providers of these emergency needs.

Subd. 5. [WAGE SUBSIDIES.] The community response committee may contract with a certified local service provider defined in section 268.673, subdivision 4a, to provide wage subsidies to workers laid off because of a plant closing or mass layoff. Wage subsidy money under this subdivision must be distributed in the same manner that wage subsidies are used under section 268.677. Wage subsidies under this subdivision must be given to businesses and other employers who have jobs available that offer potential for long-term employment. Business and other employers that receive wage subsidy payments under this subdivision are subject to section 268.681.

Sec. 63. [268.984] [SEVERANCE PAYMENT.]

Subdivision 1. [SEVERANCE PAYMENT.] Each employer owning or operating a facility engaged in a plant closing or mass layoff shall make a severance payment to an affected employee if the affected employee has been employed by the employer for three or more years. The payment may, at the option of the employer, be made before or at the termination of the affected employee. The severance payment must be equal to the gross weekly wage of the affected employee at the time of termination, multiplied by the number of full and partial years for which the employee has been employed by the employer. For an affected employee whose gross weekly wage has been reduced within one year of a plant closing as a result of a reduction in the average weekly number of hours worked by the employee, the severance payment must be equal to the affected employee's gross weekly wage before the reduction in the average weekly number of hours worked, multiplied by the number of full and partial years for which the employee has been employed by the employer.

Subd. 2. [OTHER PAYMENTS.] Vacation pay, accrued wages, and other types of payments made for a reason other than compensation for termination of employment are not severance payments under subdivision 1.

Sec. 64. [268.985] [HEALTH CARE COVERAGE.]

Each employer who engages in a plant closing or mass layoff and who has had an employer-paid health insurance plan in place within the previous three-year period preceding the date of the plant closing or mass layoff shall pay to each affected employee an amount equal to 12 times the most recent monthly premium paid by the employer on behalf of the employee. The employer is not obligated to make this payment if the employer chooses to continue the health insurance plan for one year after the plant closing or mass layoff, with the employer paying at least the same portion of the premium that the employer paid before the employee was terminated. The employer shall also continue to make the health insurance plan available to each affected employee as required in section 62A.17 or in federal law.

Sec. 65. [268.986] [PRIORITY OF CLAIMS.]

To the extent not otherwise determined by federal law, a money claim on behalf of an affected employee against an employer engaged in a plant closing has priority over all other claims against an employer, except wage and salary claims.

Sec. 66. [268.987] [EMPLOYER APPEAL PROCESS.]

Subdivision 1. [APPEALS PANEL.] The governor shall appoint a seven-member appeals panel consisting of three members representing business interests; three members representing labor interests, and one member representing the general public who acts as chair. At least four of the members must have experience or knowledge of business financing or public accounting. The terms, compensation, expenses, vacancies, and removal of members are as provided in section 15.0575. The commissioner of jobs and training must provide administrative support to the panel.

The employer may not cause a plant closing or mass layoff until the appeals board has rendered a decision on an appeal by the employer under subdivision 2 or 3. The panel must render its decision within 30 days of the appeal request by an employer. The 30-day limit may be extended if both the employer and the panel agree to the extension.

The commissioner may contract with a public accounting firm or others to provide technical assistance to the panel. Members of the panel, the commissioner, or any of the persons the panel has contracted with must have access to all the employer's financial records and other related information for the past five years to assist in rendering a decision on an appeal made by an employer under subdivision 2 or 3.

Subd. 2. [APPEAL OF PAYMENT.] An employer may appeal to the appeals panel established under subdivision 1 to reduce or eliminate the payment required under section 268.983, the severance and health benefit payments required under sections 268.984 and 268.985, and the repayments of public assistance required under section 268.988. The employer must appeal under this subdivision at least 30 days before the date of the plant closing or mass layoff. The employer may appeal under this subdivision only if the employer determines that the plant closing or mass layoff is likely to be due to one or more of the following:

(1) a natural disaster including, but not limited to, a flood, damage or destruction due to weather, earthquakes, or drought;

(2) a decrease in sales of the employer resulting from economic or market factors that directly affect the demand for the products produced or provided at the establishment; or

(3) the plant closing or mass layoff was required to prevent the acquired business entity from becoming insolvent.

The employer must establish by a preponderance of the evidence that the plant closing or mass layoff was due to one of the reasons outlined in clause (1), (2), or (3), and not because of the financial needs of the employer to pay for debt incurred because of an acquisition or because of a reorganization or duplication of the

operations of the employer. In cases where the operations of the establishment have been terminated or significantly affected by a fire, flood, or other unexpected natural disaster and the result is a plant closing or mass layoff, the employer is not required to appeal 30 days before the plant closing or mass layoff. The employer may appeal under this subdivision but is not required to make payments to the community or affected employees until the appeals decision is rendered by the appeals panel.

Subd. 3. [APPEAL OF REPAYMENT OF PUBLIC ASSISTANCE.] The employer may appeal the amount of public assistance the employer must pay back under section 268.988. The panel must render its decision within 30 days of the appeals request of the employer. The commissioner may contract with public accounting firms or others to provide technical assistance to the panel in determining the correct amount of the repayment.

Sec. 67. [268.988] [REPAYMENT OF PUBLIC ASSISTANCE.]

An employer who causes a plant closing or mass layoff shall pay back or reimburse an amount equal to the amount of public assistance which it or the acquired business entity has received in the past five-year period from a government unit. The amount of public assistance to be repaid under this section equals the sum of the following:

(1) the reduction in the employer's capital expenditures at the establishment as a result of the public assistance including, but not limited to, assistance in acquiring land, buildings, and equipment;

(2) the reduction of the employer's financing costs at the establishment including, but not limited to, savings in interest costs resulting from tax exempt financing;

(3) the reduction in the employer's taxes on the operations at the establishment; and

(4) the reduction in the employer's operating costs at the establishment as the result of other assistance besides tax reductions or abatements.

The amount of public assistance to be repaid that is calculated in clauses (1) to (4) must be adjusted to reflect any amounts that have been recaptured or the employer has been required to repay under the provisions of another law or contractual agreement. The public assistance required to be repaid under this section must be made to the government unit authorizing or enabling the employer to receive the public assistance, regardless of whether the cost or reduction in revenues was borne by another government unit. The employer may appeal the payment amount to the appeals panel

established in section 268.987. The government unit that the public assistance is to be repaid to under this section may enter into an agreement with the recipient of public assistance for the repayment or reimbursement of the public assistance and the time of the repayment.

Sec. 68. [268.989] [NOTIFICATION OF INTENTIONS.]

An employer must provide notice to the commissioner of jobs and training and the home rule or statutory city or county, in which an establishment which the employer has acquired is located, of what the employer's intentions are relating to that specific establishment for the three-year period following the acquisition. The notice must state that the employer plans to cause a plant closing or mass layoff at the establishment if, at the time of the acquisition, the employer has determined that these actions will take place in the three-year period following acquisition. The notice must be provided within two months of the date of acquisition.

Sec. 69. Minnesota Statutes 1988, section 462.357, subdivision 7, is amended to read:

Subd. 7. [PERMITTED SINGLE FAMILY USE.] A state licensed residential facility serving six or fewer persons or, a licensed day care facility serving 12 or fewer persons, and a group family day care facility licensed under Minnesota Rules, parts 9502.0315 to 9502.0445 to serve 14 or fewer children shall be considered a permitted single family residential use of property for the purposes of zoning.

Sec. 70. Minnesota Statutes 1988, section 518.54, is amended by adding a subdivision to read:

Subd. 2a. [DEPOSIT ACCOUNT.] "Deposit account" means funds deposited with a financial institution in the form of a savings account, checking account, NOW account, or demand deposit account.

Sec. 71. Minnesota Statutes 1988, section 518.54, is amended by adding a subdivision to read:

Subd. 2b. [FINANCIAL INSTITUTION.] "Financial institution" means a savings association, bank, trust company, credit union, or industrial loan and thrift company, bank and trust company, building and loan association, and includes a branch or detached facility of a financial institution.

Sec. 72. Minnesota Statutes 1988, section 518.551, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT TO PUBLIC AGENCY.] The court shall direct that all payments ordered for maintenance and support be made to the public agency responsible for child support enforcement so long as the obligee is receiving or has applied for public assistance, or has applied for child support and maintenance collection services. An agent representing a public authority responsible for child support enforcement may act as the agent for any other public authority responsible for child support enforcement and collection of judgments, arrears and current child support, maintenance, or medical support. Amounts received by the public agency responsible for child support enforcement greater than the amount granted to the obligee shall be remitted to the obligee.

Sec. 73. 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 order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support agreement of the parties if each party is represented by independent counsel, unless the agreement is not in the interest of justice. In other cases the court shall order child support in accordance with the guidelines and the other factors set forth in paragraph (b) and any departure therefrom.

The court shall multiply the obligor's net income by the percentage indicated by the following guidelines:

Net Income Per Month of Obligor	Number of Children						
	1	2	3	4	5	6	7 or more
\$400 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.						
\$401 - 500	14%	17%	20%	22%	24%	26%	28%
\$501 - 550	15%	18%	21%	24%	26%	28%	30%
\$551 - 600	16%	19%	22%	25%	28%	30%	32%
\$601 - 650	17%	21%	24%	27%	29%	32%	34%
\$651 - 700	18%	22%	25%	28%	31%	34%	36%
\$701 - 750	19%	23%	27%	30%	33%	36%	38%
\$751 - 800	20%	24%	28%	31%	35%	38%	40%
\$801 - 850	21%	25%	29%	33%	36%	40%	42%

\$851 - 900	22%	27%	31%	34%	38%	41%	44%
\$901 - 950	23%	28%	32%	36%	40%	43%	46%
\$951 - 1000	24%	29%	34%	38%	41%	45%	48%
\$1001- 4000	25%	30%	35%	39%	43%	47%	50%

Guidelines for support for an obligor with a monthly income of \$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 the income of the obligor's spouse, but does include in-kind payments received by the obligor in the course of employment, self-employment, or operation of a business if the payments reduce the obligor's living expenses.

(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 services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.

Any schedule prepared under paragraph (c), clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.

Any further departure below the guidelines 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. 74. Minnesota Statutes 1989 Supplement, section 518.551, subdivision 10, is amended to read:

Subd. 10. [ADMINISTRATIVE PROCESS FOR CHILD AND MEDICAL SUPPORT ORDERS.] An administrative process is established to obtain, modify, and enforce child and medical support orders and maintenance.

The commissioner of human services may designate counties to participate in the administrative process established by this section. All proceedings for obtaining, modifying, or enforcing child and medical support orders and maintenance and adjudicating uncontested parentage proceedings, required to be conducted in counties designated by the commissioner of human services in which the county human services agency is a party or represents a party to the action must be conducted by an administrative law judge from the office of administrative hearings, except for the following proceedings:

- (1) adjudication of contested parentage;
- (2) motions to set aside a paternity adjudication or declaration of parentage;
- (3) evidentiary hearing on contempt motions; and
- (4) motions to sentence or to revoke the stay of a jail sentence in contempt proceedings.

An administrative law judge may hear a stipulation reached on a contempt motion, but any stipulation that involves a finding of contempt and a jail sentence, whether stayed or imposed, shall require the review and signature of a district judge.

For the purpose of this process, all powers, duties, and responsibilities conferred on judges of the district court to obtain and enforce child and medical support obligations, subject to the limitation set forth herein, are conferred on the administrative law judge conducting the proceedings, including the power to issue orders to show cause and to issue bench warrants for failure to appear.

Before implementing the process in a county, the chief administrative law judge, the commissioner of human services, the director of the county human services agency, the county attorney, and the county court administrator shall jointly establish procedures and the county shall provide hearing facilities for implementing this process in a county.

Nonattorney employees of the public agency responsible for child support in the counties designated by the commissioner, acting at

the direction of the county attorney, may prepare, sign, serve, and file complaints and motions for obtaining, modifying, or enforcing child and medical support orders and maintenance and related documents, appear at prehearing conferences, and participate in proceedings before an administrative law judge. This activity shall not be considered to be the unauthorized practice of law.

The hearings shall be conducted under the rules of the office of administrative hearings, Minnesota Rules, parts 1400.7100 to 1400.7500, 1400.7700, and 1400.7800, as adopted by the chief administrative law judge. All other aspects of the case, including, but not limited to, pleadings, discovery, and motions, shall be conducted under the rules of family court, the rules of civil procedure, and chapter 518. The administrative law judge shall make findings of fact, conclusions, and a final decision and issue an order. Orders issued by an administrative law judge are enforceable by the contempt powers of the county and district courts.

The decision and order of the administrative law judge shall be a final agency decision for purposes of sections 14.63 to 14.69 is appealable to the court of appeals in the same manner as a decision of the district court.

Sec. 75. Minnesota Statutes 1988, section 518.611, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] Whenever an obligation for support of a dependent child or maintenance of a spouse, or both, is determined and ordered by a court of this state, the amount of child support or maintenance as determined by court order must be withheld from the income, regardless of source, of the person obligated to pay the support or maintenance. Every order for maintenance or support must include the obligor's social security number and date of birth and the name and address of the obligor's employer or other payor of funds.

Sec. 76. Minnesota Statutes 1988, section 518.611, subdivision 2, is amended to read:

Subd. 2. [CONDITIONS OF INCOME WITHHOLDING.] (a) Withholding shall result whenever the obligor fails to make the maintenance or support payments, and the following conditions are met:

(1) the obligor is at least 30 days in arrears;

(2) the obligee or the public authority serves written notice of income withholding, showing arrearage, on the obligor at least 15 days before service of the notice of income withholding and a copy of the court's order on the payor of funds;

(3) within the 15-day period, the obligor fails to move the court to deny withholding on the grounds that an arrearage of at least 30 days does not exist as of the date of the notice of income withholding, or on other grounds limited to mistakes of fact, and, ex parte, to stay service on the payor of funds until the motion to deny withholding is heard; and

(4) the obligee or the public authority serves a copy of the notice of income withholding, a copy of the court's order, and the provisions of this section on the payor of funds; and

(5) the obligee serves on the public authority a copy of the notice of income withholding, a copy of the court's order, an application, and the fee to use the public authority's collection services.

(b) To pay the arrearage specified in the notice of income withholding, the employer or payor of funds shall withhold from the obligor's income an additional amount equal to 20 percent of the monthly child support or maintenance obligation until the arrearage is paid.

(c) The obligor may, at any time, waive the written notice required by this subdivision.

(d) The obligor may move the court, under section 518.64, to modify the order respecting the amount of maintenance or support.

(e) Every order for support or maintenance shall provide for a conspicuous notice of the provisions of this subdivision. An order without this notice remains subject to this subdivision.

(f) Unless otherwise directed by court order, income withholding shall continue in effect after the termination of the ongoing obligation for the amount ordered under this subdivision and subdivision 1, until all arrearages have been paid in full.

Sec. 77. Minnesota Statutes 1988, section 518.611, is amended by adding a subdivision to read:

Subd. 2a. [PREAUTHORIZED TRANSFERS FROM OBLIGOR ACCOUNTS.] In any case where income withholding is ineffective due to the obligor's method of obtaining income, the court shall order the obligor to identify a child support deposit account owned solely by the obligor, or to establish such an account, in a financial institution located in this state for the purpose of depositing court ordered child support payments. The court shall order the obligor to execute an agreement with the appropriate public authority authorizing preauthorized transfers from the obligor's child support deposit account payable to an account of the public authority responsible for child support enforcement. The court shall order the

obligor to disclose to the court all deposit accounts owned by the obligor in whole or in part in any financial institution. The court may order the obligor to disclose to the court the opening or closing of any deposit account owned in whole or in part by the obligor within 30 days. The court may order the obligor to execute an agreement with the appropriate public authority authorizing preauthorized transfers from any deposit account owned in whole or in part by the obligor to the obligor's child support deposit account if necessary to satisfy court-ordered child support payments. The court may order a financial institution to disclose to the court the account number and any other account identification information regarding accounts owned in whole or in part by the obligor. An obligor who fails to comply with this section, fails to deposit funds in at least one deposit account sufficient to pay court-ordered child support, or stops payment or revokes authorization of any preauthorized transfer is subject to contempt of court procedures under chapter 588.

Sec. 78. Minnesota Statutes 1989 Supplement, section 518.611, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] Notwithstanding any law to the contrary, the order is binding on the employer, trustee, or other payor of the funds, or financial institution when service under subdivision 2 has been made. Withholding must begin no later than the first pay period that occurs after 14 days following the date of the notice. In the case of a financial institution, preauthorized transfers shall occur in accordance with a court-ordered payment schedule. An employer or other payor of funds, or financial institution in this state is required to withhold income according to court orders for withholding issued by other states or territories. The payor shall withhold from the income payable to the obligor the amount specified in the order and amounts required under subdivision 2, paragraph (b), and section 518.613 and shall remit, within ten days of the date the obligor is paid the remainder of the income, the amounts withheld to the public authority. The payor shall identify on the remittance information the date the obligor is paid the remainder of the income. The financial institution shall execute preauthorized transfers from the deposit accounts of the obligor in the amount specified in the order and amounts required under subdivision 2 as directed by the public authority responsible for child support enforcement. Employers may combine all amounts withheld from one pay period into one payment to each public authority, but shall separately identify each obligor making payment. Amounts received by the public authority which are in excess of public assistance expended for the party or for a child shall be remitted to the party. An employer shall not discharge, or refuse to hire, or otherwise discipline an employee as a result of a wage or salary withholding authorized by this section. The employer or other payor of funds shall be liable to the obligee for any amounts required to be withheld. A financial institution is liable to the obligee if funds in any of the obligor's deposit accounts identified in the court order

equal the amount stated in the preauthorization agreement but are not transferred by the financial institution in accordance with the agreement.

Sec. 79. Minnesota Statutes 1988, section 518.611, subdivision 8, is amended to read:

Subd. 8. [EMPLOYER AND OBLIGOR NOTICE.] When an individual is hired for employment, the employer shall request that the individual disclose whether or not the individual has court-ordered child support obligations that are required by law to be withheld from income and the terms of the court order, if any. The individual shall disclose this information at the time of hiring. When an individual discloses that the individual owes child support that is required to be withheld, the employer shall begin withholding according to the terms of the order and under this section. When a withholding order is in effect and the obligor's employment is terminated or the periodic payment terminates, the obligor and the obligor's employer or the payor of funds shall notify the public agency responsible for child support enforcement of the termination within ten days of the termination date. The notice shall include the obligor's home address and the name and address of the obligor's new employer or payor of funds, if known. Information disclosed under this section shall not be divulged except to the extent necessary for the administration of the child support enforcement program or when otherwise authorized by law.

Sec. 80. Minnesota Statutes 1988, section 518.611, subdivision 8a, is amended to read:

Subd. 8a. [LUMP SUM PAYMENTS.] (a) Upon the transmittal of the last reimbursement payment to the employee, where a lump sum payment including, but not limited to, severance pay, accumulated sick pay or vacation pay is paid upon termination of employment, and where the employee is in arrears in making court ordered child support payments, the employer shall withhold an amount which is the lesser of (1) the amount in arrears or (2) that portion of the arrearages which is the product of the obligor's monthly court ordered support amount multiplied by the number of months of net income that the lump sum payment represents.

(b) An employer, trustee, or other payor of funds who has been served with a notice of income withholding under subdivision 2 or section 518.613 must:

(1) notify the public authority of any lump sum payment of \$500 or more that is to be paid to the obligor;

(2) hold the lump sum payment for 30 days after the date on which the lump sum payment would otherwise have been paid to the obligor; and

(3) upon order of the court, pay any specified amount of the lump sum payment to the public authority for support.

Sec. 81. Minnesota Statutes 1989 Supplement, section 518.613, subdivision 2, is amended to read:

Subd. 2. [ORDER; COLLECTION SERVICES.] Every order for child support must include the obligor's social security number and date of birth and the name and address of the obligor's employer or other payor of funds. Upon entry of the order for support or maintenance, the court shall mail a copy of the court's automatic income withholding order and the provisions of section 518.611 and this section to the obligor's employer or other payor of funds and to the public authority responsible for child support enforcement. An obligee who is not a recipient of public assistance shall apply for the collection services of the public authority when an order for support is entered unless the requirements of this section have been waived under subdivision 7. No later than January 1, 1990, the supreme court shall develop a standard automatic income withholding form to be used by all Minnesota courts. This form shall be made a part of any order for support or decree by reference.

Sec. 82. Minnesota Statutes 1988, section 518C.02, is amended by adding a subdivision to read:

Subd. 1a. [CENTRAL REGISTRY.] "Central registry" means a single unit within the department of human services that receives and disseminates incoming interstate actions filed under title IV-D of the Social Security Act, as amended, including any proceedings under this section.

Sec. 83. Minnesota Statutes 1988, section 518C.02, is amended by adding a subdivision to read:

Subd. 9a. [PUBLIC AUTHORITY.] "Public authority" means the public authority responsible for child support enforcement.

Sec. 84. Minnesota Statutes 1988, section 518C.03, is amended to read:

518C.03 [HOW DUTIES OF SUPPORT ENFORCED.]

Subdivision 1. [DUTIES OF SUPPORT.] All duties of support, including the duty to pay arrearages, are enforceable by a proceeding under sections 518C.01 to 518C.36, including a proceeding for civil contempt. The defense that the parties are immune to suit because of their relationship as husband and wife, or parent and child is not available to the obligor.

Subd. 2. [ARREARAGES.] Arrearages that have become a support

judgment, which is final by operation of law of this state or of any other jurisdiction, shall be given full faith and credit for enforcement purposes. No arrearages or judgment for support may be retroactively modified, except as provided in section 518.64.

Sec. 85. Minnesota Statutes 1988, section 518C.05, is amended to read:

518C.05 [JURISDICTION.]

Except in Hennepin and Ramsey counties, jurisdiction of a proceeding under sections 518C.01 to 518C.36 is vested in the county court. In Hennepin and Ramsey counties as provided for in section 518.551, subdivision 10, jurisdiction of a proceeding under sections 518C.01 to 518C.36 is vested in the district court.

Sec. 86. Minnesota Statutes 1988, section 518C.09, is amended to read:

518C.09 [DUTY OF INITIATING COURT.]

If the initiating court finds that the petition sets forth facts from which it may be determined that the obligor owes a duty of support, and that a court of the responding state may obtain jurisdiction of the obligor or the obligor's property, it shall so certify and cause three copies of the petition and its certificate and one copy of sections 518C.01 to 518C.36 to be sent to the responding court. If the complaint is filed by the public authority, the initiating court shall send the documents to the central registry in the responding state. Certification shall be in accordance with the requirements of the initiating state. If the name and address of the responding court are unknown and the responding state has an information agency comparable to that established in the initiating state, it shall cause the copies to be sent to the state information agency or other proper official of the responding state, with a request that the agency or official forward them to the proper court and that the court of the responding state acknowledge their receipt to the initiating court.

Sec. 87. Minnesota Statutes 1988, section 518C.12, is amended to read:

518C.12 [DUTY OF THE COURT AND THE PROSECUTING ATTORNEY OF THIS STATE AS RESPONDING STATE.]

Subdivision 1. [CENTRAL REGISTRY.] The central registry shall receive filings under title IV-D of the federal Social Security Act, as amended, from the initiating state and shall transmit the filings to the local public authority. The local public authority shall promptly submit the documents to the court administrator.

Subd. 1a. [DOCKETING CASE.] After the responding court receives copies of the petition, the certificate and the substantially similar reciprocal act from the initiating court, the court administrator of the court shall docket the case and notify the prosecuting attorney of the action.

Subd. 2. [PROSECUTION OF CASE.] The prosecuting attorney shall prosecute the case diligently, taking all action necessary in accordance with the laws of this state to enable the court to obtain jurisdiction over the obligor or the obligor's property and shall request the court to set a time and place for a hearing and give notice thereof to the obligor in accordance with law.

Subd. 3. [INVESTIGATION BY PROSECUTING ATTORNEY.] The prosecuting attorney, on personal initiative, shall use all means available to locate the obligor or the obligor's property, and if, because of inaccuracies in the petition or otherwise, the court cannot obtain jurisdiction, the prosecuting attorney shall inform the court of action taken and request the court to continue the case pending receipt of more accurate information or an amended petition from the initiating court.

Subd. 4. [OBLIGOR LOCATED IN ANOTHER COUNTY OR STATE.] If the obligor or the obligor's property is not found in the county, and the prosecuting attorney discovers that the obligor or the obligor's property may be found in another county of this state, or another state, the attorney shall so inform the court. Thereupon, the court administrator shall forward the documents received from the court in the initiating state to a court in the other county, or to a court in the other state, or to the information agency or other proper official of the other state, with a request that the documents be forwarded to the proper court. All powers and duties provided by sections 518C.01 to 518C.36 apply to the recipient of the documents so forwarded. If the court administrator of this state forwards documents to another court, the court administrator shall forthwith notify the initiating court.

Subd. 5. [NO INFORMATION.] If the prosecuting attorney has no information as to the location of the obligor or the obligor's property the attorney shall so inform the initiating court.

Sec. 88. Minnesota Statutes 1988, section 518C.27, subdivision 1, is amended to read:

Subdivision 1. [DUTIES OF RESPONDING COURT.] A responding court has the following duties that shall be carried out through the public authority responsible for support enforcement:

(1) according to the requirements of the initiating court, to collect and transmit to the initiating court, designated collection unit, county of the obligee's residence, or the obligee under section

518.551, subdivision 1, a payment made by the obligor pursuant to an order of the court or otherwise; and

(2) to furnish to the initiating court, upon request, a certified statement of each payment made by the obligor.

Sec. 89. Laws 1989, chapter 338, section 11, is amended to read:

Sec. 11. [OIL OVERCHARGE MONEY; APPROPRIATION.]

~~Subdivision 1. [LIMITATION.] The money appropriated by this section is money received by the state, or to be made available to the state in the future, as a result of litigation or settlements of alleged violations of federal petroleum pricing regulations that is not otherwise appropriated by law or dedicated by court order.~~

Subd. 2. [ENERGY RELATED PROJECTS.] \$3,100,000 of the money specified in subdivision 1 ~~oil overcharge money, as defined in Minnesota Statutes, section 4.071,~~ is appropriated for transfer to the housing development fund for home energy loans. Of that amount, \$2,200,000 must be made available as soon as federal approval is received. The balance must be made available from money received later in the fiscal years ending June 30, 1990, and June 30, 1991.

Subd. 2a. [ENERGY CONSERVATION PROJECTS.] \$6,000,000 of oil overcharge money, as defined in Minnesota Statutes, section 4.071, is appropriated to the commissioner of jobs and training for energy conservation projects that directly serve low-income Minnesotans. Of this amount, \$4,500,000 must be made available as soon as federal approval is received. The balance must be made available from money received later in the fiscal years ending June 30, 1990, and June 30, 1991. If the amount received by June 30, 1991, is not sufficient to fully fund all appropriations of oil overcharge money to that date, this appropriation is reduced to the amount that can be fully funded with those receipts.

Subd. 3. [OTHER PROJECTS.] ~~One half of the remainder of the money specified in subdivision 1 must be appropriated to the commissioner of jobs and training for energy conservation projects that directly serve low-income Minnesotans. Money appropriated under subdivision 2 and under this subdivision is not governed by Minnesota Statutes, section 4.071, and is available until spent.~~

Sec. 90. [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. 91. [PILOT PROJECT FOR SERVICES TO PREVENT CHILD ABUSE.]

Subdivision 1. [PILOT PROJECT AUTHORIZED.] The commissioner of human services is authorized to fund pilot projects designed to measure the effectiveness of early intervention and targeted family services in preventing child abuse. The projects must be designed to (1) 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; and (2) lower the incidence of maltreatment and improve the quality of attachment between mothers and children.

Subd. 2. [ELIGIBILITY.] Eligible families shall be those in which:

(1) family income is at or below 185 percent of the federal poverty guideline;

(2) the mother is 18 years of age or younger and has a high school diploma or less; and

(3) the family has had a history of child abuse.

Subd. 3. [DESIGN OF PROJECT.] Each project shall be designed to serve a minimum of 75 families with children from birth to age three and shall coordinate services with those offered by other public and nonprofit agencies.

Subd. 4. [MONITORING AND EVALUATION; REPORT.] The county shall monitor and evaluate the program outcomes for the families participating in the program including changes in the developmental status of the children 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 programs and shall include recommendations for legislation as appropriate.

Sec. 92. [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. 93. [ALTERNATIVE DISPOSITIONS STUDY.]

The department of human services shall report and make recommendations regarding the use of permanency planning and alternative dispositions for children who are placed in out-of-home care, cannot be returned to their families, and for whom termination of parental rights is not in the child's best interest. The department shall consult with a multidisciplinary task force, including representatives of the Minnesota Indian Affairs Council, the Council on Black Minnesotans, the Spanish Speaking Affairs Council, the Council on Asian Pacific Minnesotans, public and private agencies, guardians ad litem, the judiciary, attorneys representing all parties in juvenile court proceedings, and community advocates. The department shall report and make recommendations to the legislature by January 7, 1991.

Sec. 94. [CHILD ABUSE PREVENTION GRANT.]

The commissioner of human services shall award a grant to a nonprofit, statewide child abuse prevention organization whose primary focus is parent self-help and support. Grant money may be used for one or more of the following activities:

(1) to provide technical assistance and consultation to individuals, organizations, or communities to establish local or regional parent self-help and support organizations for abusive or potentially abusive parents;

(2) to provide coordination and networking among existing parent self-help child abuse prevention organizations;

(3) to recruit, train, and provide leadership for volunteers working in child abuse prevention programs;

(4) to expand and develop child abuse programs throughout the state; or

(5) for statewide educational and public information efforts to increase awareness of the problems and solutions of child abuse.

Sec. 95. [SOBERING STATION PROGRAM ESTABLISHED.]

The commissioner of human services shall establish and provide grant funds for a pilot project sobering station program in order to deconcentrate detoxification facilities. In order to be eligible for grant funds, a sobering station program must be licensed to provide detoxification services and must be located in a nonresidential area and must be designed to serve the general public as well as the special needs of American Indian persons, as that term is defined in Minnesota Statutes, section 254A.02, subdivision 11, and veterans, as that term is defined in Minnesota Statutes, section 197.447. 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. 96. [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. 97. [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.

Sec. 98. [ANNUAL ADJUSTMENTS.]

Until June 30, 1993, the commissioner of human services shall provide an annual adjustment of not more than four percent for payment rates for private duty nursing services, personal care services, home and community-based waived services, and alternative care grant services for persons classified as 180-day eligible.

Sec. 99. [STUDY OF AMBULANCE SUBSCRIPTION PLANS.]

The commissioner of commerce and the commissioner of health shall study prepaid ambulance service plans that allow a person to prepay for ambulance services on a yearly basis. The commissioners shall study plans offered in other states and shall study the cost-effectiveness and feasibility of offering these plans in Minnesota. The commissioners shall study methods of funding the plans. The commissioners shall also address the issue of whether these plans should be regulated as insurance, health maintenance organizations, or as another type of entity. The commissioners shall conduct the study in conjunction with the attorney general. The commissioners shall report the findings of the study to the legislature by January 1, 1992.

Sec. 100. [COMPREHENSIVE REVIEW OF THE STATE EMERGENCY MEDICAL SERVICE SYSTEM.]

The commissioner of health shall conduct a comprehensive assessment of all aspects of the emergency medical service system in

Minnesota. This assessment must include an inventory of current service capabilities by emergency medical service regions and an examination of the effectiveness of the present administrative structure for emergency medical services, actual or potential gaps in services or coverage, funding needs, problems in service coordination and administration, and the capabilities and availability of hospital emergency services. The assessment must also include a study of the role of air ambulances and their coordination with and impact on local ambulance services. The commissioner shall present this assessment and provide recommendations to the legislature by January 1, 1992.

Sec. 101. [REPORT ON STATE EMPLOYEE PARTICIPATION IN EMERGENCY MEDICAL SERVICE SYSTEM.]

The commissioner of employee relations, in consultation with the commissioner of health, shall examine methods to reduce barriers to state employee participation as emergency medical service volunteers, such as limitations on the number of hours state employees can serve as volunteers during regular work hours. The commissioner shall present recommendations to the legislature by January 1, 1992.

Sec. 102. [STUDY OF BASIC AND ADVANCED LIFE SUPPORT REIMBURSEMENT.]

The commissioner of human services, in consultation with the commissioner of health, shall study the mechanisms of reimbursement for advanced and basic life support ambulance calls under medical assistance and general assistance medical care. The study shall examine methods of simplifying the claims process, interpretation of the "medically necessary" criteria and prior approval in light of the statutory mandate that service may not be denied, as well as other issues that create impediments to reimbursement. The commissioner shall report findings and offer recommendations to the legislature by January 1, 1991, on means of maximizing potential reimbursement levels.

Sec. 103. [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.

Sec. 104. [MEDICAL ASSISTANCE RATES FOR AMBULANCE SERVICES.]

Effective with services rendered after June 30, 1990, payments to ambulance services for medical assistance recipients shall be increased by 7.5 percent from the lower of: (1) the submitted charges; or (2) the 50th percentile of prevailing charges in 1982.

Sec. 105. [MEDICAL SCHOOL GRADUATES.]

The commissioner of health shall encourage efforts by the University of Minnesota medical school, the Mayo medical school, and the University of Minnesota-Duluth medical school to develop and implement plans to increase the number of medical school graduates practicing in nonmetropolitan areas. The commissioner shall meet regularly with the administrators of the three medical schools to obtain information on progress toward this goal.

Sec. 106. [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. The commissioner may consider selective reimbursement increases for the following primary care services as defined by the commissioner by the appropriate current procedure terminology (CPT): preventive care, office visits, maternity and delivery services, and pediatric immunization, and may consider other changes in medical assistance reimbursement designed to target reimbursement increases to medical doctors and doctors of osteopathy providing primary care services. The commissioner shall present recommendations to the legislature by January 15, 1991.

Sec. 107. [RURAL HEALTH PROFESSIONALS AND HOSPITAL STUDY.]

The commissioner of health shall conduct an examination of: (1) the critical shortage of primary care health professionals, such as physicians and nurses, experienced by rural areas; and (2) the need for hospitals and specific hospital services in different areas of the state. The study may consider, at a minimum, the following:

- (1) distribution of health care professionals, especially primary care physicians;
- (2) geographic distribution of educational programs;
- (3) geographic distribution of hospitals and specific hospital services;
- (4) recruitment and retention programs;
- (5) regulatory barriers;
- (6) impediments caused by additional professional requirements;
- (7) appropriate education and training programs directed to rural health care;
- (8) competition from other health care providers, especially those located in urban settings providing similar services; and
- (9) the shortage or oversupply of hospitals and specific hospital services in different areas of the state.

In conducting the study, the commissioner shall consult with rural health care providers, hospitals, and higher education institutions. The commissioner shall require state health care professional licensing boards to submit data upon request to the department by July 1 for each preceding calendar year. The commissioner must report the findings and present recommendations to relieve current and projected health care professional shortages, and address the shortage or oversupply of hospitals and specific hospital services in different areas of the state, to the legislature by February 1, 1991.

Sec. 108. [TRANSFER OF FUNDS.]

All money raised under section 109, through the license renewal surcharges for registered nurses and licensed practical nurses shall be transferred each year from the board of nursing to the higher education coordinating board for the purposes of the nursing grant programs for licensed practical nurses and registered nurses, provided in House File 2269, the first engrossment, article 3, sections 4 and 5, and shall be available until expended.

Sec. 109. [FUNDING FOR NURSING GRANTS.]

Subdivision 1. [REGISTERED NURSE FUNDING.] (a) The nursing grant program shall be funded by a \$5.50 fee on each registration renewal of registered nurses as provided under Minnesota Statutes, section 148.231, unless the applicant specifically indicates

on the renewal form that the applicant does not wish to participate in the funding of this program. The board of nursing shall transfer all money received under this subdivision, less an amount sufficient to pay the costs of administering the program not to exceed 12 percent of the fee collected under this subdivision, to the higher education coordinating board on a quarterly basis. This money is available until expended by the higher education coordinating board. By January 1, 1991, and each subsequent year, the board of nursing shall provide an estimate to the higher education coordinating board of the amount of money that may be available each year based on the number of anticipated registration renewals in that year.

(b) Notwithstanding paragraph (a), up to the first \$11,000 of fees collected under this subdivision may be used to program the board of nursing's computer system for purposes of administering this section.

Subd. 2. [LICENSED PRACTICAL NURSE FUNDING.] (a) The nursing grant program shall be funded by a \$5.50 fee on each registration renewal of licensed practical nurses as provided under Minnesota Statutes, section 148.231, unless the applicant specifically indicates on the renewal form that the applicant does not wish to participate in the funding of this program. The board of nursing shall transfer all money received under this subdivision, less an amount sufficient to pay the costs of administering the program not to exceed 12 percent of the fee collected under this subdivision, to the higher education coordinating board on a quarterly basis. This money is available until expended by the higher education coordinating board. By January 1, 1991, and each subsequent year, the board of nursing shall provide an estimate to the higher education coordinating board of the amount of money that may be available each year based on the number of anticipated registration renewals in that year.

(b) Notwithstanding paragraph (a), up to the first \$6,000 of fees collected under this subdivision may be used to program the board of nursing's computer system for purposes of administering this section.

Sec. 110. [REPEALER.]

Subdivision 1. [OIL OVERCHARGE MONEY.] Laws 1989, chapter 338, section 11, subdivisions 1 and 3, are repealed.

Subd. 2. [SOCIAL WORK AND MENTAL HEALTH BOARDS.] Minnesota Statutes 1988, sections 148B.01, subdivision 2; and 148B.02, are repealed.

Subd. 3. [INVENTORY, REFERRAL, AND INTAKE SERVICES.]

Minnesota Statutes 1988, section 268.86, subdivision 10, is repealed.

Sec. 111. [EFFECTIVE DATES.]

Subdivision 1. [CHILD SUPPORT ENFORCEMENT.] Sections 48 and 74 are effective the day following final enactment. Section 49 is effective July 1, 1990 and applies to coverage identified or enforced on or after that date.

Subd. 2. [CHEMICAL DEPENDENCY.] Sections 43 to 47; and 90 are effective the day following final enactment.

Subd. 3. [WHOLESALE DRUG DISTRIBUTORS; LICENSING.] Sections 20 to 31 are effective on January 1, 1991.

Subd. 4. [OIL OVERCHARGE MONEY; ENERGY CONSERVATION.] Sections 1, subdivision 1; 89; and 110, subdivision 1, are effective the day following final enactment. Section 1, subdivisions 2 and 3, are effective July 1, 1991.

Subd. 5. [WELFARE FRAUD.] Sections 50 and 51 are effective July 1, 1990, and apply to assistance obtained wrongfully on or after that date.

Subd. 6. [JOBS AND TRAINING; PLANT CLOSINGS; PAYMENTS.] Sections 60 to 68 are effective the day following final enactment.

ARTICLE 3

HEALTH CARE

Section 1. Minnesota Statutes 1988, section 13.46, subdivision 5, is amended to read:

Subd. 5. [MEDICAL DATA; CONTRACTS.] Data relating to the medical, psychiatric, or mental health of any individual, including diagnosis, progress charts, treatment received, case histories, and opinions of health care providers, that is collected, maintained, used, or disseminated by any agency to the welfare system is private data on individuals and will be available to the data subject, unless the private health care provider has clearly requested in writing that the data be withheld pursuant to section 144.335. Data on individuals that is collected, maintained, used, or disseminated by a private health care provider under contract to any agency of the welfare system is private data on individuals, and is subject to the provisions of sections 13.02 to 13.07 and this section, except that the provisions

of section 13.04, subdivision 3, shall not apply. Access to medical data referred to in this subdivision by the individual who is the subject of the data is subject to the provisions of section 144.335. Access to information that is maintained by the public authority responsible for support enforcement and that is needed to enforce medical support is subject to the provisions of section 518.171.

Sec. 2. [PURPOSE.]

It is the policy of the state to provide adequate health care and nutrition, and access to that care and nutrition, for all pregnant women, mothers, and children in this state. The legislature fully recognizes its commitment to the health of our families and acknowledges that an investment early in life will ensure healthier adults. The goal of the legislature is to achieve full and simple access to comprehensive health care and nutrition for all pregnant women and children under age six who are in need.

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.

Sec. 4. Minnesota Statutes 1989 Supplement, section 144.50, subdivision 6, is amended to read:

Subd. 6. [SUPERVISED LIVING FACILITY LICENSES.] (a) The commissioner may license as a supervised living facility a facility seeking medical assistance certification as an intermediate care facility for persons with mental retardation or related conditions for four or more persons as authorized under section 252.291.

(b) Class B supervised living facilities for six or less persons seeking medical assistance certification as an intermediate care facility for persons with mental retardation or related conditions shall be classified as follows for purposes of the state building code:

(1) Class B supervised living facilities for six or less persons shall meet Group R, Division 3 occupancy requirements.

(2) Class B supervised living facilities for seven to 16 persons shall meet Group R, Division 1 occupancy requirements.

Class B facilities classified under this paragraph, clauses (1) and (2) shall meet Group R, Division 3, occupancy requirements of the state

building code, the fire protection provisions of chapter 21 of the 1985 life safety code, NFPA 101, for facilities housing persons with impractical evacuation capabilities, and except that Class B facilities licensed prior to the effective date of this enactment may continue to meet institutional fire safety provisions. Class B supervised living facilities shall provide the necessary physical plant accommodations to meet the needs and functional disabilities of the residents. For Class B supervised living facilities licensed after the effective date of this enactment housing nonambulatory or nonmobile persons, the corridor access to bedrooms, common spaces, and other resident use spaces shall be at least five feet in clear width, except that a waiver may be requested in accordance with Minnesota Rules, part 4665.0600.

Sec. 5. 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. 6. Minnesota Statutes 1989 Supplement, section 145.894, is amended to read:

145.894 [STATE COMMISSIONER OF HEALTH; DUTIES, RESPONSIBILITIES.]

The commissioner of health shall:

(a) Develop a comprehensive state plan for the delivery of nutritional supplements to pregnant and lactating women, infants, and children;

(b) Contract with existing local public or private nonprofit organizations for the administration of the nutritional supplement program;

(c) Develop and implement a public education program promoting the provisions of sections 145.891 to 145.897, and provide for the delivery of individual and family nutrition education and counseling at project sites. The education programs must include a campaign to promote breast feeding;

(d) Develop in cooperation with other agencies and vendors a uniform state voucher system for the delivery of nutritional supplements;

(e) Authorize local health agencies to issue vouchers bimonthly to some or all eligible individuals served by the agency, provided the agency demonstrates that the federal minimum requirements for providing nutrition education will continue to be met and that the quality of nutrition education and health services provided by the agency will not be adversely impacted;

(f) Investigate and implement an infant formula cost reduction a system that will reduce the cost of nutritional supplements so that by October 1, 1988, additional mothers and children will be served and maintain ongoing negotiations with nonparticipating manufacturers and suppliers to maximize cost savings;

(g) Develop, analyze, and evaluate the health aspects of the nutritional supplement program and establish nutritional guidelines for the program;

(h) Apply for, administer, and annually expend at least 99 percent of available federal or private funds;

(i) Aggressively market services to eligible individuals by conducting ongoing outreach activities and by coordinating with and providing marketing materials and technical assistance to local human services and community service agencies and nonprofit service providers;

(j) Determine, on July 1 of each year, the number of pregnant women participating in each special supplemental food program for women, infants, and children (W.I.C.) and, in 1986, 1987, and 1988, at the commissioner's discretion, designate a different food program deliverer if the current deliverer fails to increase the participation of pregnant women in the program by at least ten percent over the previous year's participation rate;

(k) Promulgate all rules necessary to carry out the provisions of sections 145.891 to 145.897;

(l) Report to the legislature by November 15 of every year on the expenditures and activities under sections 145.891 to 145.897 of the state and local health agencies for the preceding fiscal year; and

(m) Ensure that any state appropriation to supplement the federal program is spent consistent with federal requirements.

Sec. 7. Minnesota Statutes 1988, section 214.07, subdivision 1, is amended to read:

Subdivision 1. [BOARD REPORTS.] The health-related licensing boards and the non-health-related licensing boards shall prepare reports according to this subdivision and subdivision 1a by October

1 of each even-numbered year. Copies of the reports shall be delivered to the legislature in accordance with section 3.195, and to the governor. Copies of the reports of the health-related licensing boards shall also be delivered to the commissioner of health. The reports shall contain the following information relating to the two-year period ending the previous June 30:

- (a) a general statement of board activities;
- (b) the number of meetings and approximate total number of hours spent by all board members in meetings and on other board activities;
- (c) the receipts and disbursements of board funds;
- (d) the names of board members and their addresses, occupations, and dates of appointment and reappointment to the board;
- (e) the names and job classifications of board employees;
- (f) a brief summary of board rules proposed or adopted during the reporting period with appropriate citations to the State Register and published rules;
- (g) the number of persons having each type of license and registration issued by the board as of June 30 in the year of the report;
- (h) the locations and dates of the administration of examinations by the board;
- (i) the number of persons examined by the board with the persons subdivided into groups showing age categories, sex, and states of residency;
- (j) the number of persons licensed or registered by the board after taking the examinations referred to in clause (h) with the persons subdivided by age categories, sex, and states of residency;
- (k) the number of persons not licensed or registered by the board after taking the examinations referred to in clause (h) with the persons subdivided by age categories, sex, and states of residency;
- (l) the number of persons not taking the examinations referred to in clause (h) who were licensed or registered by the board or who were denied licensing or registration with the reasons for the licensing or registration or denial thereof and with the persons subdivided by age categories, sex, and states of residency;

(m) the number of persons previously licensed or registered by the board whose licenses or registrations were revoked, suspended, or otherwise altered in status with brief statements of the reasons for the revocation, suspension or alteration;

(n) the number of written and oral complaints and other communications received by the executive secretary of the board, a board member, or any other person performing services for the board (1) which allege or imply a violation of a statute or rule which the board is empowered to enforce and (2) which are forwarded to other agencies as required by section 214.10;

(o) a summary, by specific category, of the substance of the complaints and communications referred to in clause (n) and, for each specific category, the responses or dispositions thereof pursuant to section 214.10 or 214.11;

(p) any other objective information which the board members believe will be useful in reviewing board activities.

Sec. 8. Minnesota Statutes 1988, section 214.07, is amended by adding a subdivision to read:

Subd. 1a. [REPORT REQUIREMENT FOR BOARD OF MEDICAL EXAMINERS AND BOARD OF NURSING.] The board of medical examiners and the board of nursing shall include in the report required under subdivision 1, clause (o), specific information regarding complaints and communications involving obstetrics, gynecology, prenatal care, and delivery, and the boards' responses or dispositions.

Sec. 9. 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. 10. 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.

Sec. 11. [256.9365] [PURCHASE OF CONTINUATION COVERAGE FOR AIDS PATIENTS.]

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner of human services shall establish a program to pay private health plan premiums for persons who have contracted human immunodeficiency virus (HIV) to enable them to continue coverage under a group or individual health plan. If a person is determined to be eligible under subdivision 2, the commissioner shall pay the eligible person's group plan continuation coverage premium for 18 months

after termination of employment, or pay the eligible person's individual plan premium for 24 months after initial application.

Subd. 2. [ELIGIBILITY REQUIREMENTS.] To be eligible for the program, an applicant must satisfy the following requirements:

(1) the applicant must provide a physician's statement verifying that the applicant is infected with HIV and is, or within three months is likely to become, too ill to work in the applicant's current employment because of HIV-related disease;

(2) the applicant's monthly gross family income must not exceed 300 percent of the federal poverty guidelines, after deducting medical expenses and insurance premiums;

(3) the applicant must not own assets with a combined value of more than \$25,000;

(4) if applying for payment of group plan premiums, the applicant must be covered by an employer's or former employer's group insurance plan and be eligible to purchase continuation coverage; and

(5) if applying for payment of individual plan premiums, the applicant must be covered by an individual health plan whose coverage and premium costs satisfy additional requirements established by the commissioner in rule.

Subd. 3. [RULES.] The commissioner shall establish rules as necessary to implement the program. Special requirements for the payment of individual plan premiums under subdivision 2, clause (5), must be designed to ensure that the state cost of paying an individual plan premium over a two-year period does not exceed the estimated state cost that would otherwise be incurred in the medical assistance program.

Sec. 12. Minnesota Statutes 1989 Supplement, section 256.969, subdivision 2c, is amended to read:

Subd. 2c. [PROPERTY PAYMENT RATES.] For each hospital's first two consecutive fiscal years beginning on or after July 1, 1988, the commissioner shall limit the annual increase in property payment rates for depreciation, rents and leases, and interest expense to the annual growth in the hospital cost index derived from the methodology in effect on the day before July 1, 1989. When computing budgeted and settlement property payment rates, the commissioner shall use the annual increase in the hospital cost index forecasted by Data Resources, Inc., consistent with the quarter of the hospital's fiscal year end. For admissions occurring on or after the rate year beginning January 1, 1991, the commissioner shall obtain

property data from an updated base year and establish property payment rates per admission for each hospital. Property payment rates shall be derived from data from the same base year that is used to establish operating payment rates. The property information shall include cost categories not subject to the hospital cost index and shall reflect the cost-finding methods and allowable costs of the Medicare program in effect during the base year. The property payment rate per admission shall be adjusted for positive percentage change differences in the net book value of hospital property and equipment by increasing the property payment rate per admission 85 percent of the percentage change from the base year through the most recent year ending prior to the rate year for which required information is available. The percentage change shall be derived from equivalent audited information in both years and shall be adjusted to account for changes in generally accepted accounting principles, reclassification of assets, allocations to nonhospital areas, and fiscal years. The cost, audit, and charge data used to establish property rates shall only reflect inpatient services covered by medical assistance and shall not include operating cost information. To be eligible for the property payment rate per admission adjustment, the hospital must provide the necessary information to the commissioner, in a format specified by the commissioner, by the October 1 preceding the rate year. The commissioner shall adjust rates for the rate year beginning January 1, 1991, to ensure that all hospitals are subject to the hospital cost index limitation for two complete years.

Sec. 13. Minnesota Statutes 1989 Supplement, section 256.969, subdivision 6a, is amended to read:

Subd. 6a. [SPECIAL CONSIDERATIONS.] (a) In determining the payment rates, the commissioner shall consider whether the following circumstances exist:

(1) [MINIMAL MEDICAL ASSISTANCE USE.] Minnesota hospitals with 30 or fewer annualized admissions of Minnesota medical assistance recipients in the base year, excluding Medicare crossover admissions, may have the base year operating rates, as adjusted by the case mix index, and property payment rates established at the 70th percentile of hospitals in the peer group in effect during the base year as established by the Minnesota department of health for use by the rate review program. Rates within a peer group shall be adjusted for differences in fiscal years and outlier percentage payments before establishing the 70th percentile. The operating payment rate portion of the 70th percentile shall be adjusted by the hospital cost index. To have rates established under this paragraph, the hospital must notify the commissioner in writing by November 1 of the year preceding the rate year. This paragraph shall be applied to all payment rates of the affected hospital.

(2) [UNUSUAL COST OR LENGTH OF STAY EXPERIENCE.]

The commissioner shall establish day and cost outlier thresholds for each diagnostic category established under subdivision 2 at two standard deviations beyond the geometric mean length of stay or allowable cost. Payment for the days and cost beyond the outlier threshold shall be in addition to the operating and property payment rates per admission established under subdivisions 2, 2b, and 2c. Payment for outliers shall be at 70 percent of the allowable operating cost calculated by dividing the operating payment rate per admission, after adjustment by the case mix index, hospital cost index, relative values and the disproportionate population adjustment, by the arithmetic mean length of stay for the diagnostic category. The outlier threshold for neonatal and burn diagnostic categories shall be established at one standard deviation beyond the geometric mean length of stay or allowable cost, and payment shall be at 90 percent of allowable operating cost calculated in the same manner as other outliers. A hospital may choose an alternative percentage outlier payment to a minimum of 60 percent and a maximum of 80 percent if the commissioner is notified in writing of the request by October 1 of the year preceding the rate year. The chosen percentage applies to all diagnostic categories except burns and neonates. The percentage of allowable cost that is unrecognized by the outlier payment shall be added back to the base year operating payment rate per admission. Cost outliers shall be calculated using hospital specific allowable cost data. If a stay is both a day and a cost outlier, outlier payments shall be based on the higher outlier payment.

(3) [DISPROPORTIONATE NUMBERS OF LOW-INCOME PATIENTS SERVED.] For admissions occurring on or after July 1, 1989, the medical assistance disproportionate population adjustment shall comply with federal law at fully implemented rates. The commissioner may establish a separate disproportionate population operating payment rate adjustment under the general assistance medical care program. For admissions occurring on or after the rate year beginning January 1, 1991, the disproportionate population adjustment shall be derived from base year Medicare cost report data and may be adjusted by data reflecting actual claims paid by the department.

(4) [SEPARATE BILLING BY CERTIFIED REGISTERED NURSE ANESTHETISTS.] Hospitals may exclude certified registered nurse anesthetist costs from the operating payment rate as allowed by section 256B.0625, subdivision 11. To be eligible, a hospital must notify the commissioner in writing by October 1 of the year preceding the rate year of the request to exclude certified registered nurse anesthetist costs. The hospital must agree that all hospital claims for the cost and charges of certified registered nurse anesthetist services will not be included as part of the rates for inpatient services provided during the rate year. In this case, the operating payment rate shall be adjusted to exclude the cost of certified registered nurse anesthetist services. Payments made

through separate claims for certified registered nurse anesthetist services shall not be paid directly through the hospital provider number or indirectly by the certified registered nurse anesthetist to the hospital or related organizations.

(5) [SPECIAL RATES.] The commissioner may establish special rate-setting methodologies, including a per day operating and property payment system, for hospice, ventilator dependent, and other services on a hospital and recipient specific basis taking into consideration such variables as federal designation, program size, and admission from a medical assistance waiver or home care program. The data and rate calculation method shall conform to the requirements of paragraph (7), except that hospice rates shall not exceed the amount allowed under federal law and payment shall be secondary to any other medical assistance hospice program. Rates and payments established under this paragraph must meet the requirements of section 256.9685, subdivisions 1 and 2, and must not exceed payments that would otherwise be made to a hospital in total for rate year admissions under subdivisions 2, 2b, 2c, 3, 4, 5, and 6. The cost and charges used to establish rates shall only reflect inpatient medical assistance covered services. Hospital and claims data that are used to establish rates under this paragraph shall not be used to establish payments or relative values under subdivisions 2, 2b, 2c, 3, 4, 5, and 6.

(6) [REHABILITATION DISTINCT PARTS.] Units of hospitals that are recognized as rehabilitation distinct parts by the Medicare program shall have separate provider numbers under the medical assistance program for rate establishment and billing purposes only. These units shall also have operating and property payment rates and the disproportionate population adjustment established separately from other inpatient hospital services, based on the methods of subdivisions 2, 2b, 2c, 3, 4, 5, and 6. The commissioner may establish separate relative values under subdivision 2 for rehabilitation hospitals and distinct parts as defined by the Medicare program. For individual hospitals that did not have separate medical assistance rehabilitation provider numbers or rehabilitation distinct parts in the base year, hospitals shall provide the information needed to separate rehabilitation distinct part cost and claims data from other inpatient service data.

(7) [NEONATAL TRANSFERS.] For admissions occurring on or after July 1, 1989, neonatal diagnostic category transfers shall have operating and property payment rates established at receiving hospitals which have neonatal intensive care units on a per day payment system that is based on the cost finding methods and allowable costs of the Medicare program during the base year. Other neonatal diagnostic category transfers shall have rates established according to paragraph (8). The rate per day for the neonatal service setting within the hospital shall be determined by dividing base year neonatal allowable costs by neonatal patient days. The operat-

ing payment rate portion of the rate shall be adjusted by the hospital cost index and the disproportionate population adjustment. The cost and charges used to establish rates shall only reflect inpatient services covered by medical assistance. Hospital and claims data used to establish rates under this paragraph shall not be used to establish payments or relative values under subdivisions 2, 2b, 2c, 3, 4, 5, and 6.

(8) [TRANSFERS.] Except as provided in paragraphs (5) and (7), operating and property payment rates for admissions that result in transfers and transfers shall be established on a per day payment system. The per day payment rate shall be the sum of the adjusted operating and property payment rates determined in subdivisions 2b and 2c, divided by the arithmetic mean length of stay for the diagnostic category. Each admission that results in a transfer and each transfer is considered a separate admission to each hospital, and the total of the admission and transfer payments to each hospital must not exceed the total per admission payment that would otherwise be made to each hospital under paragraph (2) and subdivisions 2b and 2c.

(b) The computation of each hospital's payment rate and the relative values of the diagnostic categories are not subject to the routine service cost limitation imposed under the Medicare program.

(c) Indian health service facilities are exempt from the rate establishment methods required by this section and shall be reimbursed at the facility's usual and customary charges to the general public. This exemption is not effective for payments under general assistance medical care.

(d) Except as provided in paragraph (a), clauses (1) and (3), out-of-state hospitals that are located within a Minnesota local trade area shall have rates established using the same procedures and methods that apply to Minnesota hospitals. Hospitals that are not required by law to file information in a format necessary to establish rates shall have rates established based on the commissioner's estimates of the information. Relative values of the diagnostic categories shall not be redetermined under this paragraph until required by rule. Hospitals affected by this paragraph shall then be included in determining relative values. However, hospitals that have rates established based upon the commissioner's estimates of information shall not be included in determining relative values. This paragraph is effective for hospital fiscal years beginning on or after July 1, 1988. A hospital shall provide the information necessary to establish rates under this paragraph at least 90 days before the start of the hospital's fiscal year.

(e) Hospitals that are not located within Minnesota or a Minnesota local trade area shall have operating and property rates

established at the average of statewide and local trade area rates or, at the commissioner's discretion, at an amount negotiated by the commissioner. Relative values shall not include data from hospitals that have rates established under this paragraph. Payments, including third party liability, established under this paragraph may not exceed the charges on a claim specific basis for inpatient services that are covered by medical assistance.

(f) Medical assistance inpatient payment rates must include the cost incurred by hospitals to pay the department of health for metabolic disorder testing of newborns who are medical assistance recipients, if the cost is not recognized by another payment source.

(g) Medical assistance inpatient payments shall increase 20 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988, and December 31, 1990, if: (i) the hospital had 100 or fewer Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

(h) Medical assistance inpatient payments shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988, and December 31, 1990, if: (i) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

(i) Admissions occurring on or after July 1, 1990, that are classified to a diagnostic category of mental health or chemical dependency shall have rates established according to the methods of paragraph (a), clause (8), when a hold or commitment is ordered by the court for the days that inpatient hospital services are medically necessary. Stays which are medically necessary for inpatient hospital services and covered by medical assistance shall not be billable to any other governmental entity. Medical necessity shall be determined under criteria established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b).

Sec. 14. Minnesota Statutes 1989 Supplement, section 256.9695, subdivision 1, is amended to read:

Subdivision 1. [APPEALS.] A hospital may appeal a decision arising from the application of standards or methods under section 256.9685, 256.9686, or 256.969, if an appeal would result in a change to the hospital's payment rate or payments. Both overpayments and underpayments that result from the submission of appeals shall be implemented. Regardless of any appeal outcome, relative values shall not be recalculated. The appeal shall be heard by an administrative law judge according to sections 14.48 to 14.56, or upon agreement by both parties, according to a modified appeals procedure established by the commissioner and the office of administrative hearings. In any proceeding under this section, the appealing party must demonstrate by a preponderance of the evidence that the commissioner's determination is incorrect or not according to law.

(a) To appeal a payment rate or payment determination or a determination made from base year information, the hospital shall file a written appeal request to the commissioner within 60 days of the date the payment rate determination was mailed. The appeal request shall specify: (i) the disputed items; (ii) the authority in federal or state statute or rule upon which the hospital relies for each disputed item; and (iii) the name and address of the person to contact regarding the appeal. A change to a payment rate or payments that results from a successful appeal to the Medicare program of the base year information establishing rates for the rate year beginning in 1991 and after is a prospective adjustment to subsequent rate years. After December 31, 1990, payment rates shall not be adjusted for appeals of base year information that affect years prior to the rate year beginning January 1, 1991. Facts to be considered in any appeal of base year information are limited to those in existence at the time the payment rates of the first rate year were established from the base year information. In the case of Medicare settled appeals, the 60-day appeal period shall begin on the mailing date of the notice by the Medicare program or the date the medical assistance payment rate determination notice is mailed, whichever is later.

(b) To appeal a payment rate or payment change that results from a difference in case mix between the base year and a rate year, the procedures and requirements of paragraph (a) apply. However, the appeal must be filed with the commissioner within ~~60~~ 120 days after the end of a rate year. A case mix appeal must apply to the cost of services to all medical assistance patients that received inpatient services from the hospital during the rate year appealed. ~~For this paragraph, hospital means a facility holding the provider number as an inpatient service facility.~~

Sec. 15. Minnesota Statutes 1989 Supplement, section 256.9695, subdivision 3, is amended to read:

Subd. 3. [TRANSITION.] Except as provided in section 256.969,

subdivision 6a, paragraph (a), clause (3), the commissioner shall establish a transition period for the calculation of payment rates from July 1, 1989, to December 31, 1990, as follows the implementation date of the upgrade to the Medicaid management information system.

During the transition period:

(a) Changes resulting from section 256.969, subdivision 6a, paragraph (a), clauses (1), (2), (4), (5), (6), and (8), shall not be implemented, except as provided in section 256.969, subdivision 6a, paragraph (a), clause (7), and paragraph (i).

(b) Rates established for hospital fiscal years beginning on or after July 1, 1989, shall not be adjusted for the one percent technology factor included in the hospital cost index. The beginning of the 1991 rate year shall be delayed and the rates notification requirement shall not be applicable.

(c) Operating payment rates shall be indexed from the hospital's most recent fiscal year ending prior to January 1, 1991, by prorating the hospital cost index methodology in effect on January 1, 1989. Payments made for admissions occurring on or after July June 1, 1990, shall not include be adjusted by the one percent technology factor included in the hospital cost index and the hospital cost index shall not exceed four percent. This hospital cost index limitation shall not apply to hospitals that meet the requirements of section 256.969, subdivision 6a, paragraphs (g) and (h).

(d) Property and pass-through payment rates shall be maintained at the most recent payment rate effective for June 1, 1990. However, all hospitals are subject to the hospital cost index limitation of subdivision 2c, for two complete fiscal years. Property and pass-through costs shall be retroactively settled through December 31, 1990 the transition period. The laws in effect on the day before July 1, 1989, apply to the retroactive settlement from July 1, 1989, to December 31, 1990.

Sec. 16. Minnesota Statutes 1988, section 256B.04, subdivision 15, is amended to read:

Subd. 15. [UTILIZATION REVIEW.] (1) Establish on a statewide basis a new program to safeguard against unnecessary or inappropriate use of medical assistance services, against excess payments, against unnecessary or inappropriate hospital admissions or lengths of stay, and against underutilization of services in prepaid health plans, long-term care facilities or any health care delivery system subject to fixed rate reimbursement. In implementing the program, the state agency shall utilize both prepayment and postpayment review systems to determine if utilization is reasonable and necessary. The determination of whether services are reasonable and

necessary shall be made by the commissioner in consultation with a professional services advisory group or health care consultant appointed by the commissioner.

(2) Contracts entered into for purposes of meeting the requirements of this subdivision shall not be subject to the set-aside provisions of chapter 16B.

(3) A recipient aggrieved by the commissioner's termination of services or denial of future services may appeal pursuant to section 256.045. A vendor aggrieved by the commissioner's determination that services provided were not reasonable or necessary may appeal pursuant to the contested case procedures of chapter 14. To appeal, the vendor shall notify the commissioner in writing within 30 days of receiving the commissioner's notice. The appeal request shall specify each disputed item, the reason for the dispute, an estimate of the dollar amount involved for each disputed item, the computation that the vendor believes is correct, the authority in statute or rule upon which the vendor relies for each disputed item, the name and address of the person or firm with whom contacts may be made regarding the appeal, and other information required by the commissioner.

(4) The commissioner may select providers to provide case management services to recipients who use health care services inappropriately or to recipients who are eligible for other managed care projects. The providers shall be selected based upon criteria that may include a comparison with a peer group of providers related to the quality, quantity, or cost of health care services delivered or a review of sanctions previously imposed by health care services programs or the provider's professional licensing board.

Sec. 17. Minnesota Statutes 1988, section 256B.04, subdivision 16, is amended to read:

Subd. 16. [PERSONAL CARE ASSISTANTS SERVICES.] (a) The commissioner shall adopt permanent rules to implement, administer, and operate the personal care ~~assistant~~ services program. The rules must incorporate the standards and requirements adopted by the commissioner of health under section 144A.45 which are applicable to the provision of personal care assistant program. Limits on the extent of personal care ~~assistant~~ services that may be provided to an individual must be based on the cost-effectiveness of the services in relation to the costs of inpatient hospital care, nursing home care, and other available types of care. The rules must provide, at a minimum:

(1) that agencies be selected to contract with or employ and train staff to provide and supervise the provision of personal care services;

(2) that agencies employ or contract with a qualified applicant

that a qualified recipient proposes to the agency as the recipient's choice of assistant;

(3) that agencies bill the medical assistance program for a personal care service by a personal care assistant and visits supervision by the registered nurse supervising the personal care assistant;

(4) that agencies establish a grievance mechanism; and

(5) that agencies have a quality assurance program.

(b) For personal care assistants under contract with an agency under paragraph (a), the provision of training and supervision by the agency does not create an employment relationship. The commissioner may waive the requirement for the provision of personal care services through an agency in a particular county, when there are less than two agencies providing services in that county.

Sec. 18. Minnesota Statutes 1988, section 256B.055, subdivision 3, is amended to read:

Subd. 3. [AFDC FAMILIES.] Medical assistance may be paid for a person who is eligible for or receiving, or who would be eligible for, except for excess income or assets, public assistance under the aid to families with dependent children program.

Sec. 19. Minnesota Statutes 1988, section 256B.055, subdivision 5, is amended to read:

Subd. 5. [PREGNANT WOMEN; DEPENDENT UNBORN CHILD.] Medical assistance may be paid for a pregnant woman, as certified in writing by a physician or nurse midwife who has written verification of a positive pregnancy test from a physician or licensed registered nurse, who meets the other eligibility criteria of this section and who would be categorically eligible for assistance under the aid to families with dependent children program if the child had been born and was living with the woman. For purposes of this subdivision, a woman is considered pregnant for 60 days postpartum.

Sec. 20. Minnesota Statutes 1988, section 256B.055, subdivision 6, is amended to read:

Subd. 6. [PREGNANT WOMEN; NEEDY UNBORN CHILD.] Medical assistance may be paid for a pregnant woman, as certified in writing by a physician or nurse midwife who has written verification of a positive pregnancy test from a physician or licensed registered nurse, who meets the other eligibility criteria of this section and whose unborn child would be eligible as a needy child

under subdivision ~~H~~ 10 if born and living with the woman. For purposes of this subdivision, a woman is considered pregnant for 60 days postpartum.

Sec. 21. Minnesota Statutes 1989 Supplement, section 256B.055, subdivision 7, is amended to read:

Subd. 7. [AGED, BLIND, OR DISABLED PERSONS.] Medical assistance may be paid for a person who meets the categorical eligibility requirements of the supplemental security income program ~~and or, who would meet those requirements except for excess income or assets, and who meets the other eligibility requirements of this section. The methodology for calculating income must be the same methodology used for calculating income for the supplemental security income program except as specified otherwise by state or federal law, rule, or regulation.~~

Effective February 1, 1989, and to the extent allowed by federal law the commissioner shall deduct state and federal income taxes and federal insurance contributions act payments withheld from the individual's earned income in determining eligibility under this subdivision.

Sec. 22. Minnesota Statutes 1988, section 256B.055, subdivision 12, is amended to read:

Subd. 12. [DISABLED CHILDREN.] (a) A person is eligible for medical assistance if the person is under age 19 and qualifies as a disabled individual under United States Code, title 42, section 1382c(a), and would be eligible for medical assistance under the state plan if residing in a medical institution, and who requires a level of care provided in a hospital, skilled nursing facility, intermediate care facility, or intermediate care facility for persons with mental retardation or related conditions, for whom home care is appropriate, provided that the cost to medical assistance for home care services is not more than the amount that medical assistance would pay for appropriate institutional care.

(b) For purposes of this subdivision, "hospital" means an acute care institution as defined in section 144.696, subdivision 3, licensed pursuant to sections 144.50 to 144.58, which is appropriate if a person is technology dependent or has a chronic health condition which requires frequent intervention by a health care professional to avoid death.

(c) For purposes of this subdivision, "skilled nursing facility" and "intermediate care facility" means a facility which provides nursing care as defined in section 144A.01, subdivision 5, licensed pursuant to sections 144A.02 to 144A.10, which is appropriate if a person is in active restorative treatment; is in need of special treatments provided or supervised by a licensed nurse; or has unpredictable

episodes of active disease processes requiring immediate judgment by a licensed nurse.

(d) For purposes of this subdivision, "intermediate care facility for the mentally retarded" or "ICF/MR" means a program licensed to provide services to persons with mental retardation under section 252.28, and chapter 245A, and a physical plant licensed as a supervised living facility under chapter 144, which together are certified by the Minnesota department of health as meeting the standards in Code of Federal Regulations, title 42, part 483, for an intermediate care facility which provides services for persons with mental retardation or persons with related conditions who require 24-hour supervision and active treatment for medical, behavioral, or habilitation needs.

(e) For purposes of this subdivision, a hospital, skilled nursing facility, or intermediate care facility may be appropriate for persons who require 24-hour supervision because they exhibit suicidal or homicidal ideation or behavior, psychosomatic disorders or somatopsychic disorders that may become life threatening, severe socially unacceptable behavior associated with psychiatric disorder, psychosis or severe developmental problems requiring continuous skilled observation, or disabling symptoms that do not respond to office-centered outpatient treatment.

Sec. 23. Minnesota Statutes 1988, section 256B.056, is amended by adding a subdivision to read:

Subd. 1a. [INCOME AND ASSETS GENERALLY.] Unless specifically required by state law or rule or federal law or regulation, the methodologies used in counting income and assets to determine eligibility for medical assistance shall be as follows: (a) for persons whose eligibility category is based on blindness, disability, or age of 65 or more years, the methodologies for the supplemental security income program shall be used; and (b) for families and children, which includes all other eligibility categories, the methodologies for the aid to families with dependent children program under section 256.73 shall be used. For these purposes, a "methodology" does not include an asset or income standard, budgeting or accounting method, or method of determining effective dates.

Sec. 24. Minnesota Statutes 1988, section 256B.056, subdivision 2, is amended to read:

Subd. 2. [HOMESTEAD.] To be eligible for medical assistance, a person must not own, individually or together with the person's spouse, real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant or recipient as a primary place of residence, together with the contiguous land upon which it is situated. The homestead shall continue to be excluded for persons residing in a long-term care

facility if it is used as a primary residence by ~~the spouse, minor child, or disabled child of any age.~~ one of the following individuals:

- (a) the spouse;
- (b) a child under age 21;
- (c) a child of any age who is blind or permanently and totally disabled as defined in the supplemental security income program;
- (d) a sibling who has equity interest in the home and who resided in the home for at least one year immediately before the date of the person's admission to the facility; or
- (e) a child of any age who resided in the home for at least two years immediately before the date of the person's admission to the facility, and who provided care to the person that permitted the person to reside at home rather than in an institution.

The homestead is also excluded for the first six calendar months of the person's stay in the long-term care facility. The person's equity in the homestead must be reduced to an amount within limits or excluded on another basis if the person remains in the long-term care facility for a period longer than six months. Real estate not used as a home may not be retained unless the property is not salable, the equity is \$6,000 or less and the income produced by the property is at least six percent of the equity, or the excess real property is exempted for a period of nine months if there is a good faith effort to sell the property and a legally binding agreement is signed to repay the amount of assistance issued during that nine months.

Sec. 25. Minnesota Statutes 1989 Supplement, section 256B.056, subdivision 3, is amended to read:

Subd. 3. [ASSET LIMITATIONS.] To be eligible for medical assistance, a person must not individually own more than \$3,000 in assets, or if a member of a household with two family members (husband and wife, or parent and child), the household must not own more than \$6,000 in assets, plus \$200 for each additional legal dependent. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. For residents of long-term care facilities, the accumulation of the clothing and personal needs allowance pursuant to section 256B.35 must also be reduced to the maximum at the time of the eligibility redetermination. The value of the items in paragraphs (a) to (i) are not considered in determining medical assistance eligibility.

- (a) The homestead is not considered.

(b) Household goods and personal effects are not considered.

(c) Personal property used as a regular abode by the applicant or recipient is not considered.

(d) A lot in a burial plot for each member of the household is not considered.

(e) Capital and operating assets of a trade or business that the local agency determines are necessary to the person's ability to earn an income are not considered.

(f) For a period of six months, Insurance settlements to repair or replace damaged, destroyed, or stolen property are not considered to the same extent as in the related cash assistance programs.

(g) One motor vehicle that is licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e, and that is used primarily for the person's benefit is not considered.

To be excluded, the vehicle must have a market value of less than \$4,500; be necessary to obtain medically necessary health services; be necessary for employment; be modified for operation by or transportation of a handicapped person; or be necessary to perform essential daily tasks because of climate, terrain, distance, or similar factors. The equity value of other motor vehicles is counted against the asset limit.

(h) Life insurance policies and assets designated as burial expenses, according to the standards and restrictions of the supplemental security income (SSI) program.

(i) Other items which may be excluded by federal law are not considered.

Sec. 26. Minnesota Statutes 1989 Supplement, section 256B.056, subdivision 4, is amended to read:

Subd. 4. [INCOME.] To be eligible for medical assistance, a person must not have, or anticipate receiving, semiannual income in excess of 120 percent of the income standards by family size used in the aid to families with dependent children program, except that families and children may have an income up to 133 $\frac{1}{3}$ percent of the AFDC income standard. ~~Notwithstanding any laws or rules to the contrary,~~ In computing income to determine eligibility of persons who are not residents of long-term care facilities, the commissioner shall disregard increases in income as required by Public Law Numbers 94-566, section 503; 99-272; and 99-509.

Sec. 27. Minnesota Statutes 1988, section 256B.056, subdivision 7, is amended to read:

Subd. 7. [~~PERIOD OF INELIGIBILITY~~ ELIGIBILITY.] Eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

Sec. 28. Minnesota Statutes 1989 Supplement, section 256B.057, subdivision 1, is amended to read:

Subdivision 1. [PREGNANT WOMEN AND INFANTS.] An infant less than one year of age or a pregnant woman, ~~as certified in writing by a physician or nurse midwife who has written verification of a positive pregnancy test from a physician or licensed registered nurse,~~ is eligible for medical assistance if countable family income is equal to or less than 185 percent of the federal poverty guideline for the same family size. Eligibility for a pregnant woman or infant less than one year of age under this subdivision must be determined without regard to asset standards established in section 256B.056, subdivision 3. Adjustments in the income limits due to annual changes in the federal poverty guidelines shall be implemented the first day of July following publication of the changes.

Sec. 29. Minnesota Statutes 1989 Supplement, section 256B.057, subdivision 2, is amended to read:

Subd. 2. [CHILDREN.] A child one through seven ~~five~~ years of age in a family whose countable income is less than ~~100~~ 133 percent of the federal poverty guidelines for the same family size is eligible for medical assistance. A child six through seven years of age who was born after September 30, 1983, in a family whose countable income is less than 100 percent of the federal poverty guideline for the same sized family is eligible for medical assistance. Eligibility for children under this subdivision must be determined without regard to asset standards established in section 256B.056, subdivision 3. Adjustments in the income limits due to annual changes in the federal poverty guidelines shall be implemented the first day of July following publication of the changes.

Sec. 30. Minnesota Statutes 1989 Supplement, section 256B.057, is amended by adding a subdivision to read:

Subd. 4. [QUALIFIED WORKING DISABLED ADULTS.] A person who is entitled to Medicare Part A benefits under section 1818A of the Social Security Act; whose income does not exceed 200 percent of the federal poverty guidelines for the applicable family size; whose nonexempt assets do not exceed twice the maximum amount allowable under the supplemental security income program, according to family size; and who is not otherwise eligible for medical

assistance, is eligible for medical assistance reimbursement of the Medicare Part A premium. Adjustments in the income limits due to annual changes in the federal poverty guidelines shall be implemented the first day of July following publication of the changes.

Sec. 31. Minnesota Statutes 1989 Supplement, section 256B.057, is amended by adding a subdivision to read:

Subd. 5. [DISABLED ADULT CHILDREN.] A person who is at least 18 years old, who was eligible for supplemental security income benefits on the basis of blindness or disability, who became disabled or blind before he or she reached the age of 22, and who lost eligibility as a result of becoming entitled to a child's insurance benefits on or after July 1, 1987, under section 202(d) of the Social Security Act, or because of an increase in those benefits effective on or after July 1, 1987, is eligible for medical assistance as long as he or she would be entitled to supplemental security income in the absence of child's insurance benefits or increases in those benefits.

Sec. 32. Minnesota Statutes 1989 Supplement, section 256B.0575, is amended to read:

256B.0575 [AVAILABILITY OF INCOME FOR INSTITUTIONALIZED PERSONS.]

When an institutionalized person is determined eligible for medical assistance, the income that exceeds the deductions in paragraphs (a) and (b) must be applied to the cost of institutional care.

(a) The following amounts must be deducted from the institutionalized person's income in the following order:

(1) the personal needs allowance under section 256B.35;

(2) the personal allowance for disabled individuals under section 256B.36;

(3) if the institutionalized person has a legally-appointed guardian or conservator, five percent of the recipient's gross monthly income up to \$100 as reimbursement for guardianship or conservatorship services;

(4) a monthly income allowance determined under section 256B.058, subdivision 2, but only to the extent income of the institutionalized spouse is made available to the community spouse;

(5) a monthly allowance for children under age 18 which, together with the net income of the children, would provide income equal to the medical assistance standard for a family size that includes only the minor children. This deduction applies only if the children do not

live with the community spouse, and only if the children resided with the institutionalized person immediately prior to admission;

(6) a monthly family allowance for other family members, equal to one-third of the difference between 122 percent of the federal poverty guidelines and the monthly income for that family member; and

(6) (7) amounts for reasonable expenses incurred for necessary medical or remedial care for the institutionalized spouse that are not medical assistance covered expenses and that are not subject to payment by a third party.

For purposes of clause (5) (6), other family member includes only minor or dependent children, dependent parents, or dependent siblings of the institutionalized or community spouse if the sibling resides with the community spouse. a person who resides with the community spouse and who is a minor or dependent child, dependent parent, or dependent sibling of either spouse. "Dependent" means a person who could be claimed as a dependent for federal income tax purposes under the Internal Revenue Code.

(b) Income shall be allocated to an institutionalized person for a period of up to three calendar months, in an amount equal to the medical assistance standard for a family size of one if:

(1) a physician certifies that the person is expected to reside in the long-term care facility for three calendar months or less;

(2) if the person has expenses of maintaining a residence in the community; and

(3) if one of the following circumstances apply:

(i) the person was not living together with a spouse or a family member as defined in paragraph (a) when the person entered a long-term care facility; or

(ii) the person and the person's spouse become institutionalized on the same date, in which case the allocation shall be applied to the income of one of the spouses.

For purposes of this paragraph, a person is determined to be residing in a licensed nursing home, regional treatment center, or medical institution if the person is expected to remain for a period of one full calendar month or more.

Sec. 33. Minnesota Statutes 1989 Supplement, section 256B.059, subdivision 4, is amended to read:

Subd. 4. [INCREASED COMMUNITY SPOUSE ASSET ALLOWANCE; WHEN ALLOWED.] (a) If either the institutionalized spouse or community spouse establishes that the community spouse asset allowance under subdivision 3 (in relation to the amount of income generated by such an allowance) is not sufficient to raise the community spouse's income to the minimum monthly maintenance needs allowance in section 256B.058, subdivision 2, paragraph (c), there shall be substituted for the amount allowed to be transferred an amount sufficient, when combined with the monthly income otherwise available to the spouse, to provide the minimum monthly maintenance needs allowance. A substitution under this paragraph may be made only if the assets of the couple have been arranged so that the maximum amount of income-producing assets, at the maximum rate of return, are available to the community spouse under the community spouse asset allowance. The maximum rate of return is the average rate of return available from the financial institution holding the asset, or a rate determined by the commissioner to be reasonable according to community standards, if the asset is not held by a financial institution.

(b) The community spouse asset allowance under subdivision 3 can be increased by court order or hearing that complies with the requirements of United States Code, title 42, section 1924.

Sec. 34. Minnesota Statutes 1989 Supplement, section 256B.059, subdivision 5, is amended to read:

Subd. 5. [ASSET AVAILABILITY.] (a) At the time of application for medical assistance benefits, assets considered available to the institutionalized spouse shall be the total value of all assets in which either spouse has an ownership interest, reduced by the greater of:

(1) \$12,000; or

(2) the lesser of the spousal share or \$60,000; or

(3) the amount required by court order to be paid to the community spouse. If the community spouse asset allowance has been increased under subdivision 4, then the assets considered available to the institutionalized spouse under this subdivision shall be further reduced by the value of additional amounts allowed under subdivision 4.

(b) An institutionalized spouse may be found eligible for medical assistance even though assets in excess of the allowable amount are found to be available under paragraph (a) if the assets are owned jointly or individually by the community spouse, and the institutionalized spouse cannot use those assets to pay for the cost of care without the consent of the community spouse, and if: (i) the institutionalized spouse assigns to the commissioner the right to support from the community spouse under section 256B.14, subdi-

vision 2; (ii) the institutionalized spouse lacks the ability to execute an assignment due to a physical or mental impairment; or (iii) the denial of eligibility would cause an imminent threat to the institutionalized spouse's health and well-being.

(c) After the month in which the institutionalized spouse is determined eligible for medical assistance, during the continuous period of institutionalization, no assets of the community spouse are considered available to the institutionalized spouse, unless the institutionalized spouse has been found eligible under clause (b).

(e) (d) For purposes of this section, assets do not include assets excluded under section 256B.056, without regard to the limitations on total value in that section.

Sec. 35. Minnesota Statutes 1989 Supplement, section 256B.0595, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED TRANSFERS.] If an institutionalized person or the person's spouse has given away, sold, or disposed of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under section 256B.056, subdivision 3, within 30 months of before or any time after the date of institutionalization if the person has been determined eligible for medical assistance, or within 30 months of before or any time after the date of the first approved application for medical assistance if the person has not yet been determined eligible for medical assistance, the person is ineligible for long-term care services for the period of time determined under subdivision 2. For purposes of this section, long-term care services include nursing facility services, and home and community-based services provided pursuant to section 256B.491. For purposes of this subdivision and subdivisions 2, 3, and 4, "institutionalized person" includes a person who is an inpatient in a nursing facility, or who is receiving home and community-based services under section 256B.491.

Sec. 36. Minnesota Statutes 1989 Supplement, section 256B.0595, subdivision 2, is amended to read:

Subd. 2. [PERIOD OF INELIGIBILITY.] For any uncompensated transfer, the number of months of ineligibility for long-term care services shall be the lesser of 30 months, or the uncompensated transfer amount divided by the average medical assistance rate for nursing facility services in the state in effect on the date of application. The amount used to calculate the average medical assistance payment rate shall be adjusted each July 1 to reflect payment rates for the previous calendar year. The period of ineligibility begins with the month in which the assets were transferred. If the transfer was not reported to the local agency at the time of application, and the applicant received long-term care services during what would have been the period of ineligibility if the

transfer was reported, a cause of action exists against the transferee for the cost of long-term care services provided during the period of ineligibility, or for the uncompensated amount of the transfer, whichever is less. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G. The uncompensated transfer amount is the fair market value of the asset at the time it was given away, sold, or disposed of, less the amount of compensation received.

Sec. 37. Minnesota Statutes 1989 Supplement, section 256B.0595, subdivision 4, is amended to read:

Subd. 4. [OTHER EXCEPTIONS TO TRANSFER PROHIBITION.] An institutionalized person receiving medical assistance on the date of institutionalization who has transferred assets for less than fair market value within the 30 months immediately before the date of institutionalization or an institutionalized person who was not receiving medical assistance on the date of institutionalization and who has transferred assets for less than fair market value within 30 months immediately before the month of application who has made, or whose spouse has made a transfer prohibited by subdivision 1, is not ineligible for long-term care services if one of the following conditions apply:

(1) the assets were transferred to the community spouse, as defined in section 256B.059; or

(2) the institutionalized spouse, prior to being institutionalized, transferred assets to his or her spouse, provided that the spouse to whom the assets were transferred does not then transfer those assets to another person for less than fair market value. (At the time when one spouse is institutionalized, assets must be allocated between the spouses as provided under section 256B.059); or

(3) the assets were transferred to the individual's child who is blind or permanently and totally disabled as determined in the supplemental security income program; or

(4) a satisfactory showing is made that the individual intended to dispose of the assets either at fair market value or for other valuable consideration; or

(5) the local agency determines that denial of eligibility for long-term care services would work an undue hardship and grants a waiver of excess assets. When a waiver is granted, a cause of action exists against the person to whom the assets were transferred for that portion of long-term care services granted within 30 months of the transfer, or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under this chapter.

Sec. 38. Minnesota Statutes 1988, section 256B.0625, subdivision 4, is amended to read:

Subd. 4. [OUTPATIENT AND CLINIC SERVICES.] Medical assistance covers outpatient hospital or ~~nonprofit community health clinic services~~ or physician-directed clinic services. The physician-directed clinic staff shall include at least two physicians, ~~one of whom is on the premises whenever the clinic is open,~~ and all services shall be provided under the direct supervision of ~~the a~~ physician ~~who is on the premises~~. Hospital outpatient departments are subject to the same limitations and reimbursements as other enrolled vendors for all services, except initial triage, emergency services, and services not provided or immediately available in clinics, physicians' offices, or by other enrolled providers. A second medical opinion is required before reimbursement for elective surgeries requiring a second opinion. The commissioner shall publish in the State Register a list of elective surgeries that require a second medical opinion before reimbursement and the criteria and standards for deciding whether an elective surgery should require a second surgical opinion. The list and the criteria and standards are not subject to the requirements of sections 14.01 to 14.69. The commissioner's decision whether a second medical opinion is required, made in accordance with rules governing that decision, is not subject to administrative appeal. "Emergency services" means those medical services required for the immediate diagnosis and treatment of medical conditions that, if not immediately diagnosed and treated, could lead to serious physical or mental disability or death or are necessary to alleviate severe pain. Neither the hospital, its employees, nor any physician or dentist, shall be liable in any action arising out of a determination not to render emergency services or care if reasonable care is exercised in determining the condition of the person, or in determining the appropriateness of the facilities, or the qualifications and availability of personnel to render these services consistent with this section.

Sec. 39. Minnesota Statutes 1988, section 256B.0625, subdivision 5, is amended to read:

Subd. 5. [COMMUNITY MENTAL HEALTH CENTER SERVICES.] Medical assistance covers community mental health center services, as defined in rules adopted by the commissioner pursuant to section 256B.04, subdivision 2, and provided by a community mental health center as defined in section 245.62, subdivision 2.

Sec. 40. Minnesota Statutes 1988, section 256B.0625, is amended by adding a subdivision to read:

Subd. 8a. [OCCUPATIONAL THERAPY.] Medical assistance covers occupational therapy and related services.

Sec. 41. Minnesota Statutes 1988, section 256B.0625, subdivision 9, is amended to read:

Subd. 9. [DENTAL SERVICES.] Medical assistance covers dental services, ~~excluding cast metal restorations.~~ Dental services include, with prior authorization, fixed cast metal restorations that are cost-effective for persons who cannot use removable dentures because of their medical condition.

Sec. 42. Minnesota Statutes 1989 Supplement, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. [DRUGS.] (a) Medical assistance covers drugs if prescribed by a licensed practitioner. The commissioner shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two-year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. Prior authorization may be required by the commissioner, with the consent of the drug formulary committee, before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, and vitamins for children under the age of seven and pregnant or nursing women; or any other over-the-counter drug identified by the commissioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the administrative procedure act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring

a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and the commissioner's determination shall not be subject to chapter 14, the administrative procedure act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

(b) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug may be estimated by the commissioner. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of \$.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the manufacturer's unopened package. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2. Implementation of any change in the fixed dispensing fee that has not been subject to the administrative procedure act is limited to not more than 180 days, unless, during that time, the commissioner initiates rulemaking through the administrative procedure act.

Sec. 43. Minnesota Statutes 1988, section 256B.0625, is amended by adding a subdivision to read:

Subd. 28. [CERTIFIED PEDIATRIC OR FAMILY NURSE PRACTITIONER SERVICES.] Medical assistance covers services performed by a certified pediatric nurse practitioner or a certified family nurse practitioner in independent practice, if the services are otherwise covered under this chapter as a physician service, and if the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171.

Sec. 44. Minnesota Statutes 1988, section 256B.0625, is amended by adding a subdivision to read:

Subd. 29. [PUBLIC HEALTH NURSING CLINIC SERVICES.] Medical assistance covers the services of a certified public health nurse practicing in a public health nursing clinic that is a department of, or that operates under the direct authority of a unit of government, if the service is within the scope of practice of the public health nurse's license as a registered nurse, as defined in section 148.171.

Sec. 45. Minnesota Statutes 1988, section 256B.0625, is amended by adding a subdivision to read:

Subd. 30. [OTHER CLINIC SERVICES.] Medical assistance covers rural health clinic, federally qualified health center, and non-profit community health clinic services. Rural health clinic services and federally qualified health center services mean services defined in United States Code, title 42, section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified health center services shall be made according to applicable federal law and regulation.

Sec. 46. [256B.0627] [COVERED SERVICE; HOME CARE SERVICES.]

Subdivision 1. [DEFINITION.] "Home care services" means a medically necessary health service that is ordered by a physician and documented in a plan of care that is reviewed and revised as medically necessary by the physician at least once every 60 days. Home care services include personal care and nursing supervision of personal care services which is reviewed and revised as medically necessary by the physician at least once every 365 days. Home care services are provided to the recipient at the recipient's residence that is a place other than a hospital or long-term care facility.

Subd. 2. [SERVICES COVERED.] Home care services covered under this section include:

- (1) nursing services;
- (2) private duty nursing services;

- (3) home health aide services;
- (4) personal care services; and
- (5) nursing supervision of personal care services.

Subd. 3. [PRIVATE DUTY NURSING SERVICES; WHO MAY PROVIDE.] Private duty nursing services may be provided by a registered nurse or licensed practical nurse who is not the recipient's spouse, legal guardian, or parent of a minor child.

Subd. 4. [PERSONAL CARE SERVICES.] (a) Personal care services may be provided by a qualified individual who is not the recipient's spouse, legal guardian, or parent of a minor child.

(b) The personal care services that are eligible for payment are the following:

- (1) bowel and bladder care;
- (2) skin care to maintain the health of the skin;
- (3) range of motion exercises;
- (4) respiratory assistance;
- (5) transfers;
- (6) bathing, grooming, and hairwashing necessary for personal hygiene;
- (7) turning and positioning;
- (8) assistance with furnishing medication that is normally self-administered;
- (9) application and maintenance of prosthetics and orthotics;
- (10) cleaning medical equipment;
- (11) dressing or undressing;
- (12) assistance with food, nutrition, and diet activities;
- (13) accompanying a recipient to obtain medical diagnosis or treatment;
- (14) services provided for the recipient's personal health and safety;

(15) helping the recipient to complete daily living skills such as personal and oral hygiene and medication schedules; and

(16) incidental household services that are an integral part of a personal care service described in items (1) to (15).

(c) The personal care services that are not eligible for payment are the following:

(1) personal care services that are not in the plan of care developed by the supervising registered nurse in consultation with the personal care assistants and the recipient or family of the recipient;

(2) services that are not supervised by the registered nurse;

(3) services provided by the recipient's spouse, legal guardian, or parent of a minor child;

(4) sterile procedures; and

(5) injections of fluids into veins, muscles, or skin.

Subd. 5. [LIMITATION ON PAYMENTS.] Medical assistance payments for home care services shall be limited according to paragraphs (a) to (e).

(a) [EXEMPTION FROM PAYMENT LIMITATIONS.] The level, or the number of hours or visits of a specific service, of home health care services to a recipient that began before and is continued without increase on or after December 1987 shall be exempt from the payment limitations of this section, as long as the services are medically necessary.

(b) [LEVEL I HOME CARE.] For all new cases after December 1987, medically necessary home care services up to \$800 may be provided in a calendar month.

If the services in the recipient's home care plan will exceed the \$800 threshold for 30 days or less, the medically necessary services may be provided.

(c) [LEVEL II HOME CARE.] If the services in the recipient's home care plan will exceed \$800 for more than 30 days, a public health nurse from the local preadmission screening team shall determine the recipient's maximum level of home care according to this paragraph.

(1) The local preadmission screening team shall base its determination of the recipient's maximum level of care on the need and eligibility of the recipient for one of the following placements:

(i) residential facility for persons with mental retardation or related conditions operated under section 256B.501;

(ii) inpatient hospital care for a ventilator-dependent recipient. "Ventilator dependent" means an individual who receives mechanical ventilation for life support at least six hours per day and is expected to or has been dependent for at least 30 consecutive days; or

(iii) all other recipients not appropriate for one of the above placements.

(2) If the recipient is eligible under clause (1)(i), the monthly medical assistance reimbursement for home care services shall not exceed the total monthly statewide average payment rate for residential facilities for children or adults with mental retardation or related conditions appropriate for the recipient's age and level of self-preservation as determined according to Minnesota Rules, parts 9553.0010 to 9553.0080.

(3) If the recipient is eligible under clause (1)(ii), the monthly medical assistance reimbursement for home care services shall not exceed the monthly cost of care at Bethesda Respiratory Hospital. For purposes of this clause, home care services means all services provided in the home that would be included in the payment for care at Bethesda Respiratory Hospital.

(4) If the recipient is not eligible under either clause (1)(i) or (1)(ii), the monthly medical assistance reimbursement for home care services shall not exceed the total monthly statewide average payment for the case mix classification most appropriate to the recipient. The case mix classification is established under section 256B.431.

(5) The determination of the recipient's maximum level of home care by the public health nurse is called a home care cost assessment. The home care cost assessment must be requested by the home care provider before the end of the first 30 days of provided service and must be conducted by the public health nurse within ten working days following request.

(6) A home care provider shall request a new home care cost assessment when the needs of the individual have changed enough to require that a revised care plan be implemented that will increase costs beyond what was authorized by the previous home care cost assessment and the change is anticipated to last for more than 30 days. The home care provider must request the home care cost assessment before the end of the first 30 days of provided service. Whenever a home care cost assessment is completed, the public health nurse that completes the home care cost assessment, in consultation with the home care provider, shall determine the time

period for which a home care cost assessment shall remain valid. If the recipient continues to require home care services beyond the limited duration of the home care cost assessment, the home care provider must request a reassessment through the home care cost assessment process described above. Under no circumstances shall a home care cost assessment be valid for more than 12 months.

(7) Reimbursement for the home care cost assessment shall be made through the Medicaid administrative authority. The state shall pay the nonfederal share.

(d) [LEVEL III HOME CARE.] If the home care provider determines that the recipient's needs exceed the amount authorized for the appropriate level of care as determined in paragraph (c), the home care provider may refer the case to the department for a level III determination. Based on the client needs, physician orders, diagnosis, condition, and plan of care, the department may give prior authorization for care that exceeds level II described in paragraph (c). The amount authorized shall not exceed the maximum cost for the appropriate level of care as determined in paragraph (c), clause (1), which will be the maximum ICF/MR rate for intermediate care facilities for persons with mental retardation or related conditions, or the maximum nursing home case mix payment, or the highest hospital cost for the state.

The department has 30 days from receipt of the request to complete the level III determination, during which time it may authorize the higher level while reviewing the case.

Case reviews or authorization of home care services in levels II and III may result in assignment of a case manager.

(e) [PRIOR AUTHORIZATION REQUIRED IN FOSTER CARE SETTING.] Any home care service provided in an adult or child foster care setting must receive prior authorization by the department.

Subd. 6. [RECOVERY OF EXCESSIVE PAYMENTS.] The commissioner shall seek monetary recovery of payments from providers made for services which exceed the limits established in this section.

Sec. 47. [256B.0629] [ADVISORY COMMITTEE ON ORGAN AND TISSUE TRANSPLANTS.]

Subdivision 1. [CREATION AND MEMBERSHIP.] By July 1, 1990, the commissioner shall appoint and convene a 12 member advisory committee to provide advice and recommendations to the commissioner concerning the eligibility of organ and tissue transplant procedures for reimbursement by medical assistance and general assistance medical care. The committee must include rep-

representatives of the transplant provider community, hospitals, patient recipient groups or organizations, the department of human services, the department of finance, and the department of health, and persons with expertise in ethics, law, and economics. The terms and removal of members shall be governed by section 15.059. Members shall not receive per diems but shall be compensated for expenses. The advisory committee does not expire as provided in section 15.059, subdivision 6.

Subd. 2. [FUNCTION AND OBJECTIVES.] The advisory committee shall meet at least twice a year. The committee's activities include, but are not limited to:

(1) collection of information on the efficacy and experience of various forms of transplantation not approved by medicare;

(2) collection of information from Minnesota transplant providers on available services, success rates, and the current status of transplant activity in the state;

(3) development of guidelines for determining when and under what conditions, organ and tissue transplants not approved by medicare should be eligible for reimbursement by medical assistance and general assistance medical care;

(4) providing recommendations, at least annually, to the commissioner on: (i) organ and tissue transplant procedures, beyond those approved by medicare, that should also be eligible for reimbursement under medical assistance and general assistance medical care; and (ii) which transplant centers should be eligible for reimbursement from medical assistance and general assistance medical care.

Subd. 3. [ANNUAL REPORT.] The advisory committee shall present an annual report to the commissioner and the chairs of the health and human services appropriations divisions of the house appropriations committee and the senate finance committee by January 1 of each year on the findings and recommendations of the committee.

Subd. 4. [RESPONSIBILITIES OF THE COMMISSIONER.] The commissioner shall, at least annually:

(1) Develop and publish criteria governing the eligibility of organ and tissue transplant procedures for reimbursement from medical assistance and general assistance medical care. Procedures approved by medicare are automatically eligible for medical assistance and general assistance medical care reimbursement.

(2) Develop and publish criteria certifying transplant centers within and outside of Minnesota where Minnesotans receiving

medical assistance and general assistance medical care may obtain transplants.

Sec. 48. [256B.0643] [VENDOR REQUEST FOR CONTESTED CASE PROCEEDING.]

Unless otherwise provided by law, a vendor of medical care, as defined in section 256B.02, subdivision 7, must use this procedure to request a contested case, as defined in section 14.02, subdivision 3. A request for a contested case must be filed with the commissioner in writing within 30 days after the date the notification of an action or determination was mailed. The appeal request must specify:

- (1) each disputed action or item;
- (2) the reason for the dispute;
- (3) an estimate of the dollar amount involved, if any, for each disputed item;
- (4) the computation or other disposition that the appealing party believes is correct;
- (5) the authority in statute or rule upon which the appealing party relies for each disputed item;
- (6) the name and address of the person or firm with whom contacts may be made regarding the appeal; and
- (7) other information required by the commissioner.

Nothing in this section shall be construed to create a right to an administrative appeal or contested case proceeding.

Sec. 49. Minnesota Statutes 1988, section 256B.091, subdivision 4, is amended to read:

Subd. 4. [SCREENING OF PERSONS.] Prior to nursing home or boarding care home admission, screening teams shall assess the needs of all applicants, except (1) patients transferred from other certified nursing homes or boarding care homes; (2) patients who, having entered acute care facilities from nursing homes or boarding care homes, are returning to a nursing home or boarding care home; (3) persons entering a facility described in section 256B.431, subdivision 4, paragraph (e) individuals who are screened by another state within three months before admission to a Minnesota nursing home; (4) individuals not eligible for medical assistance whose length of stay is expected to be 30 days or less based on a physician's certification, if the facility notifies the screening team upon admission and provides an update to the screening team on the 30th day after admission; (5) individuals who have a contractual right to have

their nursing home care paid for indefinitely by the veteran's administration; or (6) persons entering a facility conducted by and for the adherents of a recognized church or religious denomination for the purpose of providing care and services for those who depend upon spiritual means, through prayer alone, for healing. The total screening cost for each county for applicants and residents of nursing homes who request a screening must be paid monthly by nursing homes and boarding care homes participating in the medical assistance program in the county. The monthly amount to be paid by each nursing home and boarding care home for fiscal year 1991 must be determined by dividing the county's estimate of the total annual cost of screenings allowed by the commissioner in the county for the following rate year by 12 to determine the monthly cost estimate and allocating the monthly cost estimate to each nursing home and boarding care home based on the number of licensed beds in the nursing home or boarding care home. The 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 rulemaking an annual adjustment of the state maximum screening rate. The monthly cost estimate for each nursing home or boarding care home must be submitted to the nursing home or boarding care home and the state by the county no later than February 15 of each year for inclusion in the nursing home's or boarding care home's payment rate on the following rate year. The commissioner shall include the reported annual estimated cost of screenings for each nursing home or boarding care home as an operating cost of that nursing home in accordance with section 256B.431, subdivision 2b, clause (g). ~~For all individuals regardless of payment source, if delay of screening timelines are not met because a county is late in screening an individual who meets the delay-of-screening criteria, the county is solely responsible for paying the cost of the preadmission screening. If in more than ten percent of the total number of screenings performed by a county in a fiscal year for all individuals regardless of payment source, the screening timelines were not met because a county was late in screening the individual, the county is solely responsible for paying the cost of those delayed screenings that exceed ten percent.~~ Notwithstanding section 256B.0641, overpayments attributable to payment of the screening costs under the medical assistance program may not be recovered from a facility. Any other interested person may be screened under this subdivision if the person pays a fee for the screening based upon a sliding fee scale determined by the commissioner.

Sec. 50. Minnesota Statutes 1988, section 256B.091, subdivision 6, is amended to read:

Subd. 6. [REIMBURSEMENT.] The commissioner of human services shall amend the Minnesota medical assistance plan to include reimbursement for the local screening teams. Medical assistance

reimbursement shall not be provided for any recipient placed in a nursing home in opposition to the screening team's recommendation after January 1, 1981; provided, however, the commissioner shall not deny reimbursement for (1) an individual admitted to a nursing home or boarding care home who is assessed to need long-term supportive services if long-term supportive services other than nursing home care are not available in that community; (2) any eligible individual placed in the nursing home or boarding care home pending an appeal of the preadmission screening team's decision; (3) any eligible individual placed in the nursing home or boarding care home by a physician in an emergency situation and where the screening team has not made a decision within five working days of its initial contact; or (4) any medical assistance recipient when, after full discussion of all appropriate alternatives including those that are expected to be less costly than care in a nursing home or boarding care home, the individual or the individual's legal representative insists on nursing home or boarding care home placement. Medical assistance reimbursement for nursing homes shall not be provided for any recipient who the team has determined does not meet the level of care criteria for nursing home placement. The screening team shall provide documentation that the most cost effective alternatives available were offered to this individual or the individual's legal representative.

Sec. 51. Minnesota Statutes 1989 Supplement, section 256B.091, subdivision 8, is amended to read:

Subd. 8. [ALTERNATIVE CARE GRANTS.] (a) The commissioner shall provide grants funds to counties participating in the program to pay costs of providing alternative care to individuals screened under subdivision 4 and nursing home or boarding care home residents who request a screening.

(b) Prior to July of each year, the commissioner shall allocate state funds available for alternative care grants to each local agency. ~~This allocation must be made as follows: half of the state funds available for alternative care grants must be allocated to each county according to the total number of adults in that county who are recipients age 65 or older who are reported to the department by March 1 of each state fiscal year and half of the state funds available for alternative care grants must be allocated to a county according to that county's number of Medicare enrollments age 65 or older for the most recent statistical report.~~

(c) For fiscal year 1991 only, the appropriation shall be distributed as specified in paragraphs (1) and (2).

(1) Sufficient state funds shall be set aside for payment for unreimbursed services provided prior to April 1, 1990, as billed by each county by June 1, 1990.

(2) The remainder of the state funds available for alternative care grants must be allocated to each county in the same proportion as each county's share of the actual payments made plus claims submitted for services rendered in the base year. 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. This allocation will include the state share for medical assistance recipients as well as the state share for those who would be eligible within 180 days after nursing home admission. No reallocation between counties will be made. The county agency shall not be reimbursed for services which exceed the county allocation. To receive reimbursement for persons who are eligible within 180 days, the county must submit invoices within 90 days following the date of service. The number of medical assistance waiver recipients which each county may serve is allocated according to the number of open medical assistance waiver cases on July 1, 1990. Additional recipients may be served with the approval of the commissioner. These additional recipients must be served within the county's allocation.

(d) The alternative care grant appropriation for fiscal years 1992 and beyond shall cover only individuals who would be eligible for medical assistance within 180 days after admission to a nursing home. The commissioner shall allocate state funds available for alternative care grants to each county agency. The allocation must be made as follows: the state funds available for alternative care grants, up to the amount of the previous year's allocation increased by the percentage for rates in Minnesota Rules, part 9505.2490, must be allocated to each county in the same proportion as the previous year's allocation. If the appropriation is less than the previous year's allocation plus inflation, it shall be prorated according to the county's share of the formula. Any funds appropriated in excess of the previous year's allocation plus inflation shall be allocated to county agencies, by methodologies that target funds for programs designed to reduce premature nursing home placements and promote cost-effective alternatives to increasing nursing home beds and nursing home utilization. The additional allocation to counties will become part of the allocation base. The commissioner shall appoint a work group including county and senior representatives to assist in developing criteria for allocating funds which may include identifying special target populations, geographic areas, or projects. No reallocation between counties shall be made. The county agency shall not be reimbursed for services which exceed the county allocation. To receive reimbursement, the county must submit invoices within 90 days following the date of service. The number of medical assistance waiver recipients which a county may serve must be allocated according to the number of open medical assistance waiver cases on July 1 of each fiscal year. Additional recipients may be served with the approval of the commissioner.

(e) The commissioner is directed to conduct a review of the preadmission screening program and alternative care grant program including screening requirements, screening reimbursement, program effectiveness, eligibility criteria for alternative care, accessibility to services, copayment and sliding fee issues, county utilization, rates for services, the payment system, funding and forecasting issues, administrative requirements, incentives for innovation, improved consistency with the community assistance for disabled individuals program and medical assistance home care services, and the allocation formula. In conducting this review, special attention should be given to ways to reduce or minimize administrative and program requirements and associated county costs. The commissioner shall appoint a work group including county and senior citizen representatives to assist in the program review. The commissioner must present a report on the findings of the review and recommendations for change to the legislature by February 15, 1991.

(f) Payment is available under this subdivision only for individuals (1) for whom the screening team would recommend nursing home or boarding care home admission, or continued stay if alternative care were not available; (2) who are receiving medical assistance or who would be eligible for medical assistance within 180 days of admission to a nursing home; (3) who need services that are not available at that time in the county through other public assistance; and (4) who are age 65 or older.

(g) The commissioner shall establish by rule, in accordance with chapter 14, procedures for determining grant reallocations, limits on the rates for payment of approved services, including screenings, and submittal and approval of a biennial county plan for the administration of the preadmission screening and alternative care grants program.

(h) Grants may be used for payment of costs of providing care-related supplies, equipment, and the following services ~~such as, but not limited to;~~ adult foster care for elderly persons, adult day care whether or not offered through a nursing home, nutritional counseling, or medical social services, which, home health aide, homemaker, personal care, case management, and respite care. These services are must be provided by a licensed health care provider, a home health service eligible for reimbursement under Titles XVIII and XIX of the federal Social Security Act, or by persons employed by or contracted with by the county board or the local welfare agency.

(i) The county agency shall ensure that a plan of care is established for each individual in accordance with subdivision 3, clause (e)(2), and that a client's service needs and eligibility is reassessed at least every six months. The plan shall include any services prescribed by the individual's attending physician as necessary and

follow up services as necessary. The county agency shall provide documentation to the commissioner verifying that the individual's alternative care is not available at that time through any other public assistance or service program and shall provide documentation in each individual's plan of care and to the commissioner that the most cost-effective alternatives available have been offered to the individual and that the individual was free to choose among available qualified providers, both public and private. The county agency shall document to the commissioner that the agency made reasonable efforts to inform potential providers of the anticipated need for services under the alternative care grants program, including a minimum of 14 days written advance notice of the opportunity to be selected as a service provider and an annual public meeting with providers to explain and review the criteria for selection, and that the agency allowed potential providers an opportunity to be selected to contract with the county board. Grants to counties under this subdivision are subject to audit by the commissioner for fiscal and utilization control.

(j) The county must select providers for contracts or agreements using the following criteria and other criteria established by the county:

- (1) the need for the particular services offered by the provider;
- (2) the population to be served, including the number of clients, the length of time services will be provided, and the medical condition of clients;
- (3) the geographic area to be served;
- (4) quality assurance methods, including appropriate licensure, certification, or standards, and supervision of employees when needed;
- (5) rates for each service and unit of service exclusive of county administrative costs;
- (6) evaluation of services previously delivered by the provider; and
- (7) contract or agreement conditions, including billing requirements, cancellation, and indemnification.

(k) The county must evaluate its own agency services under the criteria established for other providers. The county shall provide a written statement of the reasons for not selecting providers.

(l) The commissioner shall establish a sliding fee schedule for requiring payment for the cost of providing services under this subdivision to persons who are eligible for the services but who are

not yet eligible for medical assistance. The sliding fee schedule is not subject to chapter 14 but the commissioner shall publish the schedule and any later changes in the State Register and allow a period of 20 working days from the publication date for interested persons to comment before adopting the sliding fee schedule in final forms.

(m) The commissioner shall apply for a waiver for federal financial participation to expand the availability of services under this subdivision. Waivered services provided to medical assistance recipients must comply with the same criteria as defined in this section and in the approved waiver. Reimbursement for the medical assistance recipients shall be made from the regular medical assistance account. The commissioner shall provide grants to counties from the nonfederal share, unless the commissioner obtains a federal waiver for medical assistance payments, of medical assistance appropriations. A county agency may use grant money to supplement but not supplant services available through other public assistance or service programs and shall not use grant money to establish new programs for which public money is available through sources other than grants provided under this subdivision. A county agency shall not use grant money to provide care under this subdivision to an individual if the anticipated cost of providing this care would exceed the average payment, as determined by the commissioner, for the level of care that the recipient would receive if placed in a nursing home or boarding care home. The nonfederal share may be used to pay up to 90 percent of the start-up and service delivery costs of providing care under this subdivision. The state share of the nonfederal portion of costs shall be 90 percent and the county share shall be ten percent. Each county agency that receives a grant shall pay ten percent of the costs for persons who are eligible for the services but who are not yet eligible for medical assistance.

(n) Beginning July 1, 1991, the state will reimburse counties according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision from January 1, 1991, on, for individuals who are receiving medical assistance.

(o) Beginning July 1, 1991, the state will reimburse counties, up to the limit of state appropriations, according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision from January 1, 1991, on, for individuals who would be eligible for medical assistance within 180 days of admission to a nursing home.

(p) The commissioner shall promulgate emergency rules in accordance with sections 14.29 to 14.36, to establish required documentation and reporting of care delivered.

Sec. 52. Minnesota Statutes 1989 Supplement, section 256B.14, is amended to read:

256B.14 [RELATIVE'S RESPONSIBILITY.]

Subdivision 1. [IN GENERAL.] Subject to the provisions of sections 256B.055, 256B.056, and 256B.06, responsible relative means the parent of a minor recipient of medical assistance or the spouse of a medical assistance recipient.

Subd. 2. [ACTIONS TO OBTAIN PAYMENT.] The state agency shall promulgate rules to determine the ability of responsible relatives to contribute partial or complete payment or repayment of medical assistance furnished to recipients for whom they are responsible. These rules shall not require payment or repayment when payment would cause undue hardship to the responsible relative or that relative's immediate family. These rules shall be consistent with the requirements of section 252.27, subdivision 2, for parents of children whose eligibility for medical assistance was determined without deeming of the parents' resources and income. For parents of children receiving services under a federal medical assistance waiver or under section 134 of the Tax Equity and Fiscal Responsibility Act of 1982, United States Code, title 42, section 1396a(e)(3), while living in their natural home, including in-home family support services, respite care, homemaker services, and minor adaptations to the home, the state agency shall take into account the room, board, and services provided by the parents in determining the parental contribution to the cost of care. The county agency shall give the responsible relative notice of the amount of the payment or repayment within 30 days of the date of the notice of the person's eligibility. If the state agency or county agency finds that notice of the payment obligation was given to the responsible relative, but that the relative failed or refused to pay, a cause of action exists against the responsible relative for that portion of medical assistance granted after notice was given to the responsible relative, which the relative was determined to be able to pay.

The action may be brought by the state agency or the county agency in the county where assistance was granted, for the assistance, together with the costs of disbursements incurred due to the action.

In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing contributions by a responsible relative found able to repay the county or state agency. The order shall be effective only for the period of time during which the recipient receives medical assistance from the county or state agency.

Subd. 3. [COMMUNITY SPOUSE CONTRIBUTION.] The community spouse of an institutionalized person who receives medical assistance under section 256B.059, subdivision 5, paragraph (b), has an obligation to pay for the cost of care equal to the dollar value of

assets considered available under section 256B.059, subdivision 5, paragraph (a).

Subd. 4. [APPEALS.] A responsible relative may appeal the determination of an obligation to make a contribution under this section, according to section 256.045.

Sec. 53. Minnesota Statutes 1988, section 256B.15, is amended to read:

256B.15 [CLAIMS AGAINST ESTATES.]

Subdivision 1. [ESTATES SUBJECT TO CLAIMS.] If a person receives any medical assistance hereunder, on the person's death, if single, or on the death of the survivor of a married couple, either or both of whom received medical assistance, and only when there is no surviving child who is under 21 or is blind or totally disabled, the total amount paid for medical assistance rendered for the person and spouse, after age 65, without interest, shall be filed as a claim against the estate of the person or the estate of the surviving spouse in the court having jurisdiction to probate the estate.

A claim against the estate of a surviving spouse who did not receive medical assistance, for medical assistance rendered for the predeceased spouse, is limited to the value of the assets of the estate that were marital property or jointly owned property at any time during the marriage. A claim shall be filed if medical assistance was rendered for either or both persons under one of the following circumstances:

(a) the person was over 65 years of age; or

(b) the person resided in a medical institution for six months or longer and, at the time of institutionalization or application for medical assistance, whichever is later, the person could not have reasonably been expected to be discharged and returned home, as certified in writing by the person's treating physician. For purposes of this section only, a "medical institution" means a skilled nursing facility, intermediate care facility, intermediate care facility for persons with mental retardation, nursing facility, or inpatient hospital.

The claim shall be considered an expense of the last illness of the decedent for the purpose of section 524.3-805. Any statute of limitations that purports to limit any county agency or the state agency, or both, to recover for medical assistance granted hereunder shall not apply to any claim made hereunder for reimbursement for any medical assistance granted hereunder. Counties are entitled to one-half of the nonfederal share of medical assistance collections from estates that are directly attributable to county effort.

Subd. 2. [LIMITATIONS ON CLAIMS.] The claim shall include only the total amount of medical assistance rendered after age 65 or during a period of institutionalization described in subdivision 1, clause (b), and shall not include interest. A claim against the estate of a surviving spouse who did not receive medical assistance, for medical assistance rendered for the predeceased spouse, is limited to the value of the assets of the estate that were marital property or jointly owned property at any time during the marriage.

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:

(a) a sibling who resided in the decedent medical assistance recipient's home at least one year before the decedent's institutionalization and continuously since the date of institutionalization; or

(b) a son or daughter who resided in the decedent medical assistance recipient's home for at least two years immediately before the parent's institutionalization and continuously since the date of institutionalization, and who establishes by a preponderance of the evidence that he or she provided care to the parent who received medical assistance, the care was provided before institutionalization, and the care permitted the parent to reside at home rather than in an institution.

Sec. 54. Minnesota Statutes 1988, section 256B.19, is amended by adding a subdivision to read:

Subd. 2b. [PILOT PROJECT REIMBURSEMENT.] In counties where a demonstration or pilot project is operated under the medical assistance program, the state may pay 100 percent of the administrative costs for the demonstration or pilot project after June 30, 1990. Reimbursement for these costs is subject to section 256.025.

Sec. 55. Minnesota Statutes 1988, section 256B.431, is amended by adding a subdivision to read:

Subd. 2l. [INFLATION ADJUSTMENTS AFTER JULY 1, 1990.] For rate years beginning on or after July 1, 1990, the forecasted composite price index for a nursing home's allowable operating cost

per diems shall be determined using Data Resources, Inc., forecast for change in the Nursing Home Market Basket. The commissioner of human services shall use the indices as forecasted by Data Resources, Inc., in the fourth quarter of the calendar year preceding the rate year.

Sec. 56. Minnesota Statutes 1988, section 256B.431, subdivision 3e, is amended to read:

Subd. 3e. [HOSPITAL-ATTACHED CONVALESCENT AND NURSING CARE FACILITIES.] If a community-operated hospital and attached convalescent and nursing care facility suspend operation of the hospital, or a nonprofit hospital and attached convalescent and nursing care facility suspend operation of the hospital on July 31, 1989, the surviving nursing care facility must be allowed to continue its status as a hospital-attached convalescent and nursing care facility for reimbursement purposes in three subsequent rate years.

Sec. 57. Minnesota Statutes 1989 Supplement, section 256B.431, subdivision 3g, is amended to read:

Subd. 3g. [PROPERTY COSTS AFTER JULY 1, 1990, FOR CERTAIN FACILITIES.] (a) For rate years beginning on or after July 1, 1990, nursing homes that, on or after January 1, 1976, but prior to January 1, 1987, were newly licensed after new construction, or increased their licensed beds by a minimum of 35 percent through new construction, and whose building capital allowance is less than their allowable annual principal and interest on allowable debt prior to the application of the replacement-cost-new per bed limit and whose remaining weighted average debt amortization schedule as of January 1, 1988, exceeded 15 years, must receive a property-related payment rate equal to the greater of their rental per diem or their annual allowable principal and allowable interest without application of the replacement-cost-new per bed limit, divided by their capacity days as determined under Minnesota Rules, part 9549.0060, subpart 11, as modified by subdivision 3f, paragraph (c), for the preceding reporting year, plus their equipment allowance. A nursing home that is eligible for a property-related payment rate under this subdivision and whose property-related payment rate in a subsequent rate year is its rental per diem must continue to have its property-related payment rates established for all future rate years based on the rental reimbursement method in Minnesota Rules, part 9549.0060.

The commissioner may require the nursing home to apply for refinancing as a condition of receiving special rate treatment under this subdivision.

(b) If a nursing home is eligible for a property-related payment rate under this subdivision, and the nursing home's debt is refi-

nanced after ~~October~~ January 1, 1988 1985, the provisions in paragraphs (1) to (7) also apply to the property-related payment rate for rate years beginning on or after July 1, 1990.

(1) A nursing home's refinancing must not include debts with balloon payments.

(2) If the issuance costs, including issuance costs on the debt refinanced, are financed as part of the refinancing, the historical cost of capital assets limit in Minnesota Rules, part 9549.0060, subpart 5, item A, subitem (6), includes issuance costs that do not exceed seven percent of the debt refinanced, plus the related issuance costs. For purposes of this paragraph, issuance costs means the fees charged by the underwriter, issuer, attorneys, bond raters, appraisers, and trustees, and includes the cost of printing, title insurance, registration tax, and a feasibility study for the refinancing of a nursing home's debt. Issuance costs do not include bond premiums or discounts when bonds are sold at other than their par value, points, or a bond reserve fund. To the extent otherwise allowed under this paragraph, the straight-line amortization of the refinancing issuance costs is not an allowable cost.

(3) The annual principal and interest expense payments and any required annual municipal fees on the nursing home's refinancing replace those of the refinanced debt and, together with annual principal and interest payments on other allowable debts, are allowable costs subject to the limitation on historical cost of capital assets plus issuance costs as limited in paragraph (2), if any.

(4) If the nursing home's refinancing includes zero coupon bonds, the commissioner shall establish a monthly debt service payment schedule based on an annuity that will produce an amount equal to the zero coupon bonds at maturity. The term and interest rate is the term and interest rate of the zero coupon bonds. Any refinancing to repay the zero coupon bonds is not an allowable cost.

(5) The annual amount of annuity payments is added to the nursing home's allowable annual principal and interest payment computed in paragraph (3).

(6) The property-related payment rate is equal to the amount in paragraph (5), 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), for the preceding reporting year plus an equipment allowance.

(7) Except as provided in this subdivision, the provisions of Minnesota Rules, part 9549.0060 apply.

Sec. 58. 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.

(g) For the rate year beginning July 1, 1990, a nursing home in the city of Faribault with a construction project approved by the commissioner under the moratorium exception approval process in section 144A.073 prior to February 1, 1990, whose property-related payment rate for the rate year beginning July 1, 1989, was determined under Minnesota Rules, part 9549.0060, subpart 13, item C or D (phase-up to full rental reimbursement) shall have its property-related payment rate determined under Minnesota Rules, part 9549.0060, subpart 13, item A (full rental reimbursement).

Sec. 59. 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 256B.431, subdivision 3h. 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. 60. Minnesota Statutes 1988, section 256B.431, is amended by adding a subdivision to read:

Subd. 3j. [SPECIAL PROPERTY RATE.] Notwithstanding any law or rule to the contrary, for rate years beginning July 1, 1990, a nursing home under lease from 1968 until 1983 with a lessee or related party having an option to purchase the nursing home, which option was subsequently exercised, shall be allowed debt and interest costs incurred by the lessee or related party on indebtedness created when the option to purchase was exercised before the end of the 1983 calendar year. The nursing home must demonstrate to the commissioner's satisfaction that the interest rate on the debt was less than market interest rates for similar arms-length transactions at the time the debt was incurred.

Sec. 61. Minnesota Statutes 1989 Supplement, section 256B.431, subdivision 7, is amended to read:

Subd. 7. [ONE-TIME ADJUSTMENT TO NURSING HOME PAYMENT RATES TO COMPLY WITH OMNIBUS BUDGET RECONCILIATION ACT.] The commissioner shall determine a one-time nursing staff adjustment to the payment rate to adjust payment rates to upgrade certain nursing homes' professional nursing staff complement to meet the minimum standards of 1987 Public Law Number 100-203. The adjustments to the payment rates determined under this subdivision cover cost increases to meet minimum standards for professional nursing staff. For a nursing home to be eligible for the payment rate adjustment, a nursing home must have all of its current licensed beds certified solely for the intermediate level of care. When the commissioner establishes that it is not cost effective to upgrade an eligible nursing home to the new minimum staff standards, the commissioner may exclude the nursing home if it is either an institution for mental disease or a nursing 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.

(a) The increased cost of professional nursing for an eligible nursing home shall be determined according to clauses (1) to (4):

(1) subtract from the number 8760 the compensated hours for professional nurses, both employed and contracted, and, if the result is greater than zero, then multiply the result by \$4.55;

(2) subtract from the number 2920 the compensated hours for registered nurses, both employed and contracted, and, if the result is greater than zero, then multiply the result by \$9.30;

(3) if an eligible nursing home has less than 61 licensed beds, the director of nurses' compensated hours must be included in the compensated hours for professional nurses in clause (1). If the director of nurses is also a registered nurse, the director of nurses' hours must be included in the compensated hours for registered nurses in clause (2); and

(4) the one-time nursing staff adjustment to the payment rate shall be the sum of clauses (1) and (2) as adjusted by clause (3), if appropriate, and then divided by the nursing home's actual resident days for the reporting year ending September 30, 1988.

(b) The one-time nursing staff adjustment to the payment rate is effective from January 1, 1990, to June 30, 1991.

(c) If a nursing home is granted a waiver to the minimum professional nursing staff standards under Public Law Number 100-203 for either the professional nurse adjustment referred to in clause (1), or the registered nurse adjustment in clause (2), the commissioner must recover the portion of the nursing home's payment rate that relates to a one-time nursing staff adjustment granted under this subdivision. The amount to be recovered shall be based on the type and extent of the waiver granted.

(d) Notwithstanding the provisions of paragraph (a), clause (3), if an eligible nursing home has less than 61 licensed beds, the director of nurses' compensated hours must be excluded from the computation of compensated hours for professional nurses and registered nurses in paragraph (a), clauses (1) and (2). The commissioner shall recompute the one-time nursing staff adjustment to the payment rate using the data from the cost report for the reporting year ending September 30, 1989, and the adjustment computed under this paragraph shall replace the adjustment previously computed under this subdivision effective October 1, 1990, and shall be effective for the period October 1, 1990, to June 30, 1992.

Sec. 62. [256B.432] [LONG-TERM CARE FACILITIES; CENTRAL, AFFILIATED, OR CORPORATE OFFICE COSTS.]

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

(a) "Management agreement" means an agreement in which one or more of the following criteria exist:

(1) the central, affiliated, or corporate office has or is authorized to

assume day-to-day operational control of the long-term care facility for any six-month period within a 24-month period. "Day-to-day operational control" means that the central, affiliated, or corporate office has the authority to require, mandate, direct, or compel the employees of the long-term care facility to perform or refrain from performing certain acts, or to supplant or take the place of the top management of the long-term care facility. "Day-to-day operational control" includes the authority to hire or terminate employees or to provide an employee of the central, affiliated, or corporate office to serve as administrator of the long-term care facility;

(2) the central, affiliated, or corporate office performs or is authorized to perform two or more of the following: the execution of contracts; authorization of purchase orders; signature authority for checks, notes, or other financial instruments; requiring the long-term care facility to use the group or volume purchasing services of the central, affiliated, or corporate office; or the authority to make annual capital expenditures for the long-term care facility exceeding \$50,000, or \$500 per licensed bed, whichever is less, without first securing the approval of the long-term care facility board of directors;

(3) the central, affiliated, or corporate office becomes or is required to become the licensee under applicable state law;

(4) the agreement provides that the compensation for services provided under the agreement is directly related to any profits made by the long-term care facility; or

(5) the long-term care facility entering into the agreement is governed by a governing body that meets fewer than four times a year, that does not publish notice of its meetings, or that does not keep formal records of its proceedings.

(b) "Consulting agreement" means any agreement the purpose of which is for a central, affiliated, or corporate office to advise, counsel, recommend, or suggest to the owner or operator of the nonrelated long-term care facility measures and methods for improving the operations of the long-term care facility.

(c) "Long-term care facility" means a nursing home whose medical assistance rates are determined according to section 256B.431 or an intermediate care facility for persons with mental retardation and related conditions whose medical assistance rates are determined according to section 256B.501.

Subd. 2. [EFFECTIVE DATE.] For rate years beginning on or after July 1, 1990, the central, affiliated, or corporate office cost allocations in subdivisions 3 to 6 must be used when determining medical assistance rates under sections 256B.431 and 256B.501.

Subd. 3. [ALLOCATION; DIRECT IDENTIFICATION OF COSTS OF LONG-TERM CARE FACILITIES; MANAGEMENT AGREEMENT.] All costs that can be directly identified with a specific long-term care facility that is a related organization to the central, affiliated, or corporate office, or that is controlled by the central, affiliated, or corporate office under a management agreement, must be allocated to that long-term care facility.

Subd. 4. [ALLOCATION; DIRECT IDENTIFICATION OF COSTS TO OTHER ACTIVITIES.] All costs that can be directly identified with any other activity or function not described in subdivision 3 must be allocated to that activity or function.

Subd. 5. [ALLOCATION OF REMAINING COSTS; ALLOCATION RATIO.] (a) After the costs that can be directly identified according to subdivisions 3 and 4 have been allocated, the remaining central, affiliated, or corporate office costs must be allocated between the long-term care facility operations and the other activities or facilities unrelated to the long-term care facility operations based on the ratio of expenses.

(b) For purposes of allocating these remaining central, affiliated, or corporate office costs, the numerator for the allocation ratio shall be determined as follows:

(1) for long-term care facilities that are related organizations or are controlled by a central, affiliated, or corporate office under a management agreement, the numerator of the allocation ratio shall be equal to the sum of the total costs incurred by each related organization or controlled long-term care facility;

(2) for a central, affiliated, or corporate office providing goods or services to related organizations that are not long-term care facilities, the numerator of the allocation ratio shall be equal to the sum of the total costs incurred by the non-long-term care related organizations;

(3) for a central, affiliated, or corporate office providing goods or services to unrelated long-term care facilities under a consulting agreement, the numerator of the allocation ratio shall be equal to the greater of directly identified central, affiliated, or corporate costs or the contracted amount; or

(4) for business activities that involve the providing of goods or services to unrelated parties which are not long-term care facilities, the numerator of the allocation ratio shall be equal to the greater of directly identified costs or revenues generated by the activity or function.

(c) The denominator for the allocation ratio is the sum of the numerators in paragraph (b), clauses (1) to (4).

Subd. 6. [COST ALLOCATION BETWEEN LONG-TERM CARE FACILITIES.] (a) Those long-term care operations that have long-term care facilities both in Minnesota and outside of Minnesota must allocate the long-term care operation's central, affiliated, or corporate office costs identified in subdivision 5 to Minnesota based on the ratio of total resident days in Minnesota long-term care facilities to the total resident days in all facilities.

(b) The Minnesota long-term care operation's central, affiliated, or corporate office costs identified in paragraph (a) must be allocated to each Minnesota long-term care facility on the basis of resident days.

Sec. 63. Minnesota Statutes 1988, section 256B.48, is amended by adding a subdivision to read:

Subd. 1c. [CASE MIX RATE FOR PROVIDER WITH ADDENDUM TO PROVIDER AGREEMENT.] A nursing home with an addendum to its provider agreement effective beginning July 8, 1985, or September 24, 1985, shall have its payment rates established by the commissioner under this subdivision. To save medical assistance resources, for rate years beginning after July 1, 1991, the provider's payment rates shall be the payment rates established by the commissioner July 1, 1990, multiplied by a 12-month inflation factor based on the forecasted inflation between the mid-points of rate years using the inflation index applied by the commissioner to other nursing homes.

The provider and the department of health shall complete case mix assessments under Minnesota Rules, chapter 4656, and parts 9549.0058 and 9549.0059, on only those residents receiving medical assistance. The commissioner of health may audit and verify the limited provider assessments at any time.

Sec. 64. Minnesota Statutes 1988, section 256B.48, subdivision 2, is amended to read:

Subd. 2. [REPORTING REQUIREMENTS.] No later than December 31 of each year, a skilled nursing facility or intermediate care facility, including boarding care facilities, which receives medical assistance payments or other reimbursements from the state agency shall:

(a) Provide the state agency with a copy of its audited financial statements. The audited financial statements must include a balance sheet, income statement, statement of the rate or rates charged to private paying residents, statement of retained earnings, statements of changes in financial position (cash and working capital

methods) statement of cash flows, notes to the financial statements, audited applicable supplemental information, and the certified public accountant's or licensed public accountant's opinion. The examination by the certified public accountant or licensed public accountant shall be conducted in accordance with generally accepted auditing standards as promulgated and adopted by the American Institute of Certified Public Accountants;

(b) Provide the state agency with a statement of ownership for the facility;

(c) Provide the state agency with separate, audited financial statements as specified in clause (a) for every other facility owned in whole or part by an individual or entity which has an ownership interest in the facility;

(d) Upon request, provide the state agency with separate, audited financial statements as specified in clause (a) for every organization with which the facility conducts business and which is owned in whole or in part by an individual or entity which has an ownership interest in the facility;

(e) Provide the state agency with copies of leases, purchase agreements, and other documents related to the lease or purchase of the nursing facility;

(f) Upon request, provide the state agency with copies of leases, purchase agreements, and other documents related to the acquisition of equipment, goods, and services which are claimed as allowable costs; and

(g) Permit access by the state agency to the certified public accountant's and licensed public accountant's audit workpapers which support the audited financial statements required in clauses (a), (c), and (d).

Documents or information provided to the state agency pursuant to this subdivision shall be public. If the requirements of clauses (a) to (g) are not met, the reimbursement rate may be reduced to 80 percent of the rate in effect on the first day of the fourth calendar month after the close of the reporting year, and the reduction shall continue until the requirements are met.

Sec. 65. Minnesota Statutes 1988, section 256B.49, is amended by adding a subdivision to read:

Subd. 3. [CONTINUED SERVICES FOR PERSONS OVER AGE 65.] Persons who are found eligible for services under this section before their 65th birthday may remain eligible for these services after their 65th birthday if they meet all other eligibility factors.

Sec. 66. Minnesota Statutes 1989 Supplement, section 256B.495, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT OF RECEIVERSHIP FEES.] The commissioner in consultation with the commissioner of health may establish a receivership fee payment that exceeds a long-term care facility payment rate when the commissioner of health determines a long-term care facility is subject to the receivership provisions under section 144A.14 or 144A.15 or the commissioner of human services determines that a facility is subject to the receivership under section 245A.12 or 245A.13. In establishing the receivership fee payment, the commissioner must reduce the receiver's requested receivership fee by amounts that the commissioner determines are included in the long-term care facility's payment rate and that can be used to cover part or all of the receivership fee. Amounts that can be used to reduce the receivership fee shall be determined by reallocating facility staff or costs that were formerly paid by the long-term care facility before the receivership and are no longer required to be paid. The amounts may include any efficiency incentive, allowance, and other amounts not specifically required to be paid for expenditures of the long-term care facility.

If the receivership fee cannot be covered by amounts in the long-term care facility's payment rate, a receivership fee payment shall be set according to paragraphs (a) and (b) and payment shall be according to paragraphs (c) to (e).

(a) The receivership fee per diem shall be determined by dividing the annual receivership fee payment by the long-term care facility's resident days from the most recent cost report for which the commissioner has established a payment rate or the estimated resident days in the projected receivership fee period.

(b) The receivership fee per diem shall be added to the long-term care facility's payment rate.

(c) Notification of the payment rate increase must meet the requirements of section 256B.47, subdivision 2.

(d) The payment rate in paragraph (b) for a nursing home shall be effective the first day of the month following the receiver's compliance with the notice conditions in paragraph (c). The payment rate in paragraph (b) for an intermediate care facility for the mentally retarded shall be effective on the first day of the rate year in which the receivership fee per diem is determined.

(e) The commissioner may elect to make a lump sum payment of a portion of the receivership fee to the receiver or managing agent. In this case, the commissioner and the receiver or managing agent shall agree to a repayment plan. Regardless of whether the commis-

sioner makes a lump sum payment under this paragraph, the provisions of paragraphs (a) to (d) and subdivision 2 also apply.

Sec. 67. Minnesota Statutes 1988, section 256B.50, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] A provider may appeal from a determination of a payment rate established pursuant to this chapter and reimbursement rules of the commissioner if the appeal, if successful, would result in a change to the provider's payment rate or to the calculation of maximum charges to therapy vendors as provided by section 256B.433, subdivision 2. Appeals must be filed in accordance with procedures in this section. This section does not apply to a request from a resident or nursing home for reconsideration of the classification of a resident under section 144.0722.

Sec. 68. Minnesota Statutes 1988, section 256B.50, subdivision 1b, is amended to read:

Subd. 1b. [FILING AN APPEAL.] To appeal, the provider shall file with the commissioner a written notice of appeal; the appeal must be received by the commissioner within 60 days of the date the determination of the payment rate was mailed. The notice of appeal must specify each disputed item; the reason for the dispute; the total dollar amount and the dollar amount per bed in dispute for each separate disallowance, allocation, or adjustment of each cost item or part of a cost item; the computation that the provider believes is correct; the authority in statute or rule upon which the provider relies for each disputed item; the name and address of the person or firm with whom contacts may be made regarding the appeal; and other information required by the commissioner.

Sec. 69. Minnesota Statutes 1988, section 256B.501, subdivision 3c, is amended to read:

Subd. 3c. [COMPOSITE FORECASTED INDEX.] For rate years beginning on or after October 1, 1988, the commissioner shall establish a statewide composite forecasted index to take into account economic trends and conditions between the midpoint of the facility's reporting year and the midpoint of the rate year following the reporting year. The statewide composite index must incorporate the forecast by Data Resources, Inc. of increases in the average hourly earnings of nursing and personal care workers indexed in Standard Industrial Code 805 in "Employment and Earnings," published by the Bureau of Labor Statistics, United States Department of Labor. This portion of the index must be weighted annually by the proportion of total allowable salaries and wages to the total allowable operating costs in the program, maintenance, and administrative operating cost categories for all facilities.

For adjustments to the other operating costs in the program,

maintenance, and administrative operating cost categories, the statewide index must incorporate the Data Resources, Inc. forecast for increases in the national CPI-U. This portion of the index must be weighted annually by the proportion of total allowable other operating costs to the total allowable operating costs in the program, maintenance, and administrative operating cost categories for all facilities. The commissioner shall use the indices as forecasted by Data Resources, Inc., in the fourth quarter of the reporting year.

For rate years beginning on or after October 1, 1990, the commissioner shall index a facility's allowable operating costs in the program, maintenance, and administrative operating cost categories by using Data Resources, Inc., forecast for change in the Consumer Price Index-All Items (U.S. city average) (CPI-U). The commissioner shall use the indices as forecasted by Data Resources, Inc., in the first quarter of the calendar year in which the rate year begins.

Sec. 70. Minnesota Statutes 1988, section 256B.501, subdivision 3e, is amended to read:

Subd. 3e. [INCREASE IN LIMITS.] For rate years beginning on or after October 1, 1990, the commissioner shall increase the administrative cost per licensed bed limit in subdivision 3d, paragraph (c), and the maintenance operating cost limit in Minnesota Rules, part 9553.0050, subpart 1, item A, subitem (2), by multiplying the administrative operating cost per bed limit and the maintenance operating cost limit by the ~~composite~~ forecasted index in subdivision 3c except that the index shall be based on the 12 months between the midpoints of the two preceding reporting years.

Sec. 71. Minnesota Statutes 1988, section 256B.501, is amended by adding a subdivision to read:

Subd. 11. [INVESTMENT PER BED LIMITS, INTEREST EXPENSE LIMITATIONS, AND ARMS-LENGTH LEASES.] (a) The provisions of Minnesota Rules, part 9553.0075, except as modified under this subdivision, shall apply to newly constructed or established facilities that are certified for medical assistance on or after May 1, 1990.

(b) For purposes of establishing payment rates under this subdivision and Minnesota Rules, parts 9553.0010 to 9553.0080, the term "newly constructed or newly established" means a facility (1) for which a need determination has been approved by the commissioner under sections 252.28 and 252.291; (2) whose program is newly licensed under Minnesota Rules, parts 9525.0215 to 9525.0355, and certified under Code of Federal Regulations, title 42, section 442.400, et seq.; and (3) that is part of a proposal that meets the requirements of section 252.291, subdivision 2, paragraph (2). The term does not include a facility for which a need determination was

granted solely for other reasons such as the relocation of a facility; a change in the facility's name, program, number of beds, type of beds, or ownership; or the sale of a facility, unless the relocation of a facility to one or more service sites is the result of a closure of a facility under section 252.292, in which case clause (3) shall not apply. The term does include a facility that converts more than 50 percent of its licensed beds from class A to class B residential or class B institutional to serve persons discharged from state regional treatment centers on or after May 1, 1990, in which case, clause (3) does not apply.

(c) Newly constructed or newly established facilities that are certified for medical assistance on or after May 1, 1990, shall be allowed the capital asset investment per bed limits as provided in clauses (1) to (4).

(1) The 1990 calendar year investment per bed limit for a facility's land must not exceed \$5,700 per bed for newly constructed or newly established facilities in Hennepin, Ramsey, Anoka, Washington, Dakota, Scott, Carver, Chisago, Isanti, Wright, Benton, Sherburne, Stearns, St. Louis, Clay, and Olmsted counties, and must not exceed \$3,000 per bed for newly constructed or newly established facilities in other counties.

(2) The 1990 calendar year investment per bed limit for a facility's depreciable capital assets must not exceed \$44,800 for class B residential beds, and \$45,200 for class B institutional beds.

(3) The investment per bed limit in clause (2) must not be used in determining the three-year average percentage increase adjustment in Minnesota Rules, part 9553.0060, subpart 1, item C, subitem (4), for facilities that were newly constructed or newly established before May 1, 1990.

(4) The investment per bed limits in clause (2) shall be adjusted annually beginning January 1, 1991, and each January 1 following, as provided in Minnesota Rules, part 9553.0060, subpart 1, item C, subitem (2).

(d) A newly constructed or newly established facility's interest expense limitation as provided for in Minnesota Rules, part 9553.0060, subpart 3, item F, on capital debt for capital assets acquired during the interim or settle-up period, shall be increased by 2.5 percentage points for each full .25 percentage points that the facility's interest rate on its mortgage is below the maximum interest rate as established in Minnesota Rules, part 9553.0060, subpart 2, item A, subitem (2). For all following rate periods, the interest expense limitation on capital debt in Minnesota Rules, part 9553.0060, subpart 3, item F, shall apply to the facility's capital assets acquired, leased, or constructed after the interim or settle-up period. If a newly constructed or newly established facility is

acquired by the state, the limitations of this paragraph and Minnesota Rules, part 9553.0060, subpart 3, item F, shall not apply.

(e) If a newly constructed or newly established facility is leased with an arms-length lease as provided for in Minnesota Rules, part 9553.0060, subpart 7, the lease agreement shall be subject to the following conditions:

(1) the term of the lease, including option periods, must not be less than 20 years;

(2) the maximum interest rate used in determining the present value of the lease must not exceed the lesser of the interest rate limitation in Minnesota Rules, part 9553.0060, subpart 2, item A, subitem (2), or 16 percent; and

(3) the residual value used in determining the net present value of the lease must be established using the provisions of Minnesota Rules, part 9553.0060.

(f) All leases of the physical plant of an intermediate care facility for the mentally retarded shall contain a clause that requires the owner to give the commissioner notice of any requests or orders to vacate the premises 90 days before such vacation of the premises is to take place. In the case of unlawful detainer actions, the owner shall notify the commissioner within three days of notice of an unlawful detainer action being served upon the tenant. The only exception to this notice requirement is in the case of emergencies where immediate vacation of the premises is necessary to assure the safety and welfare of the residents. In such an emergency situation, the owner shall give the commissioner notice of the vacation request at the time the owner of the property is aware that the vacating of the premises is necessary. This paragraph applies to all leases entered into after the effective date of this section. Rentals set in leases entered into after that date that do not contain this clause are not allowable costs for purposes of medical assistance reimbursement.

(g) A newly constructed or newly established facility's preopening costs are subject to the provisions of Minnesota Rules, part 9553.0035, subpart 12, and must be limited to only those costs incurred during one of the following periods, whichever is shorter:

(1) between the date the commissioner approves the facility's need determination and 30 days before the date the facility is certified for medical assistance; or

(2) the 12-month period immediately preceding the 30 days before the date the facility is certified for medical assistance.

Sec. 72. Minnesota Statutes 1988, section 256B.69, subdivision 3, is amended to read:

Subd. 3. [GEOGRAPHIC AREA.] The commissioner shall designate the geographic areas in which eligible individuals may be included in the ~~demonstration project~~. ~~The geographic areas may include one urban, one suburban, and one rural county. In order to encourage the participation of long-term care providers, the project area may be expanded beyond the designated counties for eligible individuals over age 65~~ medical assistance prepayment programs.

Sec. 73. Minnesota Statutes 1989 Supplement, section 256B.69, subdivision 16, is amended to read:

Subd. 16. [PROJECT EXTENSION.] Minnesota Rules, parts 9500.1450; 9500.1451; 9500.1452; 9500.1453; 9500.1454; 9500.1455; 9500.1456; 9500.1457; 9500.1458; 9500.1459; 9500.1460; 9500.1461; 9500.1462; 9500.1463; and 9500.1464 are extended ~~until December 31, 1990.~~

Sec. 74. Minnesota Statutes 1988, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.] (a) General assistance medical care may be paid for any person:

(1) who is ~~eligible for receiving~~ assistance under section 256D.05 or 256D.051 and is not eligible for medical assistance under chapter 256B including eligibility for medical assistance based on a spend-down of excess income according to section 256B.056, subdivision 5; or

(2)(i) who is a resident of Minnesota; and whose equity in assets is not in excess of \$1,000 per assistance unit. Exempt assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B; and

(ii) who has countable income not in excess of the assistance standards established in section 256B.056, subdivision 4, or whose excess income is spent down pursuant to section 256B.056, subdivision 5, using a six-month budget period except that for recipients residing in a long-term care facility, a one-month budget period must be used. The method for calculating earned income disregards and deductions for a person who resides with a dependent child under age 21 shall be as specified in section 256.74, subdivision 1. However, if a disregard of \$30 and one-third of the remainder described in section 256.74, subdivision 1, clause (5), has been applied to the wage earner's income, the disregard shall not be applied again until the wage earner's income has not been considered in an eligibility determination for general assistance, general

assistance medical care, medical assistance, or aid to families with dependent children for 12 consecutive months. The earned income and work expense deductions for a person who does not reside with a dependent child under age 21 shall be the same as the method used to determine eligibility for a person under section 256D.06, subdivision 1, except for the disregard of the first \$50 of earned income is not allowed; or

(3) who is over age 18 and who would be eligible for medical assistance except that the person resides in a facility that is determined by the commissioner or the federal health care financing administration to be an institution for mental diseases.

(b) Eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

(c) General assistance medical care may be paid for a person, regardless of age, who is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, if the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

(d) General assistance medical care is not available for applicants or recipients who do not cooperate with the local agency to meet the requirements of medical assistance.

(e) In determining the amount of assets of an individual, there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair market value within the 30 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months, and a reapplication for benefits after 30 months from the date of the transfer shall not

result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the local agency, or if the transfer was not reported, the month in which the local agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the first approved application.

Sec. 75. Minnesota Statutes 1989 Supplement, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) Reimbursement under the general assistance medical care program shall be limited to the following categories of service: inpatient hospital care, outpatient hospital care, services provided by Medicare certified rehabilitation agencies, prescription drugs, equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level, eyeglasses and eye examinations provided by a physician or optometrist, hearing aids, prosthetic devices, laboratory and X-ray services, physician's services, medical transportation, chiropractic services as covered under the medical assistance program, podiatric services, and dental care. In addition, payments of state aid shall be made for:

(1) outpatient services provided by a mental health center or clinic that is under contract with the county board and is certified under Minnesota Rules, parts 9520.0010 to 9520.0230 established under section 245.62;

(2) day treatment services for mental illness provided under contract with the county board;

(3) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;

(4) case management services for a person with serious and persistent mental illness who would be eligible for medical assistance except that the person resides in an institution for mental diseases;

(5) psychological services, medical supplies and equipment, and Medicare premiums, coinsurance and deductible payments for a person who would be eligible for medical assistance except that the person resides in an institution for mental diseases; and

(6) equipment not specifically listed in this paragraph when the use of the equipment will prevent the need for costlier services that are reimbursable under this subdivision.

(b) In order to contain costs, the commissioner of human services

shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. For payments made during fiscal year 1990 and later years, the commissioner shall contract with an independent actuary to establish prepayment rates.

(c) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions.

For the period July 1, 1985, to December 31, 1985, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent.

For the period January 1, 1986, to December 31, 1986, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 20 percent; payments for all other inpatient hospital care may be reduced no more than 15 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period January 1, 1987, to June 30, 1987, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than ten percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1987, to June 30, 1988, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than five percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1988, to June 30, 1989, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may not be reduced. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

(d) Any county may, from its own resources, provide medical payments for which state payments are not made.

(e) Chemical dependency services that are reimbursed under Laws 1986, chapter 394, sections 8 to 20, must not be reimbursed under general assistance medical care.

(f) The maximum payment for new vendors enrolled in the general assistance medical care program after the base year shall be determined from the average usual and customary charge of the same vendor type enrolled in the base year.

(g) The conditions of payment for services under this subdivision are the same as the conditions specified in rules adopted under

chapter 256B governing the medical assistance program, unless otherwise provided by statute or rule.

Sec. 76. Minnesota Statutes 1989 Supplement, section 256D.03, subdivision 6, is amended to read:

Subd. 6. [DIVISION OF COSTS.] The state share of local agency expenditures for general assistance medical care shall be 90 percent and the county share shall be ten percent. Payments made under this subdivision shall be made in accordance with sections 256B.041, subdivision 5 and 256B.19, subdivision 1. In counties where a pilot or demonstration project is operated for general assistance medical care services, the state may pay 100 percent of the costs of administering the pilot or demonstration project. Reimbursement for these costs is subject to section 256.025.

Beginning July 1, 1991, the state will reimburse counties according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision from January 1, 1991, on. Payment to counties under this subdivision is subject to the provisions of section 256.017.

Notwithstanding any provision to the contrary, beginning July 1, 1991, the state shall pay 100 percent of the costs for centralized claims processing by the department of administration relative to claims beginning January 1, 1991, and submitted on behalf of general assistance medical care recipients by vendors in the general assistance medical care program.

Beginning July 1, 1991, the state shall reimburse counties up to the limit of state appropriations for general assistance medical care common carrier transportation and related travel expenses provided for medical purposes after December 31, 1990. Reimbursement shall be provided according to the payment schedule set forth in section 256.025. For purposes of this subdivision, transportation shall have the meaning given it in Code of Federal Regulations, title 42, section 440.170(a), as amended through October 1, 1987, and travel expenses shall have the meaning given in Code of Federal Regulations, title 42, section 440.170(a)(3), as amended through October 1, 1987.

The county shall ensure that only the least costly most appropriate transportation and travel expenses are used. The state may enter into volume purchase contracts, or use a competitive bidding process, whenever feasible, to minimize the costs of transportation services. If the state has entered into a volume purchase contract or used the competitive bidding procedures of chapter 16B to arrange for transportation services, the county may be required to use such arrangements to be eligible for state reimbursement for general assistance medical care common carrier transportation and related travel expenses provided for medical purposes.

In counties where prepaid health plans are under contract to the commissioner to provide services to general assistance medical care recipients, the cost of court ordered treatment that does not include diagnostic evaluation, recommendation, or referral for treatment by the prepaid health plan is the responsibility of the county of financial responsibility.

Sec. 77. Minnesota Statutes 1988, section 256D.03, subdivision 7, is amended to read:

Subd. 7. [DUTIES OF THE COMMISSIONER.] The commissioner shall promulgate emergency and permanent rules as necessary to establish:

(a) standards of eligibility, utilization of services, and payment levels;

(b) standards for quality assurance, surveillance, and utilization review procedures that conform to those established for the medical assistance program pursuant to chapter 256B, including general criteria and procedures for the identification and prompt investigation of suspected fraud, theft, abuse, presentment of false or duplicate claims, presentment of claims for services not medically necessary, or false statements or representations of material facts by a vendor or recipient of general assistance medical care, and for the imposition of sanctions against such vendor or recipient of medical care. The rules relating to sanctions shall be consistent with the provisions of section 256B.064, subdivisions 1a and 2; and

(c) administrative and fiscal procedures for payment of the state share of the medical costs incurred by the counties under section 256D.02, subdivision 4a. Rules promulgated pursuant to this clause may include: (1) procedures by which state liability for the costs of medical care incurred pursuant to section 256D.02, subdivision 4a may be deducted from county liability to the state under any other public assistance program authorized by law; (2) procedures for processing claims of counties for reimbursement by the state for expenditures for medical care made by the counties pursuant to section 256D.02, subdivision 4a; and (3) procedures by which the local agencies may contract with the commissioner of human services for state administration of general assistance medical care payments.

Sec. 78. Minnesota Statutes 1988, section 518.171, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] Unless the obligee has comparable or better group dependent health insurance coverage available at a more reasonable cost, the court shall order the obligor to name the minor child as beneficiary on any health and dental insurance plan that is available to the obligor on a group basis or through an

employer or union. “Health insurance coverage” as used in this section does not include medical assistance provided under chapter 256, 256B, or 256D.

If the court finds that dependent health or dental insurance is not available to the obligor on a group basis or through an employer or union, or that the group insurer is not accessible to the obligee, the court may require the obligor to obtain dependent health or dental insurance, or to be liable for reasonable and necessary medical or dental expenses of the child.

If the court finds that the dependent health or dental insurance required to be obtained by the obligor does not pay all the reasonable and necessary medical or dental expenses of the child, or that the dependent health or dental insurance available to the obligee does not pay all the reasonable and necessary medical or dental expenses of the child, and the court finds that the obligor has the financial ability to contribute to the payment of these medical or dental expenses, the court shall require the obligor to be liable for all or a portion of the medical or dental expenses of the child not covered by the required health or dental plan.

Sec. 79. Minnesota Statutes 1988, section 518.171, subdivision 3, is amended to read:

Subd. 3. [IMPLEMENTATION.] A copy of the court order for insurance coverage shall be forwarded to the obligor's employer or union by the obligee or the public authority responsible for support enforcement only when ordered by the court or when the following conditions are met:

(1) the obligor fails to provide written proof to the obligee or the public authority, within 30 days of receiving effective notice of the court order, that the insurance has been obtained or that application for insurability has been made;

(2) the obligee or the public authority serves written notice of its intent to enforce medical support on the obligor by mail at the obligor's last known post office address; and

(3) the obligor fails within 15 days after the mailing of the notice to provide written proof to the obligee or the public authority that the insurance coverage existed as of the date of mailing.

The employer or union shall forward a copy of the order to the health and dental insurance plan offered by the employer.

Sec. 80. Minnesota Statutes 1988, section 518.171, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] The order is binding on the employer or union and the health and dental insurance plan when service under subdivision 3 has been made. Upon receipt of the order, or upon application of the obligor pursuant to the order, the employer or union and its health and dental insurance plan shall enroll the minor child as a beneficiary in the group insurance plan and withhold any required premium from the obligor's income or wages. If more than one plan is offered by the employer or union, the child shall be enrolled in the insurance plan in which the obligor is enrolled or the least costly plan otherwise available to the obligor that is comparable to a number two qualified plan. Failure of the obligor to execute any documents necessary to enroll the dependent in the group health and dental insurance plan will not affect the obligation of the employer or union and group health and dental insurance plan to enroll the dependent in a plan for which other eligibility requirements are met. Information and authorization provided by the public authority responsible for child support enforcement, or by the custodial parent or guardian, is valid for the purposes of meeting enrollment requirements of the health plan. The insurance coverage for a child eligible under subdivision 5 shall not be terminated except as authorized in subdivision 5.

Sec. 81. Minnesota Statutes 1988, section 518.171, subdivision 7, is amended to read:

Subd. 7. [RELEASE OF INFORMATION.] When an order for dependent insurance coverage is in effect, the obligor's employer or union shall release to the obligee or the public authority, upon request, information on the dependent coverage, including the name of the insurer. Notwithstanding any other law, information reported pursuant to section 268.121 shall be released to the public agency responsible for support enforcement that is enforcing an order for medical or dental insurance coverage under this section. The public agency responsible for support enforcement is authorized to release to the obligor's insurer or employer information necessary to obtain or enforce medical support.

Sec. 82. Laws 1988, chapter 689, article 2, section 256, subdivision 3, is amended to read:

Subd. 3. [REPORT.] The commissioner shall monitor and evaluate the pilot projects and report to the legislature by January 31, 1991-1993. The report must address at least the following:

- (1) the extent to which each pilot project succeeded in moving elderly persons out of nursing homes into less restrictive settings or in delaying placement in a nursing home;
- (2) the ability of each project to target low-income, frail elderly;

(3) the cost-effectiveness of each project, including the financial impact on the resident, the state, and the county;

(4) the success of each project in meeting other goals established by the commissioner; and

(5) recommendations on whether the pilot projects should be continued or expanded.

Sec. 83. [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. 84. [FULL FUNDING POLICY FOR THE WIC PROGRAM.]

The WIC program is an effective method of ensuring that the basic nutritional needs of low-income pregnant women and small children are met. Therefore the goal of the legislature is to achieve, by July 1, 1993, a level of funding that will be sufficient to serve all persons in the state who are eligible for the program.

Sec. 85. [FEDERAL WAIVER TO REDUCE THE FREQUENCY

OF ELIGIBILITY REDETERMINATIONS FOR INFANTS ON MEDICAL ASSISTANCE.]

The commissioner of human services shall seek federal approval to eliminate eligibility redeterminations for pregnant women and infants eligible for medical assistance under Minnesota Statutes, section 256B.055, subdivisions 6 and 10, until one year after the birth of the child. The commissioner shall begin the process of seeking federal approval no later than December 31, 1990.

Sec. 86. [PRENATAL CARE AND PREVENTIVE CARE FOR CHILDREN.]

The commissioner of health, in consultation with the commissioner of human services, the commissioner of state planning, and the commissioner of education, shall prepare a state plan to improve utilization rates of medically appropriate prenatal care and preventive care for children. The plan must address at least the following issues: (1) methods of addressing barriers such as the need for child care and transportation; (2) techniques for improving public awareness of the need for prenatal care and preventive care, both statewide and within high risk target populations; and (3) strategies for overcoming cultural factors that may discourage minority populations from obtaining medically appropriate prenatal care and preventive care. To the extent possible, the commissioner shall identify methods of improving access and utilization rates that would not require a significant increase in legislative appropriations, such as reallocation of existing money, coordination and increased efficiency of existing programs, techniques for generating private contributions or federal money, and increased use of volunteers and donated services and facilities. The commissioner shall also include in the plan an analysis of the extent to which improved utilization rates, both statewide and within target populations, could result in cost savings in the medical assistance program, the general assistance medical care program, and the children's health plan. The commissioner shall present the plan to the governor and the legislature by December 15, 1990. It is the intent of the legislature to enact legislation to implement the plan during the 1991 session.

Sec. 87. [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.

Sec. 88. [CITATION.]

Sections 2, 3, 6 to 8, 9, 10, 29, and 84 to 87 may be cited as the "better beginnings act."

Sec. 89. [REPEALER.]

Subdivision 1. [MEDICAL ASSISTANCE; MEDICALLY NEEDY PERSONS.] Minnesota Statutes 1989 Supplement, section 256B.055, subdivision 8, is repealed.

Subd. 2. [MEDICAL ASSISTANCE; SWING BEDS.] The amendments to Minnesota Statutes, section 256B.0625, subdivision 2, in Laws 1989, chapter 282, article 3, section 54, are repealed, and the stricken language is reenacted.

Subd. 3. [MEDICAL ASSISTANCE; NURSING HOMES.] 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. 90. [EFFECTIVE DATES.]

Subdivision 1. [CLAIMS AGAINST THE ESTATE.] Section 53 is effective for all claims filed for deaths occurring on and after the date of enactment.

Subd. 2. [PROHIBITED TRANSFERS OF PROPERTY.] Section 35 is effective the day after final enactment.

Subd. 3. [HOME CARE SERVICES; MEDICAL ASSISTANCE.] Section 46 is effective July 1, 1990.

Subd. 4. [SWING BEDS.] Section 89, subdivision 2, is effective the day following final enactment.

Subd. 5. [CHILDREN'S HEALTH PLAN.] Sections 9 and 10 are effective August 1, 1990.

Subd. 6. [SPECIAL PROPERTY RATE; NURSING HOMES.] Section 60 is effective the day following final enactment.

Subd. 7. [ADVISORY COMMITTEE ON TRANSPLANTS.] Section 47 is effective the day following final enactment.

ARTICLE 4
INCOME MAINTENANCE

Section 1. Minnesota Statutes 1988, section 256.73, subdivision 2, is amended to read:

Subd. 2. [ALLOWANCE BARRED BY OWNERSHIP OF PROPERTY.] Ownership by an assistance unit of property as follows is a bar to any allowance under sections 256.72 to 256.87:

(1) The value of real property other than the homestead, which when combined with other assets exceeds the limits of paragraph (2), unless the assistance unit is making a good faith effort to sell the nonexcludable real property. The time period for disposal must not exceed nine months and the assistance unit shall execute an agreement to dispose of the property to repay assistance received during the nine months up to the amount of the net sale proceeds. The payment must be made when the property is sold. If the property is not sold within the required time or the assistance unit becomes ineligible for any reason the entire amount received during the nine months is an overpayment and subject to recovery. For the purposes of this section, "homestead" means the home owned and occupied by the child, relative, or other member of the assistance unit as a dwelling place, that is owned by, and is the usual residence of, the child, relative, or other member of the assistance unit together with the surrounding property which is not separated from the home by intervening property owned by others. "Usual residence" includes the home from which the child, relative, or other members of the assistance unit is temporarily absent due to an employability development plan approved by the local human service agency, which includes education, training, or job search within the state but outside of the immediate geographic area. Public rights-of-way, such as roads which run through the surrounding property and separate it from the home, will not affect the exemption of the property; or

(2) Personal property of an equity value in excess of \$1,000 for the entire assistance unit, exclusive of personal property used as the home, one motor vehicle of an equity value not exceeding \$1,500 or the entire equity value of a motor vehicle determined to be necessary for the operation of a self-employment business, one burial plot for each member of the assistance unit, one prepaid burial contract with an equity value of no more than \$1,000 for each member of the assistance unit, clothing and necessary household furniture and equipment and other basic maintenance items essential for daily living, in accordance with rules promulgated by and standards established by the commissioner of human services.

Sec. 2. Minnesota Statutes 1989 Supplement, section 256.73, subdivision 3a, is amended to read:

Subd. 3a. [PERSONS INELIGIBLE.] No assistance shall be given under sections 256.72 to 256.87:

(1) on behalf of any person who is receiving supplemental security income under title XVI of the Social Security Act unless permitted by federal regulations;

(2) for any month in which the assistance unit's gross income, without application of deductions or disregards, exceeds 185 percent of the standard of need for a family of the same size and composition; except that the earnings of a dependent child who is a full-time student may be disregarded for six calendar months per year and the earnings of a dependent child who is a full-time student that are derived from the jobs training and partnership act may be disregarded for six calendar months per year. If a stepparent's income is taken into account in determining need, the disregards specified in section 256.74, subdivision 1a, shall be applied to determine income available to the assistance unit before calculating the unit's gross income for purposes of this paragraph;

(3) to any assistance unit for any month in which any caretaker relative with whom the child is living is, on the last day of that month, participating in a strike;

(4) on behalf of any other individual in the assistance unit, nor shall the individual's needs be taken into account for any month in which, on the last day of the month, the individual is participating in a strike;

(5) on behalf of any individual who is the principal earner in an assistance unit whose eligibility is based on the unemployment of a parent when the principal earner, without good cause, fails or refuses to seek work, to participate in the job search program under section 256.736, or a community work experience program under section 256.737 if this program is available and participation is mandatory in the county, to accept employment, or to register with a public employment office, unless the principal earner is exempt from these work requirements.

Sec. 3. Minnesota Statutes 1988, section 256.736, subdivision 1a, is amended to read:

Subd. 1a. [DEFINITIONS.] As used in this section and section 256.7365, the following words have the meanings given them:

(a) "AFDC" means aid to families with dependent children.

(b) "AFDC-UP" means that group of AFDC clients who are eligible for assistance by reason of unemployment as defined by the commissioner under section 256.12, subdivision 14.

(c) "Caretaker" means a parent or eligible adult, including a pregnant woman, who is part of the assistance unit that has applied for or is receiving AFDC.

(d) "Employment and training services" means programs, activities, and services related to job training and, job placement, and job creation, including job service programs, job training partnership act programs, wage subsidies, remedial and secondary education programs, post-secondary education programs excluding education leading to a post-baccalaureate degree, vocational education programs, work incentive programs, work readiness programs, employment job search, counseling, case management, community work experience programs, displaced homemaker programs, self-employment programs, grant diversion, employment experience programs, youth employment programs, community investment programs, supported work programs, refugee employment and training programs, and counseling and support activities necessary to stabilize the caretaker or the family.

(e) "Employment and training service provider" means an administrative entity a public, private, or nonprofit agency certified by the commissioner of jobs and training to deliver employment and training services under section 268.0122, subdivision 3 and section 268.871, subdivision 1.

(f) "Minor parent" means a caretaker relative who is the parent of the dependent child or children in the assistance unit and who is under the age of 18.

(g) "Priority groups" or "priority caretakers" means recipients of AFDC or AFDC-UP designated as priorities for employment and training services under subdivision 2a 16.

(h) "Suitable employment" means employment which:

(1) is within the recipient's physical and mental capacity;

(2) meets health and safety standards established by the Occupational Safety and Health Administration and the department of jobs and training;

(3) pays hourly gross earnings which are not less than the federal or state minimum wage for that type of employment, whichever is applicable;

(4) does not result in a net loss of income. Employment results in

a net loss of income when the income remaining after subtracting necessary work-related expenses from the family's gross income, which includes cash assistance, is less than the cash assistance the family was receiving at the time the offer of employment was made. For purposes of this definition, "work expenses" means the amount withheld or paid for; state and federal income taxes; social security withholding taxes; mandatory retirement fund deductions; dependent care costs; transportation costs to and from work at the amount allowed by the Internal Revenue Service for personal car mileage; costs of work uniforms, union dues, and medical insurance premiums; costs of tools and equipment used on the job; \$1 per work day for the costs of meals eaten during employment; public liability insurance required by an employer when an automobile is used in employment and the cost is not reimbursed by the employer; and the amount paid by an employee from personal funds for business costs which are not reimbursed by the employer;

(5) offers a job vacancy which is not the result of a strike, lockout, or other bona fide labor dispute;

(6) requires a round trip commuting time from the recipient's residence of less than two hours by available transportation, exclusive of the time to transport children to and from child care;

(7) does not require the recipient to leave children under age 12 unattended in order to work, or if child care is required, such care is available; and

(8) does not discriminate at the job site on the basis of age, sex, race, color, creed, marital status, status with regard to public assistance, disability, religion, or place of national origin.

(i) "Support services" means programs, activities, and services intended to stabilize families and individuals or provide assistance for family needs related to employment or participation in employment and training services, including child care, transportation, housing assistance, personal and family counseling, crisis intervention services, peer support groups, chemical dependency counseling and treatment, money management assistance, and parenting skill courses.

Sec. 4. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION.] (a) To the extent permissible under federal law, every caretaker or child is required to register for employment and training services, as a condition of receiving AFDC, unless the caretaker or child is:

(1) a child who is under age 16, a child age 16 or 17 who is

attending elementary or secondary school or a secondary level vocational or technical school full time;

(2) ill, incapacitated, or age 60 or older;

(3) a person for whom participation in an employment and training service would require a round trip commuting time by available transportation of more than two hours;

(4) a person whose presence in the home is required because of illness or incapacity of another member of the household;

(5) a caretaker or other caretaker relative of a child under the age of three who personally provides full-time care for the child. In AFDC-UP cases, only one parent or other relative may qualify for this exemption;

(6) a caretaker or other caretaker relative personally providing care for a child under six years of age, except that when child care is arranged for or provided, the caretaker or caretaker relative may be required to register and participate in employment and training services up to a maximum of 20 hours per week. In AFDC-UP cases, only one parent or other relative may qualify for this exemption;

(7) a caretaker if another adult relative in the assistance unit is registered and has not, without good cause, failed or refused to participate or accept employment;

(8) a pregnant woman, if it has been medically verified that the child is expected to be born in the current month or within the next six months; or

(9) (8) employed at least 30 hours per week; or

(10) a parent who is not the principal earner if the parent who is the principal earner is required to register.

(b) To the extent permissible by federal law, applicants for benefits under the AFDC program are registered for employment and training services by signing the application form. Applicants must be informed that they are registering for employment and training services by signing the form. Persons receiving benefits on or after July 1, 1987, shall register for employment and training services to the extent permissible by federal law. The caretaker has a right to a fair hearing under section 256.045 with respect to the appropriateness of the registration.

Sec. 5. Minnesota Statutes 1988, section 256.736, subdivision 3a, is amended to read:

Subd. 3a. [PARTICIPATION.] Caretakers in priority groups must participate in employment and training services under this section to the extent permissible under federal law. However, no assistance unit may be sanctioned for a caretaker's failure to participate in employment and training services under this section if failure results from inadequate funding for employment and training services. (a) Except as provided under paragraphs (b) and (c) participation in employment and training services under this section is limited to the following recipients:

(1) caretakers who are required to participate in a job search under subdivision 14;

(2) custodial parents who are subject to the school attendance or case management participation requirements under subdivision 3b;

(3) caretakers whose participation in employment and training services began prior to May 1, 1990, if the caretaker's AFDC eligibility has not been interrupted for 30 days or more and the caretaker's employability development plan has not been completed;

(4) recipients who are members of a family in which the youngest child is within two years of being ineligible for AFDC due to age;

(5) recipients who have received AFDC for 48 or more months out of the last 60 months;

(6) recipients who are participants in the self-employment investment demonstration project under section 268.95; and

(7) recipients who participate in the new chance research and demonstration project under contract with the department of human services.

(b) If the commissioner determines that participation of persons listed in paragraph (a) in employment and training services is insufficient to either meet federal performance targets or to fully utilize funds appropriated under this section, the commissioner may, after notifying the chairs of the senate health and human services committee, the house health and human services committee, the health and human services division of the senate finance committee and the health and human services division of house appropriations, permit additional groups of recipients to participate until the next meeting of the legislative advisory commission, after which the additional groups may continue to enroll for participation, unless the legislative advisory commission disapproves the continued enrollment. The commissioner shall allow participation of additional groups in the following order only as needed to meet performance targets or fully utilize funding for employment and training services under section 256.736:

(1) custodial parents under the age of 22 who:

(i) have not completed a high school education and who, at the time of application for AFDC, were not enrolled in high school or in a high school equivalency program; or

(ii) have had little or no work experience in the preceding year;

(2) recipients who have received at least 42 months of AFDC out of the previous 60 months;

(3) custodial parents under the age of 24 who:

(i) have not completed a high school education and who, at the time of application for AFDC, were not enrolled in high school or in a high school equivalency program; or

(ii) have had little or no work experience in the preceding year;

(4) recipients who have received at least 36 months of AFDC out of the previous 60 months;

(5) recipients who have received 24 or more months of AFDC out of the previous 48 months; and

(6) recipients who have not completed a high school education or a high school equivalency program.

(c) To the extent of funds allocated specifically for this paragraph, the commissioner may permit AFDC caretakers who are not eligible for participation in employment and training services under the provisions of paragraphs (a) or (b), to participate in such services. Funds shall be allocated to county agencies based on the county's percentage of participants statewide in services under this section in the prior calendar year. Counties must provide equal or greater services to participants enrolled under that paragraph, as measured in average per client expenditures, as provided to other participants in employment and training services under this section. Caretakers shall be selected from a waiting list of caretakers who volunteer to participate, based upon a first come, first served principle. The commissioner may on a quarterly basis reallocate unused allocations to county agencies who have sufficient volunteers. In the event that funding under this paragraph is discontinued in future fiscal years, caretakers who began participation under this paragraph shall be deemed eligible under the provisions of paragraph (a), item (3).

Sec. 6. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 3b, is amended to read:

Subd. 3b. [MANDATORY ASSESSMENT AND SCHOOL ATTENDANCE FOR CERTAIN CUSTODIAL PARENTS.] This subdivision applies to the extent permitted under federal law and regulation.

(a) [DEFINITIONS.] The definitions in this paragraph apply to this subdivision.

(1) "Custodial parent" means a recipient of AFDC who is the natural or adoptive parent of a child living with the custodial parent.

(2) "School" means:

(i) an educational program which leads to a high school diploma. The program or coursework may be, but is not limited to, a program under the post-secondary enrollment options of section 123.3514, a regular or alternative program of an elementary or secondary school, a technical institute, or a college;

(ii) coursework for a general educational development (GED) diploma of not less than six hours of classroom instruction per week; or

(iii) any other post-secondary educational program that is approved by the public school or the local agency under subdivision 11.

(b) [ASSESSMENT AND PLAN; REQUIREMENT; CONTENT.] The county agency must examine the educational level of each custodial parent under the age of 20 to determine if the recipient has completed a high school education or its equivalent. If the custodial parent has not completed a high school education or its equivalent and is not exempt from the requirement to attend school under paragraph (c), the county agency must complete an individual assessment for the custodial parent. The assessment must be performed as soon as possible but within 60 days of determining AFDC eligibility for the custodial parent. The assessment must provide an initial examination of the custodial parent's educational progress and needs, literacy level, child care and supportive service needs, family circumstances, skills, and work experience. In the case of a custodial parent under the age of 18, the assessment must also consider the results of the early and periodic screening, diagnosis and treatment (EPSDT) screening, if available, and the effect of a child's development and educational needs on the parent's ability to participate in the program. The county agency must advise the parent that the parent's first goal must be to complete an appropriate educational option if one is identified for the parent through the assessment and, in consultation with educational agencies, must review the various school completion options with the parent and assist the parent in selecting the most appropriate option.

(c) [RESPONSIBILITY FOR ASSESSMENT AND PLAN.] For custodial parents who are under age 18, the assessment and the employability plan must be completed by the county social services agency, as specified in section 257.33. For custodial parents who are age 18 or 19, the assessment and employability plan must be completed by the case manager. The social services agency or the case manager shall consult with representatives of educational agencies required to assist in developing educational plans under section 126.235.

(d) [EDUCATION DETERMINED TO BE APPROPRIATE.] If the case manager or county social services agency identifies an appropriate educational option, it must develop an employability plan in consultation with the custodial parent which reflects the assessment. The plan must specify that participation in an educational activity is required, what school or educational program is most appropriate, the services that will be provided, the activities the parent will take part in including child care and supportive services, the consequences to the custodial parent for failing to participate or comply with the specified requirements, and the right to appeal any adverse action. The employability plan must, to the extent possible, reflect the preferences of the participant.

(e) [EDUCATION DETERMINED TO BE NOT APPROPRIATE.] If the case manager determines that there is no appropriate educational option for a custodial parent who is age 18 or 19, the case manager shall indicate the reasons for the determination. The case manager shall then notify the county agency which must refer the custodial parent to case management services under subdivision 11 for completion of an employability plan and services. If the custodial parent fails to participate or cooperate with case management services and does not have good cause for the failure, the county agency shall apply the sanctions listed in subdivision 4, beginning with the first payment month after issuance of notice. If the county social services agency determines that school attendance is not appropriate for a custodial parent under age 18, the county agency shall refer the custodial parent to social services for services as provided in section 257.33.

(f) [SCHOOL ATTENDANCE REQUIRED.] Notwithstanding subdivision 3, a custodial parent must attend school if all of the following apply:

- (1) the custodial parent is less than 20 years of age;
- (2) transportation services needed to enable the custodial parent to attend school are available;
- (3) licensed or legal nonlicensed child care services needed to enable the custodial parent to attend school are available;

(4) the custodial parent has not already received a high school diploma or its equivalent; and

(5) the custodial parent is not exempt because the custodial parent:

(i) is ill or incapacitated seriously enough to prevent him or her from attending school;

(ii) is needed in the home because of the illness or incapacity of another member of the household; this includes a custodial parent of a child who is younger than six weeks of age;

(iii) works 30 or more hours a week; or

(iv) is pregnant if it has been medically verified that the child's birth is expected ~~in the current month or~~ within the next six months.

(g) [ENROLLMENT AND ATTENDANCE.] The custodial parent must be enrolled in school and meeting the school's attendance requirements. The custodial parent is considered to be attending when he or she is enrolled but the school is not in regular session, including during holiday and summer breaks.

(h) [GOOD CAUSE FOR NOT ATTENDING SCHOOL.] The local agency shall not impose the sanctions in subdivision 4 if it determines that a custodial parent has good cause for not being enrolled or for not meeting the school's attendance requirements. The local agency shall determine whether good cause for not attending or not enrolling in school exists, according to this paragraph:

(1) Good cause exists when the local agency has verified that the only available school program requires round trip commuting time from the custodial parent's residence of more than two hours by available means of transportation, excluding the time necessary to transport children to and from child care.

(2) Good cause exists when the custodial parent has indicated a desire to attend school, but the public school system is not providing for his or her education and alternative programs are not available.

(i) [FAILURE TO COMPLY.] The case manager and social services agency shall establish ongoing contact with appropriate school staff to monitor problems that custodial parents may have in pursuing their educational plan and shall jointly seek solutions to prevent parents from failing to complete education. If the school notifies the local agency that the custodial parent is not enrolled or is not meeting the school's attendance requirements, or appears to be facing barriers to completing education, the information must be

conveyed to the case manager for a custodial parent age 18 or 19, or to the social services agency for a custodial parent under age 18. The case manager or social services agency shall reassess the appropriateness of school attendance as specified in paragraph (f). If after consultation, school attendance is still appropriate and the case manager or social services agency determines that the custodial parent has failed to enroll or is not meeting the school's attendance requirements and the custodial parent does not have good cause, the case manager or social services agency shall inform the custodial parent's financial worker who shall apply the sanctions listed in subdivision 4 beginning with the first payment month after issuance of notice.

(j) [NOTICE AND HEARING.] A right to notice and fair hearing shall be provided in accordance with section 256.045 and the Code of Federal Regulations, title 45, section 205.10.

(k) [SOCIAL SERVICES.] When a custodial parent under the age of 18 has failed to attend school, is not exempt, and does not have good cause, the local agency shall refer the custodial parent to the social services agency for services, as provided in section 257.33.

(l) [VERIFICATION.] No less often than quarterly, the financial worker must verify that the custodial parent is meeting the requirements of this subdivision. Notwithstanding section 13.32, subdivision 3, when the local agency notifies the school that a custodial parent is subject to this subdivision, the school must furnish verification of school enrollment, attendance, and progress to the local agency. The county agency must not impose the sanctions in paragraph (i) if the school fails to cooperate in providing verification of the minor parent's education, attendance, or progress.

Sec. 7. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 4, is amended to read:

Subd. 4. [CONDITIONS OF CERTIFICATION.] The commissioner of human services shall:

(1) Arrange for or provide any caretaker or child required to participate in employment and training services pursuant to this section with child-care services, transportation, and other necessary family services;

(2) Provide that in determining a recipient's needs ~~any monthly incentive training payment made to the recipient by the department of jobs and training is disregarded and~~ the additional expenses attributable to participation in a program are taken into account in grant determination to the extent permitted by federal regulation; ~~and~~

(3) Provide that the county board shall impose the sanctions in clause (4) when the county board:

(a) determines that a custodial parent under the age of 16 who is required to attend school under subdivision 3b has, without good cause, failed to attend school; or

(b) determines that subdivision 3c applies to a minor parent and the minor parent has, without good cause, failed to cooperate with development of a social service plan or to participate in execution of the plan, to live in a group or foster home, or to participate in a program that teaches skills in parenting and independent living; ~~or~~

~~(c) determines that a caretaker has, without good cause, failed to attend orientation.~~

(4) To the extent permissible by federal law, impose the following sanctions for a recipient's failure to participate in required education, orientation, or the requirements of subdivision 3b or 3c:

(a) For the first failure, 50 percent of the grant provided to the family for the month following the failure shall be made in the form of protective or vendor payments;

(b) For the second and subsequent failures, the entire grant provided to the family must be made in the form of protective or vendor payments. Assistance provided to the family must be in the form of protective or vendor payments until the recipient complies with the requirement; and

(c) When protective payments are required, the local agency may continue payments to the caretaker if a protective payee cannot reasonably be found;

(5) Provide that the county board shall impose the sanctions in clause (6) when the county board:

(a) determines that a caretaker or child required to participate in employment and training services has been found by the employment and training service provider to have failed without good cause to participate in appropriate employment and training services or to have failed without good cause to accept, through the job search program described in subdivision 14, or the ~~community work experience program described in section 256.737~~ provisions of an employability development plan if the caretaker is a custodial parent age 18 or 19 and subject to the requirements of subdivision 3b, a bona fide offer of public or other employment; or

(b) determines that a custodial parent aged 16 to 19 who is

required to attend school under subdivision 3b has, without good cause, failed to enroll or attend school; or

(c) determines that a caretaker has, without good cause, failed to attend orientation;

(6) To the extent required by federal law, the following sanctions must be imposed impose the following sanctions for a recipient's failure to participate in required employment and training services, to accept a bona fide offer of public or other employment, ~~or~~ to enroll or attend school under subdivision 3b, or to attend orientation:

(a) For the first failure, the needs of the noncompliant individual shall not be taken into account in making the grant determination, until the individual complies with the requirements;

(b) For the second failure, the needs of the noncompliant individual shall not be taken into account in making the grant determination until the individual complies with the requirement or for three consecutive months, whichever is longer;

(c) For subsequent failures, the needs of the noncompliant individual shall not be taken into account in making the grant determination until the individual complies with the requirement or for six consecutive months, whichever is longer;

(d) Aid with respect to a dependent child will be denied if a child who fails to participate is the only child receiving aid in the family. who has been sanctioned under this paragraph shall be continued for the parent or parents of the child if the child is the only child receiving aid in the family, the child continues to meet the conditions of section 256.73, and the family is otherwise eligible for aid;

(e) If the noncompliant individual is a parent or other relative caretaker, payments of aid for any dependent child in the family must be made in the form of protective or vendor payments. When protective payments are required, the county agency may continue payments to the caretaker if a protective payee cannot reasonably be found. When protective payments are imposed on assistance units whose basis of eligibility is unemployed parent or incapacitated parent, cash payments may continue to the nonsanctioned caretaker in the assistance unit, subject to ~~clause (f).~~ paragraph (g);

(f) If, after removing a caretaker's needs from the grant, the standard of assistance applicable to the remaining eligible members of the assistance unit is the standard that is used in other instances in which the caretaker is excluded from the assistance unit for noncompliance with a program requirement, only dependent children remain eligible for AFDC, the standard of assistance shall be computed using the special children standard;

(f) (g) If the noncompliant individual is a parent or other caretaker of principal wage earner in a family whose basis of eligibility is the unemployment of a parent and the noncompliant individual's spouse nonprincipal wage earner is not participating in an approved employment and training service, the needs of both the spouse principal and nonprincipal wage earner must not be taken into account in making the grant determination; and

(7) Request approval from the secretary of health and human services to use vendor payment sanctions for persons listed in paragraph (5), clause (b). If approval is granted, the commissioner must begin using vendor payment sanctions as soon as changes to the state plan are approved.

Sec. 8. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 10, is amended to read:

Subd. 10. [COUNTY DUTIES.] (a) To the extent of available state appropriations, county boards shall:

(1) refer all priority mandatory and eligible volunteer caretakers required to register under subdivision 3 to an employment and training service provider for participation in employment and training services;

(2) identify to the employment and training service provider caretakers who fall into the priority groups;

(3) provide all caretakers with an orientation which meets the requirements in subdivisions 10a and 10b;

(4) work with the employment and training service provider to encourage voluntary participation by caretakers in the priority groups;

(5) work with the employment and training service provider to collect data as required by the commissioner;

(6) to the extent permissible under federal law, require all caretakers coming into the AFDC program to attend orientation;

(7) encourage nonpriority caretakers to develop a plan to obtain self-sufficiency;

(8) notify the commissioner of the caretakers required to participate in employment and training services;

(9) inform appropriate caretakers of opportunities available through the head start program and encourage caretakers to have

their children screened for enrollment in the program where appropriate;

(10) provide transportation assistance using the employment special needs fund or other available funds to caretakers who participate in employment and training programs, with priority for services to caretakers in priority groups;

(11) ensure that orientation, employment job search, services to custodial parents under the age of 20, and case management services are made available to appropriate caretakers under this section, except that payment for case management services is governed by subdivision 13;

(12) explain in its local service unit plan under section 268.88 how it will ensure that priority caretakers determined to be in need of social services are provided with such social services. The plan must specify how the case manager and the county social service workers will ensure delivery of needed services;

(13) to the extent allowed by federal laws and regulations, provide a job search program as defined in subdivision 14 and at least one of the following employment and training services: community work experience program (CWEP) as defined in section 256.737, grant diversion as defined in section 268.86 256.739, on-the-job training as defined in section 256.738, or another work and training program approved by the commissioner and the secretary of the United States Department of Health and Human Services. Planning and approval for employment and training services listed in this clause must be obtained through submission of the local service unit plan as specified under section 268.88. Each county is urged to adopt grant diversion as the second program required under this clause;

(14) prior to participation, provide an assessment of each AFDC recipient who is required or volunteers to participate in one of the approved employment and training services specified in clause (13) service, including job search, and to recipients who volunteer for participation in case management under subdivision 11. The assessment must include an evaluation of the participant's (i) educational, child care, and other supportive service needs; (ii) skills and prior work experience; and (iii) ability to secure and retain a job which, when wages are added to child support, will support the participant's family. The assessment must also include a review of the results of the early and periodic screening, diagnosis and treatment (EPSDT) screening and preschool screening under chapter 123, if available; the participant's family circumstances; and, in the case of a custodial parent under the age of 18, a review of the effect of a child's development and educational needs on the parent's ability to participate in the program;

(15) develop an employability development plan for each recipient

for whom an assessment is required under clause (14) which: (i) reflects the assessment required by clause 14; (ii) takes into consideration the recipient's physical capacity, skills, experience, health and safety, family responsibilities, place of residence, proficiency, child care and other supportive service needs; (iii) is based on available resources and local employment opportunities; (iv) specifies the services to be provided by the employment and training service provider; (v) specifies the activities the recipient will participate in; (vi) specifies necessary supportive services such as child care; (vii) to the extent possible, reflects the preferences of the participant; and (viii) specifies the recipient's long-term employment goal which shall lead to self-sufficiency; and

(16) assure that no work assignment under this section or sections 256.737 ~~and~~, 256.738, and 256.739 results in: (i) termination, layoff, or reduction of the work hours of an employee for the purpose of hiring an individual under this section or sections 256.737 ~~and~~, 256.738, and 256.739; (ii) the hiring of an individual if any other person is on layoff from the same or a substantially equivalent job; (iii) any infringement of the promotional opportunities of any currently employed individual; (iv) the impairment of existing contracts for services or collective bargaining agreements; or (v) except for on-the-job training under section 256.738, a participant filling an established unfilled position vacancy.

(b) Funds available under this subdivision may not be used to assist, promote, or deter union organizing.

(c) A county board may provide other employment and training services that it considers necessary to help caretakers obtain self-sufficiency.

(d) Notwithstanding section 256G.07, when a priority caretaker relocates to another county to implement the provisions of the caretaker's case management contract or other written employability development plan approved by the county human service agency ~~or~~, its case manager or employment and training service provider, the county that approved the plan is responsible for the costs of case management, ~~child care~~, and other services required to carry out the plan, including employment and training services. The county agency's responsibility for the costs ends when all plan obligations have been met, when the caretaker loses AFDC eligibility for at least 30 days, or when approval of the plan is withdrawn for a reason stated in the plan, whichever occurs first. Responsibility for the costs of child care must be determined under section 256H. A county human service agency may pay for the costs of case management, child care, and other services required in an approved employability development plan when the nonpriority caretaker relocates to another county or when a priority caretaker again becomes eligible for AFDC after having been ineligible for at least 30 days.

Sec. 9. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 10a, is amended to read:

Subd. 10a. [ORIENTATION.] (a) Each county agency must provide an orientation to all caretakers within its jurisdiction who are determined eligible for AFDC on or after July 1, 1989, and who are required to attend an orientation. The county agency shall require attendance at orientation of all caretakers except those who are: not exempt from registration under subdivision 3.

(1) ~~physically disabled, mentally ill, or developmentally disabled and whose condition has or is expected to continue for at least 90 days and will prevent participation in educational programs or employment and training services;~~

(2) ~~aged 60 or older;~~

(3) ~~currently employed in unsubsidized employment that is expected to continue at least 30 days and that provides an average of at least 30 hours of employment per week; or~~

(4) ~~currently employed in subsidized employment that is expected to continue at least 30 days and that provides an average of at least 30 hours of employment per week and is expected to result in full-time permanent employment.~~

(b) Except as provided in paragraph (e) below, the orientation must consist of a presentation that informs caretakers of:

(1) the identity, location, and phone numbers of employment and training and support services available in the county;

(2) the types and locations of child care services available through the county agency that are accessible to enable a caretaker to participate in educational programs or employment and training services;

(3) the availability of assistance for participants to help select appropriate child care services and that, on request, assistance will be provided to select appropriate child care services child care resource and referral program designated by the commissioner providing education and assistance to select child care services and a referral to the child care resource and referral when assistance is requested;

(4) the obligations of the county agency and service providers under contract to the county agency;

(5) the rights, responsibilities, and obligations of participants;

(6) the grounds for exemption from mandatory employment and training services or educational requirements;

(7) the consequences for failure to participate in mandatory services or requirements;

(8) the method of entering educational programs or employment and training services available through the county; and

(9) the availability and the benefits of the early and periodic, screening, diagnosis and treatment (EPSDT) program and preschool screening under chapter 123;

(10) their eligibility for transition year child care assistance when they lose eligibility for AFDC due to their earnings; and

(11) their eligibility for extended medical assistance when they lose eligibility for AFDC due to their earnings.

(c) Orientation must encourage recipients to view AFDC as a temporary program providing grants and services to individuals who set goals and develop strategies for supporting their families without AFDC assistance. The content of the orientation must not imply that a recipient's eligibility for AFDC is time limited. Orientation may be provided through audio-visual methods, but the caretaker must be given an opportunity for face-to-face interaction with staff of the county agency or the entity providing the orientation, and an opportunity to express the desire to participate in educational programs and employment and training services offered through the county agency.

(d) County agencies shall not require caretakers to attend orientation for more than three hours during any period of 12 continuous months. The local agency shall also arrange for or provide needed transportation and child care to enable caretakers to attend.

(e) Orientation for caretakers not eligible for participation in employment and training services under the provisions of subdivision 3a, paragraphs (a) and (b) shall present information only on those employment, training, and support services available to those caretakers, and information on clauses (2), (3), (9), (10), and (11) of paragraph (a) and all of paragraph (c), and may not last more than two hours.

Sec. 10. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 11, is amended to read:

Subd. 11. [CASE MANAGEMENT SERVICES.] (a) For clients described in subdivision 2a, the case manager shall: The county agency may, to the extent of available resources, enroll priority

caretakers described in subdivision 16 in case management services and for those enrolled shall:

(1) Provide an assessment as described in subdivision 10, paragraph (a), clause (14). As part of the assessment, the case manager shall inform caretakers of the screenings available through the early periodic screening, diagnosis and treatment (EPSDT) program under chapter 256B and preschool screening under chapter 123, and encourage caretakers to have their children screened. The case manager must work with the caretaker in completing this task;

(2) Develop an employability development plan as described in subdivision 10, paragraph (a), clause (15). The case manager must work with the caretaker in completing this task. For caretakers who are not literate or who have not completed high school, the first goal for the caretaker should be to complete literacy training or a general equivalency diploma. Caretakers who are literate and have completed high school shall be counseled to set realistic attainable goals, taking into account the long-term needs of both the caretaker and the caretaker's family;

(3) Coordinate services such as child care, transportation, and education assistance necessary to enable the caretaker to work toward the goals developed in clause (2). The case manager shall refer caretakers to resource and referral services, if available, and shall assist caretakers in securing appropriate child care services. When a client needs child care services in order to attend a Minnesota public or nonprofit college, university or technical institute, the case manager shall contact the appropriate agency to reserve child care funds for the client. A caretaker who needs child care services in order to complete high school or a general equivalency diploma is eligible for child care under section 268.91;

(4) Develop, execute, and monitor a contract between the local agency and the caretaker. The contract must be based upon the employability development plan described in subdivision 10, paragraph (a), clause (15), ~~and~~ but must be a separate document. It must include: (a) specific goals of the caretaker including stated measurements of progress toward each goal, the estimated length of participation in the program, and the number of hours of participation per week; (b) specific educational, training, and employment activities and support services provided by the county agency, including child care; and (c) the participant's obligations and the conditions under which the county will withdraw the services provided;

The contract must be signed and dated by the case manager and participant, and may include other terms as desired or needed by either party. In all cases, however, the case manager must assist the participant in reviewing and understanding the contract, and must ensure that the caretaker has set forth in the contract realistic goals

consistent with the ultimate goal of self-sufficiency for the caretaker's family; and

(5) Develop and refer caretakers to counseling or peer group networks for emotional support while participating in work, education, or training.

(b) In addition to the duties in paragraph (a), for minor parents and pregnant minors, the case manager shall:

(1) Ensure that the contract developed under paragraph (a), clause (4), considers all factors set forth in section 257.33, subdivision 2;

(2) Assess the housing and support systems needed by the caretaker in order to provide the dependent children with adequate parenting. The case manager shall encourage minor parents and pregnant minors who are not living with friends or relatives to live in a group home or foster care setting. If minor parents and pregnant minors are unwilling to live in a group home or foster care setting or if no group home or foster care setting is available, the case manager shall assess their need for training in parenting and independent living skills and when appropriate shall refer them to available counseling programs designed to teach needed skills; and

(3) Inform minor parents or pregnant minors of, and assist them in evaluating the appropriateness of, the high school graduation incentives program under section 126.22, including post-secondary enrollment options, and the employment-related and community-based instruction programs.

(c) A caretaker may request a conciliation conference to attempt to resolve disputes regarding the contents of a contract developed under this section or a housing and support systems assessment conducted under this section. The caretaker may request a hearing pursuant to section 256.045 to dispute the contents of a contract or assessment developed under this section. The caretaker need not request a conciliation conference in order to request a hearing pursuant to section 256.045.

Sec. 11. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 14, is amended to read:

Subd. 14. [JOB SEARCH.] (a) The commissioner of human services shall establish a job search program under Public Law Number 100-485. Unless exempt, the principal wage earner in an AFDC-UP assistance unit must be referred to and must begin participation in the job search program within 30 days of being determined eligible for AFDC, and must begin participation within four months of being determined eligible for AFDC-UP unless. The principal wage earner is exempt from job search participation if:

(1) the caretaker is already participating in another approved employment and training service;

(2) the caretaker's employability plan specifies other activities;

(3) the caretaker is exempt from registration under subdivision 3;
or

(4) the caretaker is unable to secure employment due to inability to communicate in the English language, is participating in an English as a second language course, and is making satisfactory progress towards completion of the course. If an English as a second language course is not available to the caretaker, the caretaker is exempt from participation until a course becomes available.

(b) The job search program must provide the following services:

(1) an initial period of up to four weeks of job search activities for not more than 32 hours per week. The employment and training service provider shall specify for each participating caretaker the number of weeks and hours of job search to be conducted and shall report to the county board if the caretaker fails to cooperate with the employment job search requirement; and

(2) an additional period of job search following the first period at the discretion of the employment and training service provider. The total of these two periods of job search may not exceed eight weeks for any 12 consecutive month period beginning with the month of application.

(c) The employment job search program may provide services to non-AFDC-UP caretakers.

Sec. 12. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 16, is amended to read:

Subd. 16. [ALLOCATION AND USE OF MONEY.] (a) State money appropriated for employment and training services under this section must be allocated to counties as follows: as specified in paragraphs (b) to (h).

(b) Funds appropriated for case management services as described in subdivision 11 must be allocated to counties based on the average number of priority cases receiving AFDC in the county for the 12-month period ending December 31 of the previous year. For purposes of this section, "priority caretaker" means a recipient who:

(1) is a custodial parent under the age of 24 who: (i) has not completed a high school education and at the time of application for AFDC is not enrolled in high school or in a high school equivalency

program; or (ii) had little or no work experience in the preceding year;

(2) is a member of a family in which the youngest child is within two years of being ineligible for AFDC due to age; or

(3) has received 36 months or more of AFDC over the last 60 months.

(c) Funds appropriated for employment and training services as described in subdivision 1a, paragraph (d), other than case management services as described in subdivision 11, must be allocated to counties as follows:

(1) Forty percent of the state money must be allocated based on the average monthly number of priority caretakers receiving AFDC in the county who are under age 21 and the average monthly number of AFDC cases open in the county for 24 or more consecutive months and residing in the county for the 12-month period ending December 31 of the previous fiscal year.

(2) Twenty percent of the state money must be allocated based on the average monthly number of nonpriority caretakers receiving AFDC in the county for the period ending December 31 of the previous fiscal year. Funds may be used to develop employability plans for nonpriority caretakers if resources allow.

(3) Twenty-five percent of the state money must be allocated based on the average monthly number of assistance units in the county receiving AFDC-UP for the period ending December 31 of the previous fiscal year.

(4) Fifteen percent of the state money must be allocated at the discretion of the commissioner based on participation levels for priority group members in each county.

(b) (d) No more than 15 percent of the money allocated under paragraph (a) (b) and no more than 15 percent of the money allocated under paragraph (c) may be used for administrative activities.

(e) Except as provided in paragraph (d), (e) At least 70 55 percent of the money allocated to counties under clause (c) must be used for case management services and employment and training services for caretakers in the priority groups, and up to 30 45 percent of the money may be used for employment search activities and employment and training services for nonpriority caretakers. One hundred percent of the money allocated to counties under clause (b) must be used for case management services for caretakers in the priority groups.

(d) A county having a high proportion of nonpriority caretakers that interferes with the county's ability to meet the 70 percent spending requirement of paragraph (e) may, with the approval of the commissioner of human services, use up to 40 percent of the money allocated under this section for orientation and employment and training services for nonpriority caretakers.

(e) (f) Money appropriated to cover the nonfederal share of costs for bilingual case management services to refugees for the employment and training programs under this section are allocated to counties based on each county's proportion of the total statewide number of AFDC refugee cases. However, counties with less than one percent of the statewide number of AFDC refugee cases do not receive an allocation.

(f) (g) Counties and the department of jobs and training shall bill the commissioner of human services for any expenditures incurred by the county, the county's employment and training service provider, or the department of jobs and training that may be reimbursed by federal money. The commissioner of human services shall bill the United States Department of Health and Human Services and the United States Department of Agriculture for the reimbursement and appropriate the reimbursed money to the county, the department of jobs and training, or employment and training service provider that submitted the original bill. The reimbursed money must be used to expand employment and training services.

(g) (h) The commissioner of human services shall review county expenditures of case management and employment and training block grant money at the end of the fourth quarter of the biennium and each quarter after that, and may reallocate unencumbered or unexpended money allocated under this section to those counties that can demonstrate a need for additional money. Reallocation of funds must be based on the formula set forth in paragraph (a), excluding the counties that have not demonstrated a need for additional funds.

(i) The county agency may continue to provide case management and supportive services to a participant for up to 90 days after the participant loses AFDC eligibility, and may continue providing a specific employment and training service for the duration of that service to a participant if funds for the service are obligated or expended prior to the participant losing AFDC eligibility.

Sec. 13. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 18, is amended to read:

Subd. 18. [PROGRAM OPERATION BY INDIAN TRIBES.] (a) The commissioner may enter into agreements with any federally recognized Indian tribe with a reservation in the state to provide employment and training programs under this section to members

of the Indian tribe receiving AFDC. For purposes of this section, "Indian tribe" means a tribe, band, nation, or other organized group or community of Indians that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians; and for which a reservation exists as is consistent with Public Law Number 100-485, as amended.

(b) Agreements entered into under this subdivision must require the governing body of the Indian tribe to fulfill all county responsibilities required under this section in operation of the employment and training services covered by the contract, excluding the county share of costs in subdivision 13 and any county function related to AFDC eligibility determination or grant payment. The commissioner may enter into an agreement with a consortium of Indian tribes providing the governing body of each Indian tribe in the consortium agrees to these conditions.

(c) Agreements entered into under this subdivision must require the Indian tribe to operate the employment and training services within a geographic service area not to exceed the counties within which a border of the reservation falls. Indian tribes may also operate services in Hennepin and Ramsey counties or other geographic areas as approved by the commissioner of human services in consultation with the commissioner of jobs and training.

(d) Agreements entered into under this section must require the Indian tribe to operate a federal jobs program under Public Law Number 100-485, section 482(i).

(e) Agreements entered into under this section must require conformity with section 13.46 and any applicable federal regulations in the use of data about AFDC recipients.

(f) Agreements entered into under this section must require financial and program participant activity record keeping and reporting in the manner and using the forms and procedures specified by the commissioner and that federal reimbursement received must be used to expand operation of the employment and training services.

(g) Agreements entered into under this section must require that the Indian tribe coordinate operation of the programs with county employment and training programs, Indian Job Training Partnership Act programs, and educational programs in the counties in which the tribal unit's program operates.

(h) Agreements entered into under this section must require the Indian tribe to allow inspection of program operations and records by representatives of the department.

(i) Agreements entered into under this subdivision must require the Indian tribe to ~~contract with an~~ have its employment and training service provider certified by the commissioner of jobs and training for operation of the programs; ~~or become certified itself.~~

(j) Agreements entered into under this subdivision must require the Indian tribe to specify a starting date for each program with a procedure to enable tribal members participating in county-operated employment and training services to make the transition to the program operated by the tribal unit. Programs must begin on the first day of a month specified by the agreement.

(k) If the commissioner and Indian tribe enter into an agreement, the commissioner, after consulting with the commissioner of jobs and training regarding tribal plan status, may immediately reallocate county case management and employment and training block grant money from the counties in the Indian tribe's service area to the Indian tribe, prorating each county's annual allocations according to that percentage of the number of adult tribal unit members receiving AFDC residing in the county compared to the total number of adult AFDC recipients residing in the county and also prorating the annual allocation according to the month in which the Indian tribe program starts. If the Indian tribe cancels the agreement or fails, in the commissioner's judgment, to fulfill any requirement of the agreement, the commissioner shall reallocate money back to the counties in the Indian tribe's service area.

(l) Indian tribe members receiving AFDC and residing in the service area of an Indian tribe operating employment and training services under an agreement with the commissioner must be referred by county agencies in the service area to the Indian tribe for employment and training services.

(m) The Indian tribe shall bill the commissioner of human services for services performed under the contract. The commissioner shall bill the United States Department of Health and Human Services for reimbursement. Federal receipts are appropriated to the commissioner to be provided to the Indian tribe that submitted the original bill.

Sec. 14. Minnesota Statutes 1988, section 256.7365, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purpose of this section, the following terms have the meanings given them.

(a) "Substantial barriers to employment" means disabilities, chemical dependency, having children with disabilities, lack of a high school degree, lack of a marketable occupational skill, three or more children, or lack of regular work experience in the previous five years.

(b) "Case management" means case management as defined in section 256.736, subdivision 11.

Sec. 15. Minnesota Statutes 1989 Supplement, section 256.737, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT AND PURPOSE.] In order that persons receiving aid under this chapter may be assisted in achieving self-sufficiency by enhancing their employability through meaningful work experience and training and the development of job search skills, ~~the commissioner of human services shall continue the pilot community work experience demonstration programs that were approved by January 1, 1984,~~ the commissioner may establish ~~additional~~ community work experience programs in as many counties as necessary to comply with the participation requirements of the Family Support Act of 1988, Public Law Number 100-485. As of July 1, 1990, all such programs established on or after July 1, 1989, must be operated on a volunteer basis, and must be operated according to the Family Support Act of 1988, Public Law Number 100-485.

Sec. 16. Minnesota Statutes 1989 Supplement, section 256.737, subdivision 2, is amended to read:

Subd. 2. [PROGRAM REQUIREMENTS.] (a) Programs under this section are limited to projects that serve a useful public service such as: health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety and child care. To the extent possible, the prior training, skills, and experience of a recipient must be used in making appropriate work experience assignments.

(b) As a condition to placing a person receiving aid to families with dependent children in a program under this subdivision, the county agency shall first provide the recipient the opportunity to participate in the following services:

(1) placement in suitable subsidized or unsubsidized employment through participation in job search under section 256.736, subdivision 14; or

(2) basic educational or vocational or occupational training for an identifiable job opportunity.

(c) ~~If the A recipient refuses who has completed a job search under section 256.736, subdivision 14, who is unable to secure suitable employment, and a who is not enrolled in an approved training program, the county agency may, subject to subdivision 1, require the recipient to participate in a community work experience program as a condition of eligibility.~~

(d) The county agency shall limit the maximum number of hours any participant under this section may be required to work in any month to a number equal to the amount of the aid to families with dependent children payable to the family divided by the greater of the federal minimum wage or the applicable state minimum wage.

(e) After a participant has been assigned to a position under this section for nine months, the participant may not be required to continue in that assignment unless the maximum number of hours a participant is required to work works is no greater than the amount of the aid to families with dependent children payable with respect to the family divided by the higher of (1) the federal minimum wage or the applicable state minimum wage, whichever is greater, or (2) the rate of pay for individuals employed in the same or similar occupations by the same employer at the same site.

(f) After each six months of a recipient's participation in an assignment, and at the conclusion of each assignment under this section, the county agency shall reassess and revise, as appropriate, each participant's employability development plan.

(g) The county agency shall apply the grant reduction sanctions specified in section 256.736, subdivision 4, clause (6), when it is determined that a mandatory participant has failed, without good cause, to participate in the program.

Sec. 17. [256.739] [GRANT DIVERSION.]

(a) County agencies may, according to section 256.736, subdivision 10, develop grant diversion programs that permit voluntary participation by AFDC recipients. A county agency that chooses to provide grant diversion as one of its optional employment and training services may divert to an employer part or all of the AFDC payment for the participant's assistance unit, in compliance with federal regulations and laws. Such payments to an employer are to subsidize employment for AFDC recipients as an alternative to public assistance payments.

(b) County agencies shall limit the length of training to nine months. Placement in a grant diversion training position with an employer is for the purpose of training and employment with the same employer, who has agreed to retain the person upon satisfactory completion of training.

(c) Placement of any recipient in a grant diversion subsidized training position must be compatible with the assessment and employability development plan established for the recipient under section 256.736, subdivision 10, paragraph (a), clauses (14) and (15).

(d) No grant diversion participant may be assigned to fill any established, unfilled position vacancy with an employer.

(e) In addition to diverting the AFDC grant to the employer, employment and training block grant funds may be used to subsidize the grant diversion placement.

Sec. 18. Minnesota Statutes 1989 Supplement, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. [STANDARDS.] (a) A principal objective in providing general assistance is to provide for persons ineligible for federal programs who are unable to provide for themselves. The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs.

(b) The commissioner shall set the standard of assistance for an assistance unit consisting of an adult recipient who is childless and unmarried or living apart from children and spouse and who does not live with a parent or parents or a legal custodian. When the other standards specified in this subdivision increase, this standard must also be increased by the same percentage.

(c) For an assistance unit consisting of a single adult who lives with a parent or parents, the general assistance standard of assistance is the amount that the aid to families with dependent children standard of assistance would increase if the recipient were added as an additional minor child to an assistance unit consisting of the recipient's parent and all of that parent's family members, except that the standard may not exceed the standard for a general assistance recipient living alone. Benefits received by a responsible relative of the assistance unit under the supplemental security income program, a workers' compensation program, the Minnesota supplemental aid program, or any other program based on the responsible relative's disability, and any benefits received by a responsible relative of the assistance unit under the social security retirement program, may not be counted in the determination of eligibility or benefit level for the assistance unit. Except as provided below, the assistance unit is ineligible for general assistance if the available resources or the countable income of the assistance unit and the parent or parents with whom the assistance unit lives are such that a family consisting of the assistance unit's parent or parents, the parent or parents' other family members and the assistance unit as the only or additional minor child would be financially ineligible for general assistance. For the purposes of calculating the countable income of the assistance unit's parent or parents, the calculation methods, income deductions, exclusions, and disregards used when calculating the countable income for a single adult or childless couple must be used.

(d) For an assistance unit consisting of a childless couple, the standards of assistance are the same as the first and second adult standards of the aid to families with dependent children program. If one member of the couple is not included in the general assistance grant, the standard of assistance for the other is the second adult standard of the aid to families with dependent children program.

(e) For an assistance unit consisting of all members of a family, the standards of assistance are the same as the standards of assistance that apply to a family under the aid to families with dependent children program if that family had the same number of parents and children as the assistance unit under general assistance and if all members of that family were eligible for the aid to families with dependent children program. If one or more members of the family are not included in the assistance unit for general assistance, the standards of assistance for the remaining members are the same as the standards of assistance that apply to an assistance unit composed of the entire family, less the standards of assistance for a family of the same number of parents and children as those members of the family who are not in the assistance unit for general assistance. However, if an assistance unit consists solely of the minor children because their parent or parents have been sanctioned from receiving benefits from the aid to families with dependent children program, the standard for the assistance unit is the same as the special child standard of the aid to families with dependent children program. In no case shall the standard for family members who are in the assistance unit for general assistance, when combined with the standard for family members who are not in the general assistance unit, total more than the standard for the entire family if all members were in an AFDC assistance unit. A child may not be excluded from the assistance unit unless income intended for its benefit is received from a federally aided categorical assistance program or supplemental security income. The income of a child who is excluded from the assistance unit may not be counted in the determination of eligibility or benefit level for the assistance unit.

(f) An assistance unit consisting of one or more members of a family must have its grant determined using the policies and procedures of the aid to families with dependent children program. However, the standard of assistance must be determined according to paragraph (e), the first \$50 of total child support received by an assistance unit in a month must be excluded and the balance counted as unearned income, and nonrecurring lump sums received by the family must be considered income in the month received and a resource in the following months.

Sec. 19. Minnesota Statutes 1988, section 256D.01, is amended by adding a subdivision to read:

Subd. 1d. [RULES REGARDING EMERGENCY ASSISTANCE.]

In order to maximize the use of federal funds, the commissioner shall adopt rules, to the extent permitted by federal law, for eligibility for the emergency assistance program under aid to families with dependent children, and under the terms of sections 256D.01 to 256D.21 for general assistance, to require use of the emergency program under aid to families with dependent children as the primary financial resource when available. The commissioner shall adopt rules for eligibility for general assistance of persons with seasonal income and may attribute seasonal income to other periods not in excess of one year from receipt by an applicant or recipient. General assistance payments may not be made for foster care, child welfare services, or other social services. Vendor payments and vouchers may be issued only as authorized in sections 256D.05, subdivision 6, and 256D.09.

Sec. 20. Minnesota Statutes 1988, section 256D.02, subdivision 5, is amended to read:

Subd. 5. "Family" means the following persons who live together: a minor child or a group of minor children related to each other as siblings, half siblings, or stepsiblings, together with their natural or adoptive parents, their stepparents, or their legal custodians, and any other minor children of whom an adult member of the family is a legal custodian. applicant or recipient and the following persons who reside with the applicant or recipient:

(1) the applicant's spouse;

(2) any minor child of whom the applicant is a parent, stepparent, or legal custodian, and that child's minor siblings, including half-siblings and step-siblings;

(3) the other parent of the applicant's minor child or children together with that parent's minor children, and, if that parent is a minor, his or her parents, stepparents, legal guardians, and minor siblings; and

(4) if the applicant or recipient is a minor, the minor's parents, stepparents, or legal guardians, and any other minor children for whom those parents, stepparents, or legal guardians are financially responsible.

A "family" must contain at least one minor child and at least one of that child's natural or adoptive parents, stepparents, or legal custodians.

Sec. 21. Minnesota Statutes 1988, section 256D.02, subdivision 8, is amended to read:

Subd. 8. "Income" means any form of income, including remuner-

ation for services performed as an employee and net earnings from self-employment, reduced by the amount attributable to employment expenses as defined by the commissioner. The amount attributable to employment expenses shall include amounts paid or withheld for federal and state personal income taxes and federal social security taxes.

"Income" includes any payments received as an annuity, retirement, or disability benefit, including veteran's or workers' compensation; old age, survivors, and disability insurance; railroad retirement benefits; unemployment benefits; and benefits under any federally aided categorical assistance program, supplementary security income, or other assistance program; rents, dividends, interest and royalties; and support and maintenance payments. Such payments may not be considered as available to meet the needs of any person other than the person for whose benefit they are received, unless that person is a family member or a spouse and the income is not excluded under section 256D.01, subdivision 1a. Goods and services provided in lieu of cash payment shall be excluded from the definition of income, except that payments made for room, board, tuition or fees by a parent, on behalf of a child enrolled as a full-time student in a post-secondary institution, and payments made on behalf of an applicant or recipient which the applicant or recipient could legally require to be paid in cash to himself or herself, must be included as income.

Sec. 22. Minnesota Statutes 1988, section 256D.02, subdivision 12, is amended to read:

Subd. 12. "Local County agency" means the agency designated by the county board of commissioners, human services boards, county welfare boards in the several counties of the state or multicounty welfare boards or departments where those have been established in accordance with law.

Sec. 23. Minnesota Statutes Second 1989 Supplement, section 256D.03, subdivision 2, is amended to read:

Subd. 2. After December 31, 1980, state aid shall be paid to local agencies for 75 percent of all general assistance and work readiness grants up to the standards of sections 256D.01, subdivision 1a, and 256D.051, and according to procedures established by the commissioner, except as provided for under section 256.017 and except that, after December 31, 1987 until January 1 1991, state aid is reduced to 65 percent of all work readiness assistance if the local agency does not make occupational or vocational literacy training available and accessible to recipients who are eligible for assistance under section 256D.051.

After December 31, 1986, state aid must be paid to local agencies for 65 percent of work readiness assistance paid under section

256D.051 if the county does not have an approved and operating community investment program.

Beginning July 1, 1991, the state will reimburse counties according to the payment schedule in section 256.025 for the county share of local agency expenditures made under this subdivision from January 1, 1991, on. Payment to counties under this subdivision is subject to the provisions of section 256.017.

Sec. 24. Minnesota Statutes 1989 Supplement, section 256D.051, subdivision 1a, is amended to read:

Subd. 1a. [WORK READINESS PAYMENTS.] (a) Grants of work readiness shall be determined using the standards of assistance, exclusions, disregards, and procedures which are used in the general assistance program. Work readiness shall be granted in an amount that, when added to the nonexempt income actually available to the assistance unit, the total amount equals the applicable standard of assistance.

(b) Work readiness payments must be provided to persons determined eligible for the work readiness program as provided in this subdivision except when the special payment provisions in subdivision 1b are utilized. The initial payment must be prorated to provide assistance for the period beginning with the date the completed application is received by the county agency or the date the assistance unit meets all work readiness eligibility factors, whichever is later, and ending on the final day of that month. The amount of the first payment must be determined by dividing the number of days to be covered under the payment by the number of days in the month, to determine the percentage of days in the month that are covered by the payment, and multiplying the monthly payment amount by this percentage. Subsequent payments must be paid monthly on the first day of each month.

There shall be an initial certification period which shall begin on the date the completed application is received by the county agency or the date that the assistance unit meets all work readiness eligibility factors, whichever is later, and ending on the date that mandatory registrants in the assistance unit must attend a work readiness orientation. This initial certification period may not cover a period in excess of 30 calendar days. All mandatory registrants in the assistance unit must be informed of the period of certification, the requirement to attend orientation, and that work readiness eligibility will end at the end of the certification period unless the registrants attend orientation. A registrant who fails to comply with requirements during the certification period, including attendance at orientation, will lose work readiness eligibility without notice under section 256D.101, subdivision 1, paragraph (b).

At the time the county agency notifies the assistance unit that it

is eligible for work readiness assistance, the county agency must inform all mandatory registrants in the assistance unit that they must attend an orientation within 30 days, and that work readiness eligibility will end at the end of the month in which the orientation is scheduled unless the registrants attend orientation. A registrant who fails, without good cause, to comply with requirements during this time period, including attendance at orientation, will lose work readiness eligibility without notice under section 256D.101, subdivision 1, paragraph (b). The registrant shall, however, be sent a notice, on or before the date that eligibility ends, which informs the registrant that work readiness eligibility has ended in accordance with this section for failure to comply with work readiness requirements. The notice shall set forth the factual basis for such determination, and advises the registrant of the right to reinstate eligibility upon a showing of good cause for the failure to meet the requirements. Subsequent assistance must not be issued unless the person completes an application, is determined eligible, and attends an orientation, or demonstrates that the person had good cause for failing to comply with the requirement.

Sec. 25. Minnesota Statutes 1989 Supplement, section 256D.051, subdivision 1b, is amended to read:

Subd. 1b. [SPECIAL PAYMENT PROVISIONS.] A county agency may, at its option, provide work readiness payments as provided under section 256D.05, subdivision 6, during the initial certification period prorated to cover only an initial certification period. The initial certification period shall cover the time from the date the completed application is received by the county agency or the date that the assistance unit meets all work readiness eligibility factors, whichever is later, and ending on the date that mandatory registrants in the assistance unit must attend a work readiness orientation. This initial certification period may not cover a period in excess of 30 calendar days. All mandatory registrants in the assistance unit must be informed of the period of certification, the requirement to attend orientation, and that work readiness eligibility will end at the end of the certification period unless the registrants attend orientation. A registrant who fails, without good cause, to comply with requirements during the certification period, including attendance at orientation, will lose work readiness eligibility without notice under section 256D.101, subdivision 1, paragraph (b). The registrant shall, however, be sent a notice, on or before the date that eligibility ends, which informs the registrant that work readiness eligibility has ended in accordance with this section for failure to comply with work readiness requirements. The notice shall set forth the factual basis for such determination, and advises the registrant of the right to reinstate eligibility upon a showing of good cause for the failure to meet the requirements. If all mandatory registrants attend orientation, an additional grant of work readiness assistance must be issued to cover the period beginning the day after the scheduled orientation and ending on the final day of that month.

Subsequent payments of work readiness shall be governed by subdivision 1a or section 256D.05, subdivision 6. If one or more mandatory registrants from the assistance unit fail to attend the orientation, those who failed to attend orientation will be removed from the assistance unit without further notice and shall be ineligible for additional assistance. Subsequent assistance to such persons shall be dependent upon the person completing application for assistance and, being determined eligible, and attending an orientation or demonstrating that the person had good cause for failing to comply with the requirement.

A local agency that utilizes the provisions in this subdivision must implement the provisions consistently for all applicants or recipients in the county. A local agency must pay emergency general assistance to a registrant whose prorated work readiness payment does not meet emergency needs. ~~A local agency which elects to pay work readiness assistance on a prorated basis under this subdivision may not provide payments under section 256D.05, subdivision 6, for the same time period. A county agency may, at its option, provide work readiness payments as provided under section 256D.05, subdivision 6, during the initial certification period.~~

Sec. 26. Minnesota Statutes 1989 Supplement, section 256D.051, subdivision 2, is amended to read:

Subd. 2. [LOCAL AGENCY DUTIES.] (a) The local agency shall provide to registrants a work readiness program. The work readiness program must include:

(1) orientation to the work readiness program;

(2) an individualized employability assessment and development plan that includes assessment of literacy, ability to communicate in the English language, eligibility for displaced homemaker services under section 268.96, educational history, and that estimates the length of time it will take the registrant to obtain employment. The employability assessment and development plan must be completed in consultation with the registrant, must assess the registrant's assets, barriers, and strengths, and must identify steps necessary to overcome barriers to employment;

(3) referral to available accredited remedial or skills training programs designed to address registrant's barriers to employment;

(4) referral to available programs including the Minnesota employment and economic development program;

(5) a job search program, including job seeking skills training; and

(6) other activities, ~~including public employment experience pro-~~

grams to the extent of available resources designed by the local agency to prepare the registrant for permanent employment.

The work readiness program may include a public sector or nonprofit work experience component only if the component is established according to section 268.90.

In order to allow time for job search, the local agency may not require an individual to participate in the work readiness program for more than 32 hours a week. The local agency shall require an individual to spend at least eight hours a week in job search or other work readiness program activities.

(b) The local agency shall prepare an annual plan for the operation of its work readiness program. The plan must be submitted to and approved by the commissioner of jobs and training. The plan must include:

- (1) a description of the services to be offered by the local agency;
- (2) a plan to coordinate the activities of all public entities providing employment-related services in order to avoid duplication of effort and to provide services more efficiently;
- (3) a description of the factors that will be taken into account when determining a client's employability development plan; and
- (4) provisions to assure that applicants and recipients are evaluated for eligibility for general assistance prior to termination from the work readiness program.

Sec. 27. Minnesota Statutes 1989 Supplement, section 256D.051, subdivision 3, is amended to read:

Subd. 3. [REGISTRANT DUTIES.] In order to receive work readiness assistance, a registrant shall: (1) cooperate with the local agency in all aspects of the work readiness program; (2) accept any suitable employment, including employment offered through the job training partnership act, Minnesota employment and economic development act, and other employment and training options; and (3) participate in work readiness activities assigned by the local agency. The local agency may terminate assistance to a registrant who fails to cooperate in the work readiness program, as provided in subdivision 3b 3c.

Sec. 28. Minnesota Statutes 1989 Supplement, section 256D.051, subdivision 8, is amended to read:

Subd. 8. [VOLUNTARY QUIT.] A person is not eligible for work readiness payments or services if, without good cause, the person

refuses a legitimate offer of, or quits, suitable employment within 60 days before the date of application. A person who, without good cause, voluntarily quits suitable employment or refuses a legitimate offer of suitable employment while receiving work readiness payments or services shall be terminated from the work readiness program and disqualified for two months according to rules adopted by the commissioner.

Sec. 29. Minnesota Statutes 1988, section 256D.052, subdivision 5, is amended to read:

Subd. 5. [REASSESSMENT AND LITERACY REFERRAL.] (a) When a person is no longer functionally illiterate under rules adopted by the commissioner or is terminated for failure to comply with literacy training requirements, the local agency must assess the person's eligibility for general assistance under the remaining provisions of section 256D.05, subdivision 1, paragraph (a). The local agency must refer to the work readiness program under section 256D.051 all people not eligible for general assistance.

(b) ~~The local agency may also refer for voluntary work readiness services all recipients who reach a level of literacy that may allow successful participation in job training, provided that the job training does not interfere with a recipient's participation in literacy training. However, referral under this clause does not affect general assistance eligibility.~~

Sec. 30. Minnesota Statutes 1988, section 256D.06, subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of subdivision 1, a grant of general assistance shall be made to an eligible individual, married couple, or family for an emergency need, as defined in rules promulgated by the commissioner, where the recipient requests temporary assistance not exceeding 30 days if an emergency situation appears to exist and the individual is ineligible for the program of emergency assistance under aid to families with dependent children and is not a recipient of aid to families with dependent children at the time of application hereunder. If a an applicant or recipient relates facts to the local agency which may be sufficient to constitute an emergency situation, the local agency shall advise the recipient person of the procedure for applying for assistance pursuant to this subdivision.

Sec. 31. Minnesota Statutes 1989 Supplement, section 256H.01, subdivision 7, is amended to read:

Subd. 7. [EDUCATION PROGRAM.] "Education program" means remedial or basic education or English as a second language instruction, a program leading to a general equivalency or high school diploma, post-secondary programs excluding postbaccalaure-

ate programs, and other education and training needs as documented in an employability plan that is developed by an employment and training service provider certified by the commissioner of jobs and training or an individual designated by the county to provide employment and training services. The employability plan must outline education and training needs of a recipient, meet state requirements for employability plans, meet the requirements of Minnesota Rules, parts 9565.5000 to 9565.5200 and meet the requirements of other programs that provide federal reimbursement for child care services. ~~The county must incorporate into a recipient's employability plan an educational plan developed by a post-secondary institution for a nonpriority AFDC recipient who is enrolled or planning to enroll at that institution.~~

Sec. 32. Minnesota Statutes 1989 Supplement, section 256H.01, subdivision 8, is amended to read:

Subd. 8. [EMPLOYMENT PROGRAM.] "Employment program" means employment of recipients financially eligible for child care assistance, preemployment activities, or other activities approved in an employability plan that is developed by an employment and training service provider certified by the commissioner of jobs and training or an individual designated by the county to provide employment and training services. The plans must meet the requirements of Minnesota Rules, parts 9565.5000 to 9565.5200, and other programs that provide federal reimbursement for child care services.

Sec. 33. Minnesota Statutes 1989 Supplement, section 256H.01, subdivision 12, is amended to read:

Subd. 12. [PROVIDER.] "Provider" means a child care license holder who operates a family day care home, a group family day care home, a day care center, a nursery school, a day nursery, an extended day school age child care program; a person exempt from licensure who meets child care standards established by the state board of education; or a legal nonlicensed caregiver who is at least 18 years of age, and who is not a member of the AFDC assistance unit.

Sec. 34. Minnesota Statutes 1988, section 256H.01, is amended by adding a subdivision to read:

Subd. 16. [TRANSITION YEAR FAMILIES.] "Transition year families" means families who lose eligibility for AFDC due to increased hours of employment, increased income from employment, or the loss of income disregards due to time limitations, as provided under Public Law Number 100-485.

Sec. 35. Minnesota Statutes 1988, section 256H.01, is amended by adding a subdivision to read:

Subd. 17. [CHILD CARE FUND.] "Child care fund" means a program providing:

(1) financial assistance for child care to parents engaged in employment or education and training leading to employment; and

(2) grants to develop, expand, and improve the access and availability of child care services statewide.

Sec. 36. Minnesota Statutes 1989 Supplement, section 256H.03, subdivision 2, is amended to read:

Subd. 2. [ALLOCATION; LIMITATIONS.] The commissioner shall allocate 66 percent of the money appropriated under the child care fund for the basic sliding fee program and shall allocate those funds between the metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the area outside the metropolitan area as follows:

(1) 50 percent of the money shall be allocated among the counties on the basis of the number of families below the poverty level, as determined from the most recent census or special census; and

(2) 50 percent of the money shall be allocated among the counties on the basis of the counties' portion of the AFDC caseload for the preceding state fiscal year.

If, under the preceding formula, either the seven-county metropolitan area consisting of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties or the area consisting of counties outside the seven-county metropolitan area is allocated more than 55 percent of the basic sliding fee funds, each county's allocation in that area shall be proportionally reduced until the total for the area is no more than 55 percent of the basic sliding fee funds. The amount of the allocations proportionally reduced shall be used to proportionally increase each county's allocation in the other area.

Sec. 37. Minnesota Statutes 1989 Supplement, section 256H.03, subdivision 2a, is amended to read:

Subd. 2a. [ELIGIBLE RECIPIENTS.] Families that meet the eligibility requirements under sections 256H.10, except AFDC recipients and transition year families, and 256H.11 are eligible for child care assistance under the basic sliding fee program. From July 1, 1990, to June 30, 1991, a county may not accept new applications for the basic sliding fee program unless the county can demonstrate that its expenditure of state money for the basic sliding fee program during this period will not exceed 95 percent of the county's allocation of state money for the fiscal year ending June 30, 1991. Families enrolled in the basic sliding fee program as of July 1, 1990,

shall be continued until they are no longer eligible. Counties shall make vendor payments to the child care provider or pay the parent directly for eligible child care expenses on a reimbursement basis.

Sec. 38. Minnesota Statutes 1989 Supplement, section 256H.03, subdivision 2b, is amended to read:

Subd. 2b. [FUNDING PRIORITY.] (a) First priority for child care assistance under the basic sliding fee program must be given to eligible recipients ~~non-AFDC families~~ who do not have a high school or general equivalency diploma or who need remedial and basic skill courses in order to pursue employment or to pursue education leading to employment. ~~Priority for child care assistance under the basic sliding fee program must be given to non-AFDC families for this first priority unless a county can demonstrate that funds available in the AFDC child care program allocation are inadequate to serve all AFDC families needing child care services.~~ Within this priority, the following subpriorities must be used:

- (1) child care needs of minor parents;
- (2) child care needs of parents under 21 years of age; and
- (3) child care needs of other parents within the priority group described in this paragraph.

(b) Second priority must be given to all other parents who are eligible for the basic sliding fee program.

Sec. 39. Minnesota Statutes 1989 Supplement, section 256H.05, subdivision 1b, is amended to read:

Subd. 1b. [ELIGIBLE RECIPIENTS.] Families eligible for guaranteed child care assistance under the AFDC child care program are: ~~families receiving AFDC and former AFDC recipients who, during their first year of employment, continue to require a child care subsidy in order to retain employment. The commissioner shall designate between 20 to 60 percent of the AFDC child care program as the minimum to be reserved for AFDC recipients in an educational program. If a family meets the eligibility requirements of the AFDC child care program and the caregiver has an approved employability plan that meets the requirements of appropriate federal reimbursement programs, that family is eligible for child care assistance.~~

- (1) persons receiving services under section 256.736;
- (2) AFDC recipients who are employed; and

(3) persons who are members of transition year families under section 256H.01, subdivision 16.

Sec. 40. Minnesota Statutes 1989 Supplement, section 256H.05, subdivision 1c, is amended to read:

Subd. 1c. [FUNDING PRIORITY.] Priority for child care assistance under the AFDC child care program shall be given to AFDC priority groups who are engaged in an employment or education program consistent with their employability plan. If the AFDC recipient is employed, the AFDC child care disregard shall be applied before the remaining child care costs are subsidized by the AFDC child care program. AFDC recipients leaving AFDC due to their earned income, who have been on AFDC three out of the last six months and who apply for child care assistance under subdivision 1b within the first year after leaving AFDC, shall be entitled to one year of child care subsidies during the first year of employment. AFDC recipients must be put on a waiting list for the basic sliding fee program when they leave AFDC due to their earned income.

Sec. 41. Minnesota Statutes 1989 Supplement, section 256H.05, subdivision 2, is amended to read:

Subd. 2. [COOPERATION WITH OTHER PROGRAMS.] The county shall develop cooperative agreements with the employment and training service provider for coordination of child care funding with employment, training, and education programs for all AFDC recipients who receive services under section 256.736. The cooperative agreement shall specify that individuals receiving employment, training, and education services under an employability plan from the employment and training service provider shall, as resourcees permit, be guaranteed child care assistance from the county of their residencee responsible for the current employability development plan.

Sec. 42. Minnesota Statutes 1989 Supplement, section 256H.05, subdivision 5, is amended to read:

Subd. 5. [FEDERAL REIMBURSEMENT.] Counties shall maximize their federal reimbursement under the AFDC special needs program Public Law Number 100-485 or other federal reimbursement programs for money spent for persons listed in this section and section 256H.03. The commissioner shall allocate any federal earnings to the county to be used to expand child care services under these sections.

Sec. 43. Minnesota Statutes 1989 Supplement, section 256H.08, is amended to read:

256H.08 [USE OF MONEY.]

Money for persons listed in sections 256H.03, subdivision 2a, and 256H.05, subdivision 1b, shall be used to reduce the costs of child care for students, including the costs of child care for students while employed if enrolled in an eligible education program at the same time and making satisfactory progress towards completion of the program. Counties may not limit the duration of child care subsidies for a person in an employment or educational program, except when the person is found to be ineligible under the child care fund eligibility standards. Any limitation must be based on a person's employability plan in the case of an AFDC recipient, and county policies included in the child care allocation plan. Time limitations for child care assistance, as specified in Minnesota Rules, parts 9565.5000 to 9565.5200, do not apply to basic or remedial educational programs needed to prepare for post-secondary education or employment. These programs include: high school, general equivalency diploma, and English as a second language. Programs exempt from this time limit must not run concurrently with a post-secondary program. Financially eligible students who have received child care assistance for one academic year shall be provided child care assistance in the following academic year if funds allocated under sections 256H.03 and 256H.05. If a student an AFDC recipient who is receiving AFDC child care assistance under this chapter moves to another county as specified authorized in their employability plan, continues to be enrolled in a post-secondary institution, and continues to be eligible for AFDC child care assistance under this chapter, the student must receive continued child care assistance from their county of origin without interruption to the limit of the county's allocation participate in educational or training programs authorized in their employability development plans, and continues to be eligible for AFDC child care assistance under this chapter, the AFDC caretaker must receive continued child care assistance from the county responsible for their current employability development plan, without interruption.

Sec. 44. Minnesota Statutes 1989 Supplement, section 256H.09, subdivision 1, is amended to read:

Subdivision 1. [QUARTERLY REPORTS.] The commissioner shall specify requirements for reports, including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph (17). Counties shall submit on forms prescribed by the commissioner a quarterly financial and program activity report. The failure to submit a complete report by the end of the quarter in which the report is due may result in a reduction of child care fund allocations equal to the next quarter's allocation. The financial and program activity report must include:

(1) a detailed accounting of the expenditures and revenues for the program during the preceding quarter by funding source and by eligibility group;

(2) a description of activities and concomitant expenditures that are federally reimbursable under the AFDC employment special needs program and other federal reimbursement programs;

(3) a description of activities and concomitant expenditures of child care money;

(4) information on money encumbered at the quarter's end but not yet reimbursable, for use in adjusting allocations as provided in sections section 256H.03, subdivision 3, and 256H.05, subdivision 1a; and

(5) other data the commissioner considers necessary to account for the program or to evaluate its effectiveness in preventing and reducing participants' dependence on public assistance and in providing other benefits, including improvement in the care provided to children.

Sec. 45. Minnesota Statutes 1988, section 256H.10, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY FACTORS.] Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

(a) receive aid to families with dependent children and are receiving employment and training services under section 256.736;

(b) have household income below the eligibility levels for aid to families with dependent children; or

(c) have household income within a range established by the commissioner.

(d) Child care services for the families receiving aid to families with dependent children must be made available as in-kind services, to cover any difference between the actual cost and the amount disregarded under the aid to families with dependent children program. Child care services to families whose incomes are below the threshold of eligibility for aid to families with dependent children, but that are not receiving aid to families with dependent children, must be made available without cost to the families.

Sec. 46. Minnesota Statutes 1989 Supplement, section 256H.10, subdivision 3, is amended to read:

Subd. 3. [PRIORITIES; ALLOCATIONS.] If more than 75 percent of the available money is provided to any one of the groups described in section 256H.03 or 256H.05, the county board shall document to

the commissioner the reason the group received a disproportionate share unless approved in the plan. If a county projects that its child care allocation is insufficient to meet the needs of all eligible groups, it may prioritize among the groups that remain to be served after the county has complied with the priority requirements of sections section 256H.03 and 256H.05. Counties that have established a priority for non-AFDC families beyond those established under section 256H.03 must submit the policy in the annual allocation plan.

Sec. 47. Minnesota Statutes 1988, section 256H.10, subdivision 4, is amended to read:

Subd. 4. [ELIGIBILITY; ANNUAL INCOME; CALCULATION.] Annual income of the applicant family is the current monthly income of the family multiplied by 12 or the income for the 12-month period immediately preceding the date of application, whichever or income calculated by the method which provides the most accurate assessment of income available to the family. Self-employment income must be calculated based on gross receipts less operating expenses. Income must be redetermined when the family's income changes, but no less often than every six months. Income must be verified with documentary evidence. If the applicant does not have sufficient evidence of income, verification must be obtained from the source of the income.

Sec. 48. Minnesota Statutes 1989 Supplement, section 256H.11, subdivision 1, is amended to read:

Subdivision 1. [ASSISTANCE FOR PERSONS SEEKING AND RETAINING EMPLOYMENT.] Persons who are seeking employment and who are eligible for assistance under this section are eligible to receive the equivalent of up to one month of child care. Employed persons who work at least ten hours a week and receive at least a minimum wage for all hours worked are eligible for continued child care assistance.

Sec. 49. Minnesota Statutes 1989 Supplement, section 256H.15, subdivision 1, is amended to read:

Subdivision 1. [SUBSIDY RESTRICTIONS.] The county board may limit the subsidy allowed by setting a maximum on the provider child care rate that the county shall subsidize. The maximum rate set by any county shall not be lower than 110 percent or higher than 125 percent of the median rate in that county for like care arrangements for all types of care, including special needs and handicapped care, as determined by the commissioner. If the county sets a maximum rate, it must pay the provider's rate for each child receiving a subsidy, up to the maximum rate set by the county. ~~In order to be reimbursed for more than 110 percent of the median rate, a provider with employees must pay wages for teachers, assistants,~~

and aides that are more than 110 percent of the county average rate for child care workers. If a county does not set a maximum provider rate, it shall pay the provider's rate for every child in care. The maximum state payment is 125 percent of the median provider rate. If the county has not set a maximum provider rate and the provider rate is greater than 125 percent of the median provider rate in the county, the county shall pay the amount in excess of 125 percent of the median provider rate from county funding sources. The county shall pay the provider's full charges for every child in care, up to the maximum established. The commissioner shall determine the maximum rate for each type of care, including special needs and handicapped care. When the provider charge is greater than the maximum provider rate set by the county allowed, the parent is responsible for payment of the difference in the rates in addition to any family copayment fee.

Sec. 50. Minnesota Statutes 1989 Supplement, section 256H.15, subdivision 2, is amended to read:

Subd. 2. [PROVIDER RATE BONUS FOR ACCREDITATION.] Currently accredited child care centers shall be paid a five ten percent bonus above the maximum rate established by the county in subdivision 1, if the center can demonstrate that its staff wages are greater than 110 percent of the average wages in the county for similar care, up to the actual provider rate. A family day care provider shall be paid a five ten percent bonus above the maximum rate established by the county in subdivision 1, if the provider holds a current child early childhood development associate certificate credential approved by the commissioner, up to the actual provider rate. A county is not required to review wages under this subdivision unless the county has set a maximum above 110 percent for all providers with employees in their county.

Sec. 51. Minnesota Statutes 1988, section 256H.17, is amended to read:

256H.17 [EXTENSION OF EMPLOYMENT OPPORTUNITIES.]

The county board shall insure that child care services available to county eligible residents are well advertised and that everyone who receives or applies for aid to families with dependent children is informed of training and employment opportunities and programs, including child care assistance nd child care resource and referral services.

Sec. 52. Minnesota Statutes 1989 Supplement, section 256H.21, subdivision 9, is amended to read:

Subd. 9. [MINI-GRANTS.] "Mini-grants" means child care grants for facility improvements that are less than up to \$1,000. Mini-grants include, but are not limited to, improvements to meet

licensing requirements, improvements to expand a child care facility or program, toys and equipment, start-up costs, staff training, and development costs.

Sec. 53. Minnesota Statutes 1989 Supplement, section 256H.22, subdivision 2, is amended to read:

Subd. 2. [DISTRIBUTION OF FUNDS.] (a) The commissioner shall allocate grant money appropriated for child care service (~~development and resource and referral services~~) among the development regions designated by the governor under section 462.385, as follows:

(1) 50 percent of the child care service development grant appropriation shall be allocated to the metropolitan area economic development region; and

(2) 50 percent of the child care service development grant appropriation shall be allocated to greater Minnesota counties economic development regions other than the metropolitan economic development region.

(b) The following formulas shall be used to allocate grant appropriations among the counties economic development regions:

(1) 50 percent of the funds shall be allocated in proportion to the ratio of children under 12 years of age in each county economic development region to the total number of children under 12 years of age in all counties economic development regions; and

(2) 50 percent of the funds shall be allocated in proportion to the ratio of children under 12 years of age in each county economic development region to the number of licensed child care spaces currently available in each county economic development region.

(c) Out of the amount allocated for each economic development region ~~and county~~, the commissioner shall award grants based on the recommendation of the grant review advisory task force. In addition, the commissioner shall award no more than 75 percent of the money either to child care facilities for the purpose of facility improvement or interim financing or to child care workers for staff training expenses. ~~The commissioner shall award no more than 50 percent of the money for resource and referral services to maintain or improve an existing resource and referral until all regions are served by resource and referral programs.~~

(d) Any funds unobligated may be used by the commissioner to award grants to proposals that received funding recommendations by the advisory task force but were not awarded due to insufficient funds.

Sec. 54. Minnesota Statutes 1989 Supplement, section 256H.22, subdivision 3, is amended to read:

Subd. 3. [CHILD CARE REGIONAL ADVISORY COMMITTEES.] Child care regional advisory committees shall review and make recommendations to the commissioner on applications for service development grants under this section. The commissioner shall appoint the child care regional advisory committees in each governor's economic development regions. People appointed under this subdivision must represent the following constituent groups: family child care providers, group center providers, parent users, health services, social services, public schools, and other citizens with demonstrated interest in child care issues. Members of the advisory task force with a direct financial interest in a pending grant proposal may not provide a recommendation or participate in the ranking of that grant proposal. Committee members may be reimbursed for their actual travel, child care, and child care provider substitute expenses for up to six committee meetings per year. The child care regional advisory committees shall complete their reviews and forward their recommendations to the commissioner by the date specified by the commissioner.

Sec. 55. Minnesota Statutes 1989 Supplement, section 256H.22, subdivision 10, is amended to read:

Subd. 10. [ADVISORY TASK FORCE.] The commissioner shall convene a statewide advisory task force which shall advise the commissioner on grants and other child care issues. The statewide advisory task force shall review and make recommendations to the commissioner on child care resource and referral grants and on statewide service development and child care training grants. Members of the advisory task force with a direct financial interest in a resource and referral or a statewide training proposal may not provide a recommendation or participate in the ranking of that grant proposal. Each regional grant review committee formed under subdivision 3, shall appoint a representative to the advisory task force. The commissioner may convene meetings of the task force as needed. Terms of office and removal from office are governed by the appointing body. The commissioner may compensate members for their expenses of travel to, child care, and child care provider substitute expenses for meetings of the task force. The members of the child care advisory task force shall also meet once with the interagency advisory committee on child care under section 256H.25.

Sec. 56. Minnesota Statutes 1989 Supplement, section 268.0111, subdivision 4, is amended to read:

Subd. 4. [EMPLOYMENT AND TRAINING SERVICES.] "Employment and training services" means programs, activities, and services related to job training, job placement, and job creation.

including job service programs, job training partnership act programs, wage subsidies, work readiness programs, job search, counseling, case management, community work experience programs, displaced homemaker programs, disadvantaged job training programs, grant diversion, employment experience programs, youth employment programs, conservation corps, apprenticeship programs, community investment programs, supported work programs, community development corporations, economic development programs, and opportunities industrialization centers.

Sec. 57. Minnesota Statutes 1988, section 268.673, subdivision 3, is amended to read:

Subd. 3. [DEPARTMENT OF JOBS AND TRAINING.] The commissioner shall supervise wage subsidies and shall provide technical assistance to the eligible local service units for the purpose of delivering wage subsidies.

Sec. 58. Minnesota Statutes 1988, section 268.673, subdivision 5, is amended to read:

Subd. 5. [REPORT.] Each entity delivering wage subsidies shall report to the commissioner and the coordinator on a quarterly basis:

(1) the number of persons placed in private sector jobs, in temporary public sector jobs, or in other services;

(2) the outcome for each participant placed in a private sector job, in a temporary public sector job, or in another service;

(3) the number and type of employers employing persons under the program;

(4) the amount of money spent in each eligible local service unit for wages for each type of employment and each type of other expense;

(5) the age, educational experience, family status, gender, priority group status, race, and work experience of each person in the program;

(6) the amount of wages received by persons while in the program and 60 days after completing the program;

(7) for each classification of persons described in clause (5), the outcome of the wage subsidy placement, including length of time employed; nature of employment, whether private sector, temporary public sector, or other service; and the hourly wages; and

(8) any other information requested by the commissioner. Each report must include cumulative information, as well as information for each quarter.

Data collected on individuals under this subdivision are private data on individuals as defined in section 13.02, subdivision 12, except that summary data may be provided under section 13.05, subdivision 7.

Sec. 59. Minnesota Statutes 1988, section 268.6751, subdivision 1, is amended to read:

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

(a) The commissioner shall allocate 87.5 percent of the funds available for allocation to eligible local service units for wage subsidy programs as follows: the proportion of the wage subsidy money available to each eligible local service unit must be based on the number of unemployed persons in the eligible local service unit for the most recent six-month period and the number of work readiness assistance cases and aid to families with dependent children cases in the eligible local service unit for the most recent six-month period.

(b) Five percent of the money available for wage subsidy programs must be allocated at the discretion of the commissioner.

(c) Seven and one-half percent of the money available for wage subsidy programs must be allocated at the discretion of the commissioner to provide jobs for residents of federally recognized Indian reservations.

(d) By December 31 of each fiscal year, providers and local service units receiving wage subsidy money shall report to the commissioner on the use of allocated funds. The commissioner shall reallocate uncommitted funds for each fiscal year according to the formula in paragraph (a).

Sec. 60. Minnesota Statutes 1988, section 268.676, subdivision 2, is amended to read:

Subd. 2. [AMONG EMPLOYERS.] Allocation of funds among eligible employers within an eligible local service unit shall give priority to funding private sector jobs to the extent that eligible businesses apply for funds. If possible, no more than 25 percent of the statewide funds available for wages may be allocated for temporary jobs with eligible government and nonprofit agencies, or for temporary community investment program jobs with eligible government agencies during the biennium. This subdivision does not

apply to jobs for residents of federally recognized Indian reservations.

Sec. 61. Minnesota Statutes 1988, section 268.677, subdivision 2, is amended to read:

Subd. 2. Reimbursement to the commissioner for the costs of administering wage subsidies must not exceed one-half percent of the money appropriated. Reimbursement to an eligible local service unit for the costs of administering wage subsidies must not exceed five percent and for the purchase of supplies and materials necessary to create permanent improvements to public property must not exceed one percent of the money allocated to that local service unit. The commissioner and the eligible local service units shall reallocate money from other sources to cover the costs of administering wage subsidies whenever possible.

Sec. 62. Minnesota Statutes 1988, section 268.677, subdivision 3, is amended to read:

Subd. 3. Eligible Local service units may use up to 25 percent of their wage subsidy allocations to provide eligible applicants with job search assistance, labor market orientation, job seeking skills, necessary child care services, relocation, and transportation, and to subsidize fringe benefits.

Sec. 63. Minnesota Statutes 1988, section 268.678, is amended to read:

268.678 [ELIGIBLE LOCAL SERVICE UNITS; POWERS AND DUTIES.]

Subdivision 1. [GENERAL POWERS.] Eligible Local service units have the powers and duties given in this section and any additional duties given by the commissioner.

Subd. 3. [OUTREACH.] Each eligible local service unit shall publicize the availability of wage subsidies within its area to seek maximum participation by eligible job applicants and employers.

Subd. 4. [CONTRACTS.] Each eligible local service unit that has not agreed to a contract under section 268.673, subdivision 4a, may enter into contracts with certified service providers to deliver wage subsidies.

Subd. 5. [SCREENING AND COORDINATION.] Each eligible local service unit shall provide for the screening of job applicants and employers to achieve the best possible placement of eligible job applicants with eligible employers.

Subd. 6. [ELIGIBLE JOB APPLICANT PRIORITY LISTS.] Each eligible local service unit shall provide for the maintenance of a list of eligible job applicants unable to secure employment under the program at the time of application. The list shall prioritize eligible job applicants and shall be used to fill jobs with eligible employers as they become available.

Sec. 64. Minnesota Statutes 1988, section 268.681, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE BUSINESSES.] A business employer is an eligible employer if it enters into a written contract, signed and subscribed to under oath, with an eligible local service unit or its contractor, containing assurances that:

(a) funds received by a business shall be used only as permitted under sections 268.672 to 268.682;

(b) the business has submitted information to the eligible local service unit or its contractor (1) describing the duties and proposed compensation of each employee proposed to be hired under the program; and (2) demonstrating that, with the funds provided under sections 268.672 to 268.682, the business is likely to succeed and continue to employ persons hired using wage subsidies;

(c) the business will use funds exclusively for compensation and fringe benefits of eligible job applicants and will provide employees hired with these funds with fringe benefits and other terms and conditions of employment comparable to those provided to other employees of the business who do comparable work;

(d) the funds are necessary to allow the business to begin, or to employ additional people, but not to fill positions which would be filled even in the absence of wage subsidies;

(e) the business will cooperate with the eligible local service unit and the commissioner in collecting data to assess the result of wage subsidies; and

(f) the business is in compliance with all applicable affirmative action, fair labor, health, safety, and environmental standards.

Sec. 65. Minnesota Statutes 1988, section 268.681, subdivision 2, is amended to read:

Subd. 2. [PRIORITIES.] (a) In allocating funds among eligible businesses, the eligible local service unit or its contractor shall give priority to:

(1) businesses engaged in manufacturing;

(2) nonretail businesses that are small businesses as defined in section 645.445; and

(3) businesses that export products outside the state.

(b) In addition to paragraph (a), an eligible a local service unit must give priority to businesses that:

(1) have a high potential for growth and long-term job creation;

(2) are labor intensive;

(3) make high use of local and Minnesota resources;

(4) are under ownership of women and minorities;

(5) make high use of new technology;

(6) produce energy conserving materials or services or are involved in development of renewable sources of energy; and

(7) have their primary place of business in Minnesota.

Sec. 66. Minnesota Statutes 1988, section 268.681, subdivision 3, is amended to read:

Subd. 3. [PAYBACK.] A business receiving wage subsidies shall repay 70 percent of the amount initially received for each eligible job applicant employed, if the employee does not continue in the employment of the business beyond the six-month subsidized period. If the employee continues in the employment of the business for one year or longer after the six-month subsidized period, the business need not repay any of the funds received for that employee's wages. If the employee continues in the employment of the business for a period of less than one year after the expiration of the six-month subsidized period, the business shall receive a proportional reduction in the amount it must repay. If an employer dismisses an employee for good cause and works in good faith with the eligible local service unit or its contractor to employ and train another person referred by the eligible local service unit or its contractor, the payback formula shall apply as if the original person had continued in employment.

A repayment schedule shall be negotiated and agreed to by the eligible local service unit and the business prior to the disbursement of the funds and is subject to renegotiation. The eligible local service unit shall forward 25 percent of the payments received under this subdivision to the commissioner on a monthly basis and shall retain the remaining 75 percent for local program expenditures. Notwithstanding section 268.677, subdivision 2, the local service unit may

use up to 20 percent of its share of the funds returned under this subdivision for any administrative costs associated with the collection of the funds under this subdivision. At least 80 percent of the local service unit's share of the funds returned under this subdivision must be used as provided in section 268.677. The commissioner shall deposit payments forwarded to the commissioner under this subdivision in the Minnesota wage subsidy account created by subdivision 4.

Sec. 67. Minnesota Statutes 1989 Supplement, section 268.86, subdivision 2, is amended to read:

Subd. 2. [INTERAGENCY AGREEMENTS.] By October 1, 1987, the commissioner and the commissioner of human services shall enter into a written contract for the design, delivery, and administration of employment and training services for applicants for or recipients of food stamps or aid to families with dependent children and work readiness, including AFDC employment and training programs, and general assistance or work readiness grant diversion, and supported work. The contract ~~must be approved by the coordinator and~~ must address:

- (1) specific roles and responsibilities of each department;
- (2) assignment and supervision of staff for interagency activities including any necessary interagency employee mobility agreements under the administrative procedures of the department of employee relations;
- (3) mechanisms for determining the conditions under which individuals participate in services, their rights and responsibilities while participating, and the standards by which the services must be administered;
- (4) procedures for providing technical assistance to local service units, Indian tribes, and employment and training service providers;
- (5) access to appropriate staff for ongoing development and interpretation of policy, rules, and program standards;
- (6) procedures for reimbursing appropriate agencies for administrative expenses; and
- (7) procedures for accessing available federal funds.

Sec. 68. Minnesota Statutes 1988, section 268.86, subdivision 8, is amended to read:

Subd. 8. [GRANT DIVERSION.] The commissioner shall develop grant diversion processes for recipients of aid to families with

dependent children general assistance and work readiness assistance payments and shall supervise the counties in the administration of the employment and training services to meet the needs and circumstances of public assistance these recipients. A grant diversion program that places general assistance and work readiness recipients in public sector employment must operate as a community investment program under section 268.90.

Sec. 69. Minnesota Statutes 1988, section 268.871, subdivision 1, is amended to read:

Subdivision 1. [RESPONSIBILITY AND CERTIFICATION.] (a) Unless prohibited by federal law or otherwise determined by state law, a local service unit is responsible for the delivery of employment and training services. After February 1, 1988, employment and training services must be delivered by certified employment and training service providers.

(b) The local service unit's employment and training service provider must meet the certification standards in this subdivision in order to be certified to deliver any of the following employment and training services and programs: wage subsidies; work readiness; work readiness and general assistance grant diversion; food stamp employment and training programs; community work experience programs; AFDC job search; AFDC grant diversion; AFDC on-the-job training; and AFDC case management.

(c) The commissioner shall certify a local service unit's service provider to provide these employment and training services and programs if the commissioner determines that the provider has:

(1) past experience in direct delivery of the programs specified in paragraph (b);

(2) staff capabilities and qualifications, including adequate staff to provide timely and effective services to clients, and proven staff experience in providing specific services such as assessments, career planning, job development, job placement, support services, and knowledge of community services and educational resources;

(3) demonstrated effectiveness in providing services to public assistance recipients and other economically disadvantaged clients; and

(4) demonstrated administrative capabilities, including adequate fiscal and accounting procedures, financial management systems, participant data systems, and record retention procedures.

(d) When the only service provider that meets the criterion in paragraph (c), clause (1), has been decertified, pursuant to subdivi-

sion 1a, in that local service unit, the following criteria shall be substituted: past experience in direct delivery of multiple, coordinated, nonduplicative services, including outreach, assessments, identification of client barriers, employability development plans, and provision or referral to support services.

Employment and training service providers shall be certified by the commissioner for two fiscal years beginning July 1, 1991, and every second year thereafter.

Sec. 70. Minnesota Statutes 1988, section 268.871, is amended by adding a subdivision to read:

Subd. 1a. [DECERTIFICATION.] (a) The department, on its own initiative, or at the request of the local service unit, shall begin decertification processes for employment and training service providers who:

(1) no longer meet one or more of the certification standards;

(2) are delivering services in a manner that does not comply with the Family Support Act of 1988, Public Law Number 100-485 or relevant state law after corrective actions have been cited, technical assistance has been provided, and a reasonable period of time for remedial action has been provided; or

(3) are not complying with other state and federal laws or policy which are necessary for effective delivery of services.

(b) The initiating of decertification processes shall not result in decertification of the service provider unless and until adequate fact-finding and investigation has been performed by the department.

Sec. 71. Minnesota Statutes 1988, section 268.871, subdivision 2, is amended to read:

Subd. 2. [CONTRACTING PREFERENCE RESPONSIBILITY.] In contracting, A local service unit must give preference, whenever possible, to contract with certified employment and training service providers that can effectively coordinate federal, state, and local employment and training services; that can maximize use of available federal and other nonstate funds; and that have demonstrated the ability to serve achieve effective results in serving public assistance clients as well as other unemployed people.

Sec. 72. Minnesota Statutes 1989 Supplement, section 268.88, is amended to read:

268.88 [LOCAL SERVICE UNIT PLANS.]

(a) Local service units shall prepare and submit to the commissioner by April 15 of each year 1990 an annual plan for the subsequent fiscal year. By April 15, 1991, and by April 15 of each second year thereafter, local service units shall prepare and submit to the commissioner a plan that covers the next two state fiscal years. The commissioner shall notify each local service unit within 60 days of receipt of its plan that the plan has been approved or disapproved. The plan must include:

(1) a statement of objectives for the employment and training services the local service unit administers;

(2) the establishment of public assistance caseload reduction goals and the strategies and programs that will be used to achieve these goals;

(3) a statement of whether the goals from the preceding year were met and an explanation if the local service unit failed to meet the goals;

(4) the amount proposed to be allocated to each employment and training service;

(5) the proposed types of employment and training services the local service unit plans to utilize;

(6) a description of how the local service unit will use funds provided under section 256.736 to meet the requirements of that section. The description must include the two work programs required by section 256.736, subdivision 10, paragraph (a), clause (13), what services will be provided, number of clients served, per service expenditures, type of clients served, and projected outcomes;

(7) a report on the use of wage subsidies, grant diversions, community investment programs, and other services administered under this chapter;

(8) an annual update of the community investment program plan according to standards established by the commissioner;

(9) a performance review of the employment and training service providers delivering employment and training services for the local service unit;

(10) (9) a copy of any contract between the local service unit and an employment and training service provider including expected outcomes and service levels for public assistance clients; and

(11) (10) a copy of any other agreements between educational institutions, family support services, and child care providers.

(b) In counties with a city of the first class, the county and the city shall develop and submit a joint plan. The plan may not be submitted until agreed to by both the city and the county. The plan must provide for the direct allocation of employment and training money to the city and the county unless waived by either. If the county and the city cannot concur on a plan, the commissioner shall resolve their dispute. In counties in which a federally recognized Indian tribe is operating an employment and training program under an agreement with the commissioner of human services, the plan must provide that the county will coordinate its employment and training programs, including developing a system for referrals, sanctions, and the provision of supporting services such as access to child care funds and transportation with programs operated by the Indian tribe. The plan may not be given final approval by the commissioner until the tribal unit and county have submitted written agreement on these provisions in the plan. If the county and Indian tribe cannot agree on these provisions, the local service unit shall notify the commissioner of jobs and training and the commissioners of jobs and training and human services shall resolve the dispute.

(c) The commissioner may withhold the distribution of employment and training money from a local service unit that does not submit a plan to the commissioner by the date set by this section, and shall withhold the distribution of employment and training money from a local service unit whose plan has been disapproved by the commissioner until an acceptable amended plan has been submitted.

(d) Notwithstanding Minnesota Statutes 1988, section 268.88, local service units shall prepare and submit to the commissioner by June 1, 1989, an annual plan for fiscal year 1990. The commissioner shall notify each local service unit within 30 days of receipt of its plan if its plan has been approved or disapproved. Beginning April 15, 1992, and by April 15 of each second year thereafter, local service units must prepare and submit to the commissioner an interim year plan update that deals with performance in that state fiscal year and changes anticipated for the second year of the biennium. The update must include information about employment and training programs addressed in the local service unit's two-year plan and shall be completed in accordance with criteria established by the commissioner.

Sec. 73. Minnesota Statutes 1989 Supplement, section 268.881, is amended to read:

268.881 [INDIAN TRIBE PLANS.]

The commissioner, in consultation with the commissioner of human services, shall review and comment on Indian tribe plans submitted to the commissioner for provision of employment and

training services. The plan must be submitted by April 15 for the state fiscal year ending June 30, 1990. For subsequent years, the plan must be submitted at least 60 days before the program commences. The commissioner shall approve or disapprove the plan for the state fiscal year ending June 30, 1990, within 30 days of receipt. The commissioner shall notify the Indian tribe of approval or disapproval of plans for subsequent years within 60 days of submission of the plans. The grant proposal must contain information that has been established by the commissioner and the commissioner of human services for the employment and training services grant program for Indian tribes.

(a) The commissioner, in consultation with the commissioner of human services, shall review and comment on Indian tribe plans submitted to the commissioner for provision of employment and training services. Beginning April 15, 1991, and by April 15 of each second year thereafter, the Indian tribe shall prepare and submit to the commissioner a plan that covers the next two state fiscal years. Beginning April 15, 1992, and by April 15 of each second year thereafter, the Indian tribe shall prepare and submit to the commissioner an interim year plan update that deals with performance during the past state fiscal year and that covers changes anticipated for the second year of the biennium. The commissioner shall notify the Indian tribe of approval or disapproval of the plans and updates for existing programs within 60 days of submission.

(b) A plan for a new tribal program must be submitted at least 45 days before the program is to commence. The commissioner shall approve or disapprove the plan for new programs within 30 days of receipt.

(c) The tribal plan and update must contain information that has been established by the commissioner and the commissioner of human services for the tribal employment and training service program.

(d) The commissioner may recommend to the commissioner of human services withholding the distribution of employment and training money from a tribe whose plan or update is disapproved by the commissioner or a tribe that does not submit a plan or update by the date established in this section.

Sec. 74. Minnesota Statutes 1988, section 268.90, subdivision 1, is amended to read:

Subdivision 1. Community investment programs provide temporary employment to people who are experiencing prolonged unemployment and economic hardship. Community investment programs consist of one or more projects. Community investment programs must be beneficial to the state and the communities in which they are located and must provide program employees participants with

training and work experience that will enhance their employability. The projects must include activities that:

- (1) expand or improve services, including education, health, social services, recreation, and safety;
- (2) improve or maintain natural resources, including rivers, streams and lakes, forest lands and roads, and soil conservation;
- (3) make permanent improvements to lands and buildings; or
- (4) weatherize public buildings and private residential dwellings.

Community investment programs may not include job placements that replace work that was part or all of the duties or responsibilities of an authorized public employee position established as of January 1, 1985.

Community investment programs that include other sources of money or authorized programs may provide employment for the groups eligible for the included programs under the terms and conditions of those programs. These programs include the Minnesota conservation corps, Minnesota summer youth program, county emergency jobs program, and the jobs training partnership act.

Sec. 75. Minnesota Statutes 1988, section 268.90, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER OF JOBS AND TRAINING.] The commissioner shall:

- (1) Make emergency or permanent rules governing plan content, criteria for approval, and administrative standards;
- (2) refer community investment program administrators to the appropriate state agency for technical assistance in developing and administering community investment programs;
- (3) establish the method by which community investment programs will be approved or disapproved through the community investment program plan and the annual update component of the county plan;
- (4) review and comment on community investment program plans;
- (5) institute ongoing methods to monitor and evaluate community investment programs; and
- (6) ~~inform~~ consult with the commissioner of human services of on the counties that do not have an approved plan approval of county

plans for community investment programs relating to the participation of public assistance recipients.

Sec. 76. Minnesota Statutes 1988, section 268.90, subdivision 4, is amended to read:

Subd. 4. [COUNTY BOARDS OF COMMISSIONERS.] The county boards of commissioners shall:

(1) be encouraged to establish community investment programs that are administered jointly according to section 471.59, or through multicounty human service boards under chapter 402;

(2) develop community investment programs in consultation with the exclusive representatives of their employees;

(3) plan community investment programs by involving nonprofit organizations and other governmental units, community action agencies, community-based organizations, local union representatives, and representatives of client groups;

(4) submit to the commissioner a community investment program plan identifying the program funding source and amount, before the initiation of a community investment program, for approval according to standards established by the commissioner;

(5) plan community investment projects that, whenever possible, utilize existing programs that are administered under contract by nonprofit organizations and governmental units, including departments and agencies of cities, counties, towns, school districts, state and federal agencies, park reserve districts, and other special districts;

(6) include in their local service unit plans an annual update to their community investment program plans for approval according to standards established by the commissioner;

(7) submit reports and meet administrative standards established by ~~rule~~ the commissioner;

(8) monitor the performance of entities under contract to administer individual community investment projects;

(9) enter into contracts with other governmental and private bodies to jointly fund or jointly administer approvable projects when agreements expand the resources available, the scope of people employed, or further recognized public purposes; and

(10) be encouraged to enter into contracts with businesses or

individuals for eligible projects under subdivision 1 and charge a fee for the completion of a project.

Sec. 77. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "target group," "target groups," "targeted caretaker," or "targeted caretakers" for the phrases "priority group," "priority groups," "priority caretaker," or "priority caretakers wherever it appears in Minnesota Statutes, section 256.736. The revisor of statutes shall also substitute the phrase "county agency" or "county agencies" for the phrase "local agency" or "local agencies" wherever it appears in Minnesota Statutes, chapters 256 and 256D.

Sec. 78. [REPEALER.]

Subdivision 1. [AFDC PROGRAM.] Minnesota Statutes 1988, sections 256.736, subdivisions 1b, 2a, 8, and 17; and 256.7365, subdivision 8, are repealed.

Subd. 2. [GENERAL ASSISTANCE.] Minnesota Statutes 1988, section 256D.06, subdivision 1c, is repealed.

Subd. 3. [JOBS AND TRAINING.] Minnesota Statutes 1988, sections 268.672, subdivision 12; 268.86, subdivision 9; and 268.872, subdivision 3, are repealed.

Subd. 4. [CHILD CARE.] Minnesota Statutes 1988, sections 256H.01, subdivision 14, and 256H.16, are repealed. Minnesota Statutes 1989 Supplement, section 256H.05, subdivisions 1, 1a, and 3a, are repealed.

Sec. 79. [EFFECTIVE DATE.]

Subdivision 1. [AFDC; CHILD CARE.] Sections 1 to 17; 31 to 77; and 78, subdivisions 1, 3, and 4, are effective May 1, 1990.

Subd. 2. [GENERAL ASSISTANCE.] Section 23 is effective July 1, 1990.

Sections 18, 20 to 22; 24 to 30; and 78, subdivision 2, are effective October 1, 1990.

ARTICLE 5
MENTAL HEALTH

Section 1. Minnesota Statutes 1988, section 245.467, subdivision 2, is amended to read:

Subd. 2. [DIAGNOSTIC ASSESSMENT.] All providers of residential, acute care hospital inpatient, and regional treatment centers must complete a diagnostic assessment for each of their clients within five days of admission. Providers of outpatient and day treatment services must complete a diagnostic assessment within ten five days after the adult's second visit or within 30 days of admission after intake, whichever occurs first. In cases where a diagnostic assessment is available and has been completed within 90 180 days preceding admission, only updating is necessary. "Updating" means a written summary by a mental health professional of the adult's current mental health status and service needs. If the adult's mental health status has changed markedly since the adult's most recent diagnostic assessment, a new diagnostic assessment is required. Compliance with the provisions of this subdivision does not ensure eligibility for medical assistance or general assistance medical care reimbursement under chapters 256B and 256D.

Sec. 2. Minnesota Statutes 1989 Supplement, section 245.467, subdivision 3, is amended to read:

Subd. 3. [INDIVIDUAL TREATMENT PLANS.] All providers of outpatient services, day treatment services, residential treatment, acute care hospital inpatient treatment, and all regional treatment centers must develop an individual treatment plan for each of their adult clients. The individual treatment plan must be based on a diagnostic assessment. To the extent possible, the adult client shall be involved in all phases of developing and implementing the individual treatment plan. Providers of residential treatment and acute care hospital inpatient treatment, and all regional treatment centers must develop the individual treatment plan must be developed within ten days of client intake and reviewed must review the individual treatment plan every 90 days thereafter after intake. Providers of outpatient services and day treatment services must develop the individual treatment plan within 30 days after the diagnostic assessment is completed or obtained, or within 15 days after the first outpatient or day treatment services are provided, whichever occurs first. Outpatient and day treatment services providers must review the individual treatment plan every 90 days after intake.

Sec. 3. Minnesota Statutes 1989 Supplement, section 245.469, is amended to read:

245.469 [EMERGENCY SERVICES.]

Subdivision 1. [AVAILABILITY OF EMERGENCY SERVICES.] By July 1, 1988, county boards must provide or contract for enough emergency services within the county to meet the needs of adults in the county who are experiencing an emotional crisis or mental illness. Clients may be required to pay a fee according to section 245.481. Emergency services must include assessment, crisis intervention, and appropriate case disposition. Emergency services must:

- (1) promote the safety and emotional stability of adults with mental illness or emotional crises;
- (2) minimize further deterioration of adults with mental illness or emotional crises;
- (3) help adults with mental illness or emotional crises to obtain ongoing care and treatment; and
- (4) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client needs.

Subd. 2. [SPECIFIC REQUIREMENTS.] The county board shall require that all service providers of emergency services to adults with mental illness provide immediate direct access to a mental health professional during regular business hours. For evenings, weekends, and holidays, the service may be by direct toll free telephone access to a mental health professional, a mental health practitioner, or until January 1, 1991, a designated person with training in human services who receives clinical supervision from a mental health professional. The commissioner may waive the requirement that the evening, weekend, and holiday service be provided by a mental health professional or mental health practitioner after January 1, 1991, if the county documents that:

- (1) mental health professionals or mental health practitioners are unavailable to provide this service;
- (2) services are provided by a designated person with training in human services who receives clinical supervision from a mental health professional; and
- (3) the service provider is not also the provider of fire and public safety emergency services.

Whenever emergency service during nonbusiness hours is provided by anyone other than a mental health professional, a mental health professional must be available for at least telephone consultation within 30 minutes.

Sec. 4. Minnesota Statutes 1989 Supplement, section 245.4711, subdivision 1, is amended to read:

245.4711 [CASE MANAGEMENT AND COMMUNITY SUPPORT SERVICES.]

Subdivision 1. [AVAILABILITY OF CASE MANAGEMENT SERVICES.] (a) By January 1, 1989, the county board shall provide case management ~~activities~~ services for all adults with serious and persistent mental illness ~~residing in~~ who are residents of the county and who request or consent to the services and to each adult for whom the court appoints a case manager. Staffing ratios must be sufficient to serve the needs of the clients. The case manager must meet the requirements in section 245.462, subdivision 4.

(b) Case management services provided to adults with serious and persistent mental illness eligible for medical assistance must be billed to the medical assistance program under sections 256B.02, subdivision 8, and 256B.0625.

Sec. 5. Minnesota Statutes 1989 Supplement, section 245.4711, subdivision 2, is amended to read:

Subd. 2. [NOTIFICATION AND DETERMINATION OF CASE MANAGEMENT ELIGIBILITY.] (a) The county board shall notify the ~~client~~ adult of the ~~person's~~ adult's potential eligibility for case management services within five working days after receiving a request from an individual or a referral from a provider under section 245.467, subdivision 4. The county board shall send a written notice to the ~~client~~ adult and the ~~client's~~ adult's representative, if any, that identifies the designated case management providers.

(b) The county board must determine whether an adult who requests or is referred for case management services meets the criteria of section 245.462, subdivision 20, paragraph (c). If a diagnostic assessment is needed to make the determination, the county board shall offer to assist the adult in obtaining a diagnostic assessment. The county board shall notify, in writing, the adult and the adult's representative, if any, of the eligibility determination. If the adult is determined to be eligible for case management services, the county board shall refer the adult to the case management provider for case management services. If the adult is determined not to be eligible or refuses case management services, the local agency shall offer to refer the adult to a mental health provider or other appropriate service provider and to assist the adult in making an appointment with the provider of the adult's choice.

Sec. 6. Minnesota Statutes 1989 Supplement, section 245.4711, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF CASE MANAGER.] (a) The case manager shall promptly arrange for a diagnostic assessment of the applicant when one is not available as described in section 245.467, subdivision 2, to determine the applicant's eligibility as an adult with serious and persistent mental illness for community support services. The county board shall notify in writing the applicant and the applicant's representative, if any, if the applicant is determined ineligible for community support services.

(b) Upon a determination of eligibility for community support case management services, and if the adult consents to the services, the case manager shall complete a written functional assessment according to section 245.462, subdivision 11a. The case manager shall develop an individual community support plan for an the adult according to subdivision 4, paragraph (a), review the client's adult's progress, and monitor the provision of services. If services are to be provided in a host county that is not the county of financial responsibility, the case manager shall consult with the host county and obtain a letter demonstrating the concurrence of the host county regarding the provision of services.

Sec. 7. [245.4712] [COMMUNITY SUPPORT AND DAY TREATMENT SERVICES.]

Subdivision 1. [AVAILABILITY OF COMMUNITY SUPPORT SERVICES.] County boards must provide or contract for sufficient community support services within the county to meet the needs of adults with serious and persistent mental illness who are residents of the county. Adults may be required to pay a fee according to section 245.481. The community support services program must be designed to improve the ability of adults with serious and persistent mental illness to:

- (1) work in a regular or supported work environment;
- (2) handle basic activities of daily living;
- (3) participate in leisure time activities;
- (4) set goals and plans; and
- (5) obtain and maintain appropriate living arrangements.

The community support services program must also be designed to reduce the need for and use of more intensive, costly, or restrictive placements both in number of admissions and length of stay.

Subd. 2. [DAY TREATMENT SERVICES PROVIDED.] (a) Day treatment services must be developed as a part of the community support services available to adults with serious and persistent

mental illness residing in the county. Adults may be required to pay a fee according to section 245.481. Day treatment services must be designed to:

- (1) provide a structured environment for treatment;
- (2) provide support for residing in the community;
- (3) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client need;
- (4) coordinate with or be offered in conjunction with a local education agency's special education program; and
- (5) operate on a continuous basis throughout the year.

(b) County boards may request a waiver from including day treatment services if they can document that:

- (1) an alternative plan of care exists through the county's community support services for clients who would otherwise need day treatment services;
- (2) day treatment, if included, would be duplicative of other components of the community support services; and
- (3) county demographics and geography make the provision of day treatment services cost ineffective and infeasible.

Subd. 3. [BENEFITS ASSISTANCE.] The county board must offer to help adults with serious and persistent mental illness in applying for state and federal benefits, including supplemental security income, medical assistance, Medicare, general assistance, general assistance medical care, and Minnesota supplemental aid. The help must be offered as part of the community support program available to adults with serious and persistent mental illness for whom the county is financially responsible and who may qualify for these benefits.

Sec. 8. Minnesota Statutes 1989 Supplement, section 245.474, is amended to read:

245.474 [REGIONAL TREATMENT CENTER INPATIENT SERVICES.]

Subdivision 1. [AVAILABILITY OF REGIONAL TREATMENT CENTER INPATIENT SERVICES.] By July 1, 1987, the commissioner shall make sufficient regional treatment center inpatient services available to adults with mental illness throughout the state who need this level of care. Services must be as close to the patient's

county of residence as possible. Regional treatment centers are responsible to:

- (1) provide acute care inpatient hospitalization;
- (2) stabilize the medical and mental health condition of the adult requiring the admission;
- (2) (3) improve functioning to the point where discharge to community-based mental health services is possible;
- (3) (4) strengthen family and community support; and
- (4) (5) facilitate appropriate discharge and referrals for follow-up mental health care in the community.

Subd. 2. [QUALITY OF SERVICE.] The commissioner shall biennially determine the needs of all adults with mental illness who are served by regional treatment centers by administering a client-based evaluation system. The client-based evaluation system must include at least the following independent measurements: behavioral development assessment; habilitation program assessment; medical needs assessment; maladaptive behavioral assessment; and vocational behavior assessment. The commissioner shall propose staff ratios to the legislature for the mental health and support units in regional treatment centers as indicated by the results of the client-based evaluation system and the types of state-operated services needed. The proposed staffing ratios shall include professional, nursing, direct care, medical, clerical, and support staff based on the client-based evaluation system. The commissioner shall recompute staffing ratios and recommendations on a biennial basis.

Subd. 3. [TRANSITION TO COMMUNITY.] Regional treatment centers must plan for and assist clients in making a transition from regional treatment centers to other community-based services. In coordination with the client's case manager, if any, regional treatment centers must also arrange for appropriate follow-up care in the community during the transition period. Before a client is discharged, the regional treatment center must notify the client's case manager, so that the case manager can monitor and coordinate the transition and arrangements for the client's appropriate follow-up care in the community.

Sec. 9. 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.

Sec. 10. Minnesota Statutes 1989 Supplement, section 245.4871, subdivision 3, is amended to read:

Subd. 3. [CASE MANAGEMENT SERVICES.] “Case management services” means activities that are coordinated with the family community support services and are designed to help the child with severe emotional disturbance and the child’s family obtain needed mental health services, social services, educational services, health services, vocational services, recreational services, and related services in the areas of volunteer services, advocacy, transportation, and legal services. Case management services include obtaining a comprehensive diagnostic assessment, assisting in obtaining a comprehensive diagnostic assessment, if needed, developing a functional assessment, developing an individual family community support plan, and assisting the child and the child’s family in obtaining needed services by coordination with other agencies and assuring continuity of care. Case managers must assess and reassess the delivery, appropriateness, and effectiveness of these services over time.

Sec. 11. Minnesota Statutes 1989 Supplement, section 245.4873, subdivision 2, is amended to read:

Subd. 2. [STATE LEVEL; COORDINATION.] The commissioners or designees of commissioners of the departments of human services, health, education, state planning, and corrections, and a representative of the Minnesota district judges association juvenile committee, in conjunction with the commissioner of commerce or a designee of the commissioner, shall meet at least quarterly ~~through~~ 1992 to:

- (1) educate each agency about the policies, procedures, funding, and services for children with emotional disturbances of all agencies represented;
- (2) develop mechanisms for interagency coordination on behalf of children with emotional disturbances;
- (3) identify barriers including policies and procedures within all

agencies represented that interfere with delivery of mental health services for children;

(4) recommend policy and procedural changes needed to improve development and delivery of mental health services for children in the agency or agencies they represent;

(5) identify mechanisms for better use of federal and state funding in the delivery of mental health services for children; and

(6) until February 15, 1992, prepare an annual report on the policy and procedural changes needed to implement a coordinated, effective, and cost-efficient children's mental health delivery system.

This report shall be submitted to the legislature and the state mental health advisory council annually until February 15, 1992, as part of the report required under section 245.487, subdivision 4. The report shall include information from each department represented on:

(1) the number of children in each department's system who require mental health services;

(2) the number of children in each system who receive mental health services;

(3) how mental health services for children are funded within each system;

(4) how mental health services for children could be coordinated to provide more effectively appropriate mental health services for children; and

(5) recommendations for the provision of early screening and identification of mental illness in each system.

Sec. 12. 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. 13. 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.

Sec. 14. Minnesota Statutes 1989 Supplement, section 245.4876, subdivision 2, is amended to read:

Subd. 2. [DIAGNOSTIC ASSESSMENT.] All residential treatment facilities and acute care hospital inpatient treatment services facilities that provide mental health services for children must complete a diagnostic assessment for each of their child clients within five working days of admission. Providers of outpatient and day treatment services for children must complete a diagnostic assessment within ten working days of admission five days after the child's second visit or 30 days after intake, whichever occurs first. In

cases where a diagnostic assessment is available and has been completed within 90 180 days preceding admission, only updating is necessary. "Updating" means a written summary by a mental health professional of the child's current mental health status and service needs. If the child's mental health status has changed markedly since the child's most recent diagnostic assessment, a new diagnostic assessment is required. Compliance with the provisions of this subdivision does not ensure eligibility for medical assistance or general assistance medical care reimbursement under chapters 256B and 256D.

Sec. 15. Minnesota Statutes 1989 Supplement, section 245.4876, subdivision 3, is amended to read:

Subd. 3. [INDIVIDUAL TREATMENT PLANS.] All providers of outpatient services, day treatment services, family community support services, professional home-based family treatment, residential treatment facilities, and acute care hospital inpatient treatment facilities, and all regional treatment centers that provide mental health facilities services for children must develop an individual treatment plan for each child client. The individual treatment plan must be based on a diagnostic assessment. To the extent appropriate, the child and the child's family shall be involved in all phases of developing and implementing the individual treatment plan. Providers of residential treatment, professional home-based family treatment, and acute care hospital inpatient treatment, and regional treatment centers must develop the individual treatment plan must be developed within ten working days of client intake or admission and reviewed must review the individual treatment plan every 90 days after that date intake, except that the administrative review of the treatment plan of a child placed in a residential facility shall be as specified in section 257.071, subdivisions 2 and 4. Providers of outpatient services and day treatment services must develop the individual treatment plan within 30 days after the diagnostic assessment is completed or within 15 days after the first outpatient or day treatment services are provided, whichever occurs first. Providers of outpatient and day treatment services must review the individual treatment plan every 90 days after intake.

Sec. 16. 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.

Sec. 17. Minnesota Statutes 1989 Supplement, section 245.4879, is amended to read:

245.4879 [EMERGENCY SERVICES.]

Subdivision 1. [AVAILABILITY OF EMERGENCY SERVICES.] County boards must provide or contract for enough mental health emergency services within the county to meet the needs of children, and children's families when clinically appropriate, in the county who are experiencing an emotional crisis or emotional disturbance.

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. A child or the child's parent may be required to pay a fee according to section 245.481. Emergency service providers shall not delay the timely provision of emergency service because of delays in determining this fee or because of the unwillingness or inability of the parent to pay the fee. Emergency services must include assessment, crisis intervention, and appropriate case disposition. Emergency services must:

- (1) promote the safety and emotional stability of children with emotional disturbances or emotional crises;
- (2) minimize further deterioration of the child with emotional disturbance or emotional crisis;
- (3) help each child with an emotional disturbance or emotional crisis to obtain ongoing care and treatment; and
- (4) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet the child's needs.

Subd. 2. [SPECIFIC REQUIREMENTS.] The county board shall require that all service providers of emergency services to the child with an emotional disturbance provide immediate direct access to a mental health professional during regular business hours. For evenings, weekends, and holidays, the service may be by direct toll-free telephone access to a mental health professional, a mental

health practitioner, or until January 1, 1991, a designated person with training in human services who receives clinical supervision from a mental health professional. The commissioner may waive the requirement that the evening, weekend, and holiday service be provided by a mental health professional or mental health practitioner after January 1, 1991, if the county documents that:

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

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

(3) the service provider is not also the provider of fire and public safety emergency services.

When emergency service during nonbusiness hours is provided by anyone other than a mental health professional, a mental health professional must be available for at least telephone consultation within 30 minutes.

Sec. 18. Minnesota Statutes 1989 Supplement, section 245.4881, subdivision 1, is amended to read:

Subdivision 1. [AVAILABILITY OF CASE MANAGEMENT SERVICES.] (a) By July 1, 1991, the county board shall provide case management activities services for each child with severe emotional disturbance residing in who is a resident of the county and the child's family who request or consent to the services. Staffing ratios must be sufficient to serve the needs of the clients. The case manager must meet the requirements in section 245.4871, subdivision 4.

(b) Case management services provided to children with severe emotional disturbance eligible for medical assistance must be billed to the medical assistance program under sections 256B.02, subdivision 8, and 256B.0625.

Sec. 19. Minnesota Statutes 1989 Supplement, section 245.4881, subdivision 2, is amended to read:

Subd. 2. [NOTIFICATION AND DETERMINATION OF CASE MANAGEMENT ELIGIBILITY.] (a) The county board shall notify, as appropriate, the child, child's parent, or child's legal representative of the child's potential eligibility for case management services within five working days after receiving a request from an individual or a referral from a provider under section 245.4876, subdivision 4.

(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.

The county board shall send a written notice that identifies the designated case management providers. The county board shall send the notice, as appropriate, to the child, the child's parent, or the child's legal representative, if any.

(c) The county board must promptly determine whether a child who requests or is referred for case management services meets the criteria of section 245.4871, subdivision 6 or section 245.471. If a diagnostic assessment is needed to make the determination, the county board must offer to assist the child and the child's family in obtaining one. The county board shall notify, in writing, the child and the child's representative, if any, of the eligibility determination. If the child is determined to be eligible for case management services, and if the child and the child's family consent to the services, the county board shall refer the child to the case management provider for case management services. If the child is determined not to be eligible or refuses case management services, the county board shall notify the child of the appeal process and shall offer to refer the child to a mental health provider or other appropriate service provider and to assist the child in making an appointment with the provider of the child's choice.

Sec. 20. Minnesota Statutes 1989 Supplement, section 245.4881, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF CASE MANAGER.] (a) The case manager shall promptly arrange for a diagnostic assessment of the child when one is not available as described in section 245.4876, subdivision 2, to determine the child's eligibility as a child with severe emotional disturbance for family community support services. The county board shall notify in writing, as appropriate, the child, the

child's parent, or the child's legal representative, if any, if the child is determined ineligible for family community support services.

(b) Upon a determination of eligibility for family support case management services, the case manager shall complete a written functional assessment according to section 245.4871, subdivision 18. The case manager shall develop an individual family community support plan for a child as specified in subdivision 4, review the child's progress, and monitor the provision of services. If services are to be provided in a host county that is not the county of financial responsibility, the case manager shall consult with the host county and obtain a letter demonstrating the concurrence of the host county regarding the provision of services.

(b) The case manager shall perform a functional assessment and note in the client's child's record the services needed by the child and the child's family, the services requested by the family, services that are not available, and the unmet needs of the child and family's unmet needs child's family. The information required under section 245.4886 shall be provided in writing to the child and the child's family. The case manager shall note this provision in the client child's record.

Sec. 21. Minnesota Statutes 1989 Supplement, section 245.4881, subdivision 4, is amended to read:

Subd. 4. [INDIVIDUAL FAMILY COMMUNITY SUPPORT PLAN.] (a) For each child, the case manager must develop an individual family community support plan that incorporates the child's individual treatment plan. The individual treatment plan may not be a substitute for the development of an individual family community support plan. The case manager is responsible for developing the individual family community support plan within 30 days of intake based on a diagnostic assessment and a functional assessment and for implementing and monitoring the delivery of services according to the individual family community support plan. The case manager must review the plan every 90 calendar days after it is developed. To the extent appropriate, the child with severe emotional disturbance, the child's family, advocates, service providers, and significant others must be involved in all phases of development and implementation of the individual family community support plan. Notwithstanding the lack of a an individual family community support plan, the case manager shall assist the child and child's family in accessing the needed services listed in subdivision 6.

(b) The child's individual family community support plan must state:

(1) the goals and expected outcomes of each service and criteria for evaluating the effectiveness and appropriateness of the service;

(2) the activities for accomplishing each goal;

(3) a schedule for each activity; and

(4) the frequency of face-to-face contacts by the case manager, as appropriate to client need and the implementation of the individual family community support plan.

Sec. 22. Minnesota Statutes 1989 Supplement, section 245.4882, subdivision 1, is amended to read:

Subdivision 1. [AVAILABILITY OF RESIDENTIAL TREATMENT SERVICES.] County boards must provide or contract for enough residential treatment services to meet the needs of each child with severe emotional disturbance residing in the county and needing this level of care. Length of stay is based on the child's residential treatment need and shall be subject to the six-month review process established in section 257.071, subdivisions 2 and 4. Services must be appropriate to the child's age and treatment needs and must be made available as close to the county as possible. Residential treatment must be designed to:

(1) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet the child's needs;

(2) help the child improve family living and social interaction skills;

(3) help the child gain the necessary skills to return to the community;

(4) stabilize crisis admissions; and

(5) work with families throughout the placement to improve the ability of the families to care for children with severe emotional disturbance in the home.

Sec. 23. Minnesota Statutes 1989 Supplement, section 245.4883, subdivision 1, is amended to read:

Subdivision 1. [AVAILABILITY OF ACUTE CARE HOSPITAL INPATIENT SERVICES.] County boards must make available through contract or direct provision enough acute care hospital inpatient treatment services as close to the county as possible for children with severe emotional disturbances residing in the county needing this level of care. Acute care hospital inpatient treatment services must be designed to:

- (1) stabilize the medical and mental health condition for which admission is required;
- (2) improve functioning to the point where discharge to residential treatment or community-based mental health services is possible;
- (3) facilitate appropriate referrals for follow-up mental health care in the community;
- (4) work with families to improve the ability of the families to care for those children with severe emotional disturbances at home; and
- (5) assist families and children in the transition from inpatient services to community-based services or home setting, and provide notification to the child's case manager, if any, so that the case manager can monitor the transition and make timely arrangements for the child's appropriate follow-up care in the community.

Sec. 24. [245.4884] [FAMILY COMMUNITY SUPPORT SERVICES.]

Subdivision 1. [AVAILABILITY OF FAMILY COMMUNITY SUPPORT SERVICES.] By July 1, 1991, county boards must provide or contract for sufficient family community support services within the county to meet the needs of each child with severe emotional disturbance who resides in the county and the child's family. Children or their parents may be required to pay a fee in accordance with section 245.481.

Family community support services must be designed to improve the ability of children with severe emotional disturbance to:

- (1) handle basic activities of daily living;
- (2) improve functioning in school settings;
- (3) participate in leisure time or community youth activities;
- (4) set goals and plans;
- (5) reside with the family in the community;
- (6) participate in after-school and summer activities;
- (7) make a smooth transition among mental health services provided to children; and
- (8) make a smooth transition into the adult mental health system as appropriate.

In addition, family community support services must be designed to improve overall family functioning if clinically appropriate to the child's needs, and to reduce the need for and use of placements more intensive, costly, or restrictive both in the number of admissions and lengths of stay than indicated by the child's diagnostic assessment.

Subd. 2. [DAY TREATMENT SERVICES PROVIDED.] (a) Day treatment services must be part of the family community support services available to each child with severe emotional disturbance residing in the county. A child or the child's parent may be required to pay a fee according to section 245.481. Day treatment services must be designed to:

- (1) provide a structured environment for treatment;
- (2) provide support for residing in the community;
- (3) prevent placements that are more intensive, costly, or restrictive than necessary to meet the child's need;
- (4) coordinate with or be offered in conjunction with the child's education program;
- (5) provide therapy and family intervention for children that are coordinated with education services provided and funded by schools; and
- (6) operate during all 12 months of the year.

(b) County boards may request a waiver from including day treatment services if they can document that:

- (1) alternative services exist through the county's family community support services for each child who would otherwise need day treatment services; and
- (2) county demographics and geography make the provision of day treatment services cost ineffective and unfeasible.

Subd. 3. [PROFESSIONAL HOME-BASED FAMILY TREATMENT PROVIDED.] (a) By January 1, 1991, county boards must provide or contract for sufficient professional home-based family treatment within the county to meet the needs of each child with severe emotional disturbance who is at risk of out-of-home placement due to the child's emotional disturbance or who is returning to the home from out-of-home placement. The child or the child's parent may be required to pay a fee according to section 245.481. The county board shall require that all service providers of professional home-based family treatment set fee schedules approved by the county board that are based on the child's or family's ability to

pay. The professional home-based family treatment must be designed to assist each child with severe emotional disturbance who is at risk of or who is returning from out-of-home placement and the child's family to:

- (1) improve overall family functioning in all areas of life;
- (2) treat the child's symptoms of emotional disturbance that contribute to a risk of out-of-home placement;
- (3) provide a positive change in the emotional, behavioral, and mental well-being of children and their families; and
- (4) reduce risk of out-of-home placement for the identified child with severe emotional disturbance and other siblings or successfully reunify and reintegrate into the family a child returning from out-of-home placement due to emotional disturbance.

(b) Professional home-based family treatment must be provided by a team consisting of a mental health professional and others who are skilled in the delivery of mental health services to children and families in conjunction with other human service providers. The professional home-based family treatment team must maintain flexible hours of service availability and must provide or arrange for crisis services for each family, 24 hours a day, seven days a week. Case loads for each professional home-based family treatment team must be small enough to permit the delivery of intensive services and to meet the needs of the family. Professional home-based family treatment providers shall coordinate services and service needs with case managers assigned to children and their families. The treatment team must develop an individual treatment plan that identifies the specific treatment objectives for both the child and the family.

Subd. 4. [THERAPEUTIC SUPPORT OF FOSTER CARE.] By January 1, 1992, county boards must provide or contract for foster care with therapeutic support as defined in section 245.4871, subdivision 34. Foster families caring for children with severe emotional disturbance must receive training and supportive services, as necessary, at no cost to the foster families within the limits of available resources.

Subd. 5. [BENEFITS ASSISTANCE.] The county board must offer help to a child with severe emotional disturbance and the child's family in applying for federal benefits, including supplemental security income, medical assistance, and Medicare.

Sec. 25: Minnesota Statutes 1989 Supplement, section 245.4885, subdivision 1, is amended to read:

Subdivision 1. [SCREENING REQUIRED.] The county board shall ensure that, upon admission, screen all children ~~are screened upon admission~~ admitted for treatment of severe emotional disturbance to a residential treatment facility, an acute care hospital, or informally admitted to a regional treatment center if public funds are used to pay for the services. If a child is admitted to a residential treatment facility or acute care hospital for emergency treatment of emotional disturbance or held for emergency care by a regional treatment center under section 253B.05, subdivision 1; screening must occur within five working days of admission. Screening shall determine whether the proposed treatment:

- (1) is necessary;
- (2) is appropriate to the child's individual treatment needs;
- (3) cannot be effectively provided in the child's home;
- (4) ~~the~~ provides a length of stay is as short as possible consistent with the individual child's need; and
- (5) ~~the case manager, if assigned, is developing an~~ 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 that an individual family community support plan is being developed by the case manager, if assigned.

Screening shall be in compliance with section 256F.07 or 257.071, whichever applies. Wherever possible, the parent shall be consulted in the screening process, unless clinically inappropriate.

The screening process and placement decision must be documented in the child's record.

An alternate review process may be approved by the commissioner if the county board demonstrates that an alternate review process has been established by the county board and the times of review, persons responsible for the review, and review criteria are comparable to the standards in clauses (1) to ~~(3)~~ (5).

Sec. 26. 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.

Sec. 27. Minnesota Statutes 1989 Supplement, section 245.696, subdivision 2, is amended to read:

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

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

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

(3) employ qualified personnel to implement this chapter;

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

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

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

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

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

(9) (8) develop and maintain a data collection system to provide information on the prevalence of mental illness, the need for specific mental health services and other services needed by people with

mental illness, funding sources for those services, and the extent to which state and local areas are meeting the need for services;

~~(10)~~ (9) apply for grants and develop pilot programs to test and demonstrate new methods of assessing mental health needs and delivering mental health services;

~~(11)~~ (10) study alternative reimbursement systems and make waiver requests that are deemed necessary by the commissioner;

~~(12)~~ (11) provide technical assistance to county boards to improve fiscal management and accountability and quality of mental health services, and consult regularly with county boards, public and private mental health agencies, and client advocacy organizations for purposes of implementing this chapter;

~~(13)~~ (12) promote coordination between the mental health system and other human service systems in the planning, funding, and delivery of services; entering into cooperative agreements with other state and local agencies for that purpose as deemed necessary by the commissioner;

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

~~(15)~~ (14) enter into contracts and promulgate rules the commissioner deems necessary to carry out the purposes of this chapter.

Sec. 28. 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 subdivision 1, except that terms of subcommittee members who are also members of the advisory council are coterminous with their terms on the advisory council. The subcommittee shall meet at the call of the subcommittee chair who is elected by the subcommittee from among its members. The subcommittee expires with the expiration of the advisory council.

Sec. 29. Minnesota Statutes 1989 Supplement, section 253B.03, subdivision 6a, is amended to read:

Subd. 6a. [ADMINISTRATION OF NEUROLEPTIC MEDICATIONS.] (a) Neuroleptic medications may be administered to persons committed as mentally ill or mentally ill and dangerous only as described in this subdivision.

(b) A neuroleptic medication may be administered to a patient who is competent to consent to neuroleptic medications ~~only~~ if the patient has given written, informed consent to administration of the neuroleptic medication.

(c) A neuroleptic medication may be administered to a patient who is not competent to consent to neuroleptic medications ~~only~~ if a court approves the administration of the neuroleptic medication ~~or~~.

(d) A neuroleptic medication may be administered without court review to a patient who is not competent to consent to neuroleptic medications if:

(1) the patient does not object to or refuse the medication;

(2) a guardian ad litem appointed by the court with authority to consent to neuroleptic medications gives written, informed consent to the administration of the neuroleptic medication; and

(3) a multidisciplinary treatment review panel composed of persons who are not engaged in providing direct care to the patient gives written approval to administration of the neuroleptic medication.

(e) A neuroleptic medication may be administered without judicial review and without consent in an emergency situation for so long as the emergency continues to exist if the treating physician determines that the medication is necessary to prevent serious, immediate physical harm to the patient or to others and it is impracticable to first obtain consent from the patient. The treatment facility shall document the emergency in the patient's medical record in specific behavioral terms.

(d) (f) A person who consents to treatment pursuant to this subdivision is not civilly or criminally liable for the performance of or the manner of performing the treatment. A person is not liable for performing treatment without consent if written, informed consent was given pursuant to this subdivision. This provision does not affect any other liability that may result from the manner in which the treatment is performed.

(e) (g) The court may allow and order paid to a guardian ad litem a reasonable fee for services provided under paragraph (c), or the court may appoint a volunteer guardian ad litem.

(h) A medical director or patient may petition the committing court, or the court to which venue has been transferred, for a hearing concerning the administration of neuroleptic medication. A hearing may also be held pursuant to section 253B.08, 253B.09, 253B.12, or 253B.18. The hearing concerning the administration of

neuroleptic medication must be held within 14 days from the date of the filing of the petition. The court may extend the time for hearing up to an additional 15 days for good cause shown.

Sec. 30. Minnesota Statutes 1988, section 253B.17, subdivision 1, is amended to read:

Subdivision 1. [PETITION.] Any patient, except one committed as mentally ill and dangerous to the public, or any interested person may petition the committing court or the court to which venue has been transferred for an order that the patient is not in need of continued institutionalization or for an order that an individual is no longer mentally ill, mentally retarded, or chemically dependent, or for any other relief as the court deems just and equitable. A patient committed as mentally ill or mentally ill and dangerous may petition the committing court or the court to which venue has been transferred for a hearing concerning the administration of neuroleptic medication. A hearing may also be held pursuant to sections 253B.08, 253B.09 and, 253B.12, and 253B.18.

Sec. 31. 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 and may order a child in need of special treatment for mental illness, chemical dependency, or a developmental disability to be placed in a residential treatment facility in accordance with subdivision 3. 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. 32. Minnesota Statutes 1988, section 260.151, is amended by adding a subdivision to read:

Subd. 3. [JUVENILE TREATMENT SCREENING TEAM.] The county welfare board shall establish a juvenile treatment screening team to conduct screenings and prepare the evaluations, reports, and case plans required by this subdivision. The team shall consist of social workers, juvenile justice professionals, and persons with expertise in the treatment of juveniles who are mentally ill, chemically dependent, or have a developmental disability. The team shall have the following duties:

(a) If the court, prior to final disposition, proposes to place a child in a residential treatment facility out of state or in one which is within the state and licensed by the commissioner of human services under chapter 245A, the screening team must evaluate the child to determine whether residential treatment is necessary. No child may be sent to a residential treatment facility out of state nor held for more than 72 hours in residential treatment within the state, under this paragraph, unless a treatment professional certifies that an emergency requires the placement or unless the screening team has evaluated the child and recommended that the residential placement is the least restrictive alternative available in light of the child's treatment needs and the safety of the community. Where placement is made pursuant to an emergency certification, a screening team evaluation must be made as soon as possible. Unless the screening team recommends continued placement, the child must be released within five days of placement. All screening team recommendations must be supported by a report to be filed with the juvenile court within seven days of the recommendation. The report shall include a professional diagnosis of the child's condition and an outline of the proposed treatment plan.

(b) If it appears to the court that the child is likely to need special treatment and care for reasons of physical or mental health as part of a final disposition under this chapter, the court shall direct the county juvenile treatment screening team to complete a screening and assessment of the child and to develop a case plan for services, including residential services, if necessary. The case plan must be completed within 30 days of the court's order for the assessment and shall be developed in coordination with court services personnel to ensure that the best interests of the child and the safety needs of the community are met. The assessment and case plan shall be filed with the court and shall include a professional diagnosis of the child's condition and a proposed plan for treatment. If the plan recommends placement in a residential facility, the name of the facility must be specified along with the proposed length of stay and the plan for aftercare and follow-up treatment. A final disposition which involves commitment to a treatment facility out of state or to one which is within the state and licensed under chapter 245A shall not be entered in any proceeding under this chapter, unless the county board has developed and approved a case plan for treatment under this paragraph.

Sec. 33. Minnesota Statutes 1988, section 260.172, is amended by adding a subdivision to read:

Subd. 2c. [RESIDENTIAL TREATMENT FACILITY PLACEMENT.] The court may not place a child in a residential treatment facility under a detention order except as authorized under section 260.151, subdivision 3, paragraph (a).

Sec. 34. Minnesota Statutes 1989 Supplement, section 260.181, subdivision 2, is amended to read:

Subd. 2. [CONSIDERATION OF REPORTS.] Before making a disposition in a case, or terminating parental rights, or appointing a guardian for a child the court may consider any report or recommendation made by the county welfare board, probation officer, licensed child placing agency, foster parent, guardian ad litem, tribal representative, or other authorized advocate for the child or child's family, or any other information deemed material by the court. In issuing a disposition order requiring that a child be placed in a residential treatment facility, the court must follow the juvenile screening team recommendation and case plan required by section 260.151, subdivision 3, paragraph (b).

Sec. 35. [COMPREHENSIVE STUDY.]

The commissioner of human services shall conduct a comprehensive study of state delivered hospital and community-based services for the six regional treatment centers and their catchment areas. The study must examine the need for hospital and community-based services within each catchment area. The state mental health advisory council shall serve as an advisory group for the study. The commissioner shall present study findings and a plan for the provision of hospital and community-based services in each catchment area to the legislature by January 1, 1991.

Sec. 36. [INSTRUCTION TO REVISOR.]

In each section of Minnesota Statutes referred to in column A, the revisor of statutes shall delete the reference in column B and insert the reference in column C.

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
<u>245.462, subd. 8, clause (3)</u>	<u>245.4711, subd. 7</u>	<u>245.4712, subd. 2</u>
<u>245.4871, subd. 10, clauses (3) and (4)</u>	<u>245.4881, subd. 7</u>	<u>245.4884, subd. 2</u>
<u>245.4871, subd. 17, clause (11)</u>	<u>245.4881, subd. 10</u>	<u>245.4884, subd. 5</u>

<u>245.4875, subd. 2,</u> <u>clause (6)</u>	<u>245.4881, subd. 7</u>	<u>245.4884, subd. 2</u>
<u>245.4875, subd. 2,</u> <u>clauses (11) and (12)</u>	<u>245.4881, subd. 9</u>	<u>245.4884, subd. 4</u>
<u>245.4881, subd. 4,</u> <u>paragraph (a)</u>	<u>subd. 6</u>	<u>245.4884, subd. 1</u>

Sec. 37. [REPEALER.]

Minnesota Statutes 1989 Supplement, sections 245.4711, subdivisions 6, 7, and 8; and 245.4881, subdivisions 6, 7, 8, 9, and 10, are repealed.

Sec. 38. [EFFECTIVE DATE.]

Sections 29 and 30 are effective May 1, 1990."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for human services and health and other purposes with certain conditions; amending Minnesota Statutes 1988, sections 4.071; 13.46, subdivision 5; 144.581, subdivision 1; 144A.073, by adding a subdivision; 148B.23, by adding a subdivision; 148B.48, subdivision 1; 151.06, subdivision 1; 151.25; 171.07, subdivision 1a; 214.07, subdivision 1, and by adding a subdivision; 245.467, subdivision 2; 245A.14, subdivision 1; 252.27, as amended; 253B.17, subdivision 1; 254A.03, by adding a subdivision; 254B.06, by adding a subdivision; 254B.08; 256.73, subdivision 2; 256.736, subdivisions 1a and 3a; 256.7365, subdivision 2; 256B.04, subdivisions 15 and 16; 256B.055, subdivisions 3, 5, 6, and 12; 256B.056, subdivisions 2, 7, and by adding a subdivision; 256B.0625, subdivisions 4, 5, 9, and by adding subdivisions; 256B.091, subdivisions 4 and 6; 256B.15; 256B.19, by adding a subdivision; 256B.431, subdivision 3e, and by adding subdivisions; 256B.48, subdivision 2; 256B.49, by adding a subdivision; 256B.50, subdivisions 1 and 1b; 256B.501, subdivisions 3c, 3e, and by adding a subdivision; 256B.69, subdivision 3; 256D.01, by adding a subdivision; 256D.02, subdivisions 5, 8, and 12; 256D.03, subdivisions 3 and 7; 256D.052, subdivision 5; 256D.06, subdivision 2; 256E.06, subdivisions 2 and 7; 256H.01, by adding subdivisions; 256H.10, subdivisions 1 and 4; 256H.17; 260.151, subdivision 1, and by adding a subdivision; 260.172, by adding a subdivision; 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; 462.357, subdivision 7; 518.171, subdivisions 1, 3, 4, and 7; 518.54, by adding subdivisions; 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; and 518C.27, subdivision 1; Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 9; 116.78, by adding subdivisions; 144.50, subdivision 6;

144.562, subdivision 2; 144.802, subdivision 3; 144.804, subdivisions 1 and 7; 144.809; 144.8091; 145.894; 245.467, subdivision 3; 245.469; 245.4711, subdivisions 1, 2, and 3; 245.474; 245.487, subdivision 5; 245.4871, subdivision 3; 245.4873, subdivision 2; 245.4874; 245.4875, subdivision 5; 245.4876, subdivisions 2, 3, and 4; 245.4879; 245.4881, subdivisions 1, 2, 3, and 4; 245.4882, subdivision 1; 245.4883, subdivision 1; 245.4885, subdivisions 1 and 2; 245.696, subdivision 2; 245.697, subdivision 2a; 252.025, subdivision 4; 252.46, subdivisions 1, 2, 3, and 12; 253B.03, subdivision 6a; 254B.03, subdivision 4; 256.73, subdivision 3a; 256.736, subdivisions 3, 3b, 4, 10, 10a, 11, 14, 16, and 18; 256.737, subdivisions 1 and 2; 256.74, subdivision 1; 256.936, subdivisions 1 and 4; 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.0625, subdivision 13; 256B.092, subdivision 7; 256B.14; 256B.431, subdivisions 3g and 7; 256B.495, subdivision 1; 256B.69, subdivision 16; 256D.01, subdivision 1a; 256D.03, subdivision 4; 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; 260.181, subdivision 2; 268.0111, subdivision 4; 268.86, subdivision 2; 268.88; 268.881; 518.551, subdivision 10; 518.611, subdivision 4; and 518.613, subdivision 2; Minnesota Statutes Second 1989 Supplement, sections 256B.091, subdivision 8; and 256D.03, subdivision 2; Laws 1988, chapter 689, article 2, section 256, subdivision 3; Laws 1989, chapter 338, section 11; proposing coding for new law in Minnesota Statutes, chapters 62A; 144; 151; 245; 252; 254A; 256; 256B; and 268; repealing Minnesota Statutes 1988, sections 148B.01, subdivision 2; 148B.02; 214.411; 256.736, subdivisions 1b, 2a, 8, and 17; 256.7365, subdivision 8; 256B.431, subdivisions 3, 3b, 3c, and 3d; 256B.50, subdivision 2; 256D.06, subdivision 1c; 256H.01, subdivision 14; 256H.16; 268.672, subdivision 12; 268.86, subdivisions 9 and 10; and 268.872, subdivision 3; Minnesota Statutes 1989 Supplement, sections 245.4711, subdivisions 6, 7, and 8; 245.4881, subdivisions 6, 7, 8, 9, and 10; 256B.055, subdivision 8; 256B.43, subdivisions 3a and 3f; 256H.05, subdivisions 1, 1a, and 3a; and Laws 1989, chapter 338, section 11, subdivisions 1 and 3."

The motion prevailed and the amendment was adopted.

Clark and Otis moved to amend S. F. No. 2621, as amended, as follows:

Page 66, lines 25 and 26, delete "AND, PREFEASIBILITY STUDY"

Page 67, lines 15 and 16, delete "multiunit rental property, or"

Page 67, line 34, delete everything after "development"

Page 67, delete line 35

Page 67, line 36, delete everything before the period

Page 68, line 11, delete "University of Minnesota,"

Page 68, line 28, after "jobs" insert "by ten or more"

Page 69, line 4, delete everything after "decision"

Page 69, delete lines 5 and 6

Page 69, line 7, delete "government services"

Page 70, line 28, delete everything after the period

Page 70, delete lines 29 to 36

Pages 71 and 72, delete section 59 and insert:

"Sec. 59. [REPORT.]

Subdivision 1. [GOVERNMENT UNIT REPORT.] Beginning in 1992, each government unit must submit a report to the commissioner by December 1 of each even-numbered year. The report must summarize all job impact statements completed during the previous two years. An explanation of any significant changes in actual employment and wage information compared to the jobs impact statement prepared for that development or governmental action in any of the three previous years must be included in the report.

Subd. 2. [COMMISSIONER'S REPORT.] The commissioner must submit a report to the governor and legislature by February 1 of every odd-numbered year that summarizes the results of the individual statements and the monitoring reports required in subdivision 1 submitted to the commissioner in the previous two years. The report must also contain the commissioner's assessment of the overall process of preparing the statements and any recommendations the commissioner may have in improving the process.

Sec. 60. [APPLICATION.]

Sections 55 to 59 do not apply to development or governmental actions taken before the effective date of this article."

Page 72, lines 16 and 17, delete "a plant closing or mass layoff" and insert "an employee displacement"

Page 72, after line 31, insert:

"Subd. 8. [EMPLOYEE DISPLACEMENT.] "Employee displacement" means (a) the shutdown or termination of operations of an establishment, within three years of the acquisition of the establishment by an employer, where the number of affected employees during any 30 day period is 25 or greater; or (b) a reduction in the work force at an establishment, within three years of the acquisition of the establishment by the employer, that:

(1) is not a result of the shutdown or termination of operations at an establishment; and

(2) results in an employment loss at an establishment during any 30 day period for at least:

(i) 25 percent of the employees at the establishment, including any part time employees, and at least 25 employees, excluding any part time employees; or

(ii) 50 employees, excluding any part time employees."

Page 73, delete lines 9 to 19

Page 73, lines 24 and 25, delete "plant closing or mass layoff" and insert "employee displacement"

Page 73, delete lines 29 to 34

Renumber the subdivisions in sequence

Page 74, lines 9 and 10, delete "a plant closing or mass layoff" and insert "an employee displacement"

Page 74, lines 13 and 27, delete "plant closing or mass layoff" and insert "employee displacement"

Page 74, lines 35 and 36, delete "a plant closing or mass layoff" and insert "an employee displacement"

Page 75, line 3, delete "a plant closing or mass layoff" and insert "an employee displacement"

Page 75, lines 4 and 5, delete "appropriate local unit of government" and insert "commissioner"

Page 75, lines 7 and 8, delete "plant closing or mass layoff" and insert "employee displacement"

Page 75, lines 12 and 13, delete "plant closing or mass layoff" and insert "employee displacement"

Page 75, delete lines 20 to 28 and insert:

"Subd. 2. [FISCAL AGENT.] The commissioner shall act as the fiscal agent for the money and may disburse the money for eligible uses outlined under this section upon the recommendation of the community response committee established under section 268.982. Up to five percent of the money received under subdivision 1 may be used for the administrative costs of the commissioner and the community response committee that are expended for the purposes of sections 268.982 and this section."

Page 75, lines 35 and 36, delete "plant closing or mass layoff" and insert "employee displacement"

Page 76, lines 4 and 5, delete "plant closing or mass layoff" and insert "employee displacement"

Page 76, lines 25 and 26, delete "plant closing or mass layoff" and insert "employee displacement"

Page 77, line 2, delete everything after "to" and insert "affected employees"

Page 77, line 3, delete "layoff"

Page 77, lines 12 and 13, delete "a plant closing or mass layoff" and insert "an employee displacement"

Page 77, line 22, delete "a plant closing" and insert "an employee displacement"

Page 77, line 33, delete "a plant closing or mass layoff" and insert "an employee displacement"

Page 77, line 36, delete "plant closing or mass layoff" and insert "employee displacement"

Page 78, lines 4 and 5, delete "plant closing or mass layoff" and insert "employee displacement"

Page 78, line 13, delete "a plant closing" and insert "an employee displacement"

Pages 78 to 80, delete section 66 and insert:

"Sec. 66. [268.987] [APPEAL OF PAYMENT.]

Subdivision 1. [APPEAL OF PAYMENT.] An employer may appeal to the commissioner to reduce or eliminate the payment required under section 268.983, the severance and health benefit payments required under sections 268.984 and 268.985, and the repayments of public assistance required under section 268.988. The employer must appeal under this subdivision at least 30 days before the date of the employee displacement.

The employer may not engage in an employee displacement until the commissioner has made a decision on an appeal by the employer. The commissioner must make a decision within 30 days of the appeal request by an employer. The 30-day limit may be extended if both the employer and the commissioner agree to the extension. The commissioner may contract with a public accounting firm or others to provide technical assistance. The commissioner, or any of the persons the commissioner has contracted with, must have access to all the employer's financial records and other related information for the past five years to assist in making a decision on an appeal.

Subd. 2. [APPEAL GROUNDS.] The employer may appeal under subdivision 1 only if the employer determines that the employee displacement is likely to be due to one or more of the following:

(1) a natural disaster, including flood, damage or destruction due to weather, earthquakes, fire, or drought;

(2) a decrease in sales of the employer resulting from economic or market factors that directly affect the demand for the products produced or provided at the establishment; or

(3) the employee displacement results from the determination that the acquired establishment is not a viable economic operation.

The employer must establish by a preponderance of the evidence that the employee displacement was due to one of the reasons outlined in clause (1), (2), or (3), and not because of the financial needs of the employer to pay for debt incurred because of an acquisition, a reorganization, or duplication of the operations of the employer. In cases where the operations of the establishment have been terminated or significantly affected by a fire, flood, or other unexpected natural disaster and the result is an employee displacement, the employer is not required to appeal 30 days before the employee displacement. The employer may appeal under this subdivision, but is not required to make payments to the commissioner or affected employees until the commissioner makes a decision on the appeal.

Subd. 3. [APPEAL OF REPAYMENT OF PUBLIC ASSISTANCE.] The employer may appeal the amount of public assistance the employer must pay back under section 268.988. The commissioner must make a decision within 30 days of the appeal request of

the employer. The commissioner may contract with public accounting firms or others for technical assistance in determining the correct amount of the repayment.

Subd. 4. [APPEAL FROM COMMISSIONER'S DECISION.] The employer may appeal the decision of the commissioner under this section as a contested case proceeding under chapter 14. An employer may not engage in an employee displacement until a decision is rendered upon the completion of the contested case proceeding.

Page 80, line 8, delete "a plant closing or mass layoff" and insert "an employee displacement"

Page 80, lines 35 and 36, delete "appeals panel established in section 268.987" and insert "commissioner"

Page 81, line 12, delete "a plant closing or mass layoff" and insert "an employee displacement"

Renumber the sections in sequence

Correct internal cross references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Gruenes and Forsythe moved to amend S. F. No. 2621, as amended, as follows:

Page 5, after line 42, insert:

"Effective for services rendered on or after July 1, 1990, the global rate a medical provider is paid under the medical assistance or general assistance medical care programs for prenatal and delivery services provided to medical assistance and general assistance medical care recipients shall be increased by \$150."

Pages 115 to 117, delete section 9 and insert:

"Sec. 9. 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 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 185 200 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 extends from the first day of the month in which the child's first birthday occurs to the last day of the month in which the child becomes 18 years old.

(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."

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 Gruenes and Forsythe amendment and the roll was called. There were 50 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Abrams	Dille	Henry	Morrison	Schafer
Bauerly	Forsythe	Hugoson	Olsen, S.	Schreiber
Bennett	Frederick	Johnson, V.	Omann	Seaberg
Bertram	Frerichs	Knickerbocker	Onnen	Stanius
Bishop	Girard	Limmer	Ostrom	Sviggum
Boo	Gruenes	Lynch	Pauly	Swenson
Burger	Gutknecht	Marsh	Pellow	Tompkins
Cooper	Hartle	McDonald	Poppenhagen	Uphus
Dauner	Haukoos	McPherson	Richter	Valento
Dempsey	Heap	Miller	Runbeck	Weaver

Those who voted in the negative were:

Anderson, G.	Janezich	McLaughlin	Pelowski	Steensma
Anderson, R.	Jaros	Milbert	Peterson	Tjornhom
Battaglia	Jefferson	Munger	Pugh	Trimble
Begich	Jennings	Murphy	Quinn	Tunheim
Blatz	Johnson, A.	Nelson, C.	Reding	Vellenga
Brown	Johnson, R.	Nelson, K.	Rest	Wagenius
Carlson, D.	Kahn	Neuenschwander	Rice	Waltman
Carlson, L.	Kalis	O'Connor	Rodosovich	Welle
Carruthers	Kelso	Ogren	Rukavina	Wenzel
Clark	Kinkel	Olson, E.	Sarna	Williams
Dawkins	Krueger	Olson, K.	Scheid	Winter
Dorn	Lasley	Orenstein	Segal	Spk. Vanasek
Greenfield	Lieder	Osthoff	Simoneau	
Hausman	Long	Otis	Skoglund	
Himle	McEachern	Ozment	Solberg	
Jacobs	McGuire	Pappas	Sparby	

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

Gruenes; Sviggum; Pellow; Johnson, V.; Boo; Swenson; Richter; Uphus; Henry; Frederick; Frerichs; Tompkins; Forsythe and McDonald moved to amend S. F. No. 2621, as amended, as follows:

Page 4, after line 12, insert:

“Base funding for the 1990-1991 biennium for state residential facilities and state nursing homes is reduced by one and one-half percent.”

Page 127, line 23, delete everything after “index” and insert a period

Page 127, delete lines 24 to 26

Page 167, delete section 55

Pages 182 and 183, delete section 69

Page 183, delete section 70

Page 186, after line 25, insert:

"Sec. 72. Minnesota Statutes 1989 Supplement, is amended by adding a subdivision to read:

Subd. 12. [RATES FOR INTERMEDIATE CARE FACILITIES FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS; SALARY ADJUSTMENT.] (a) For the rate period January 1, 1991, to September 30, 1992, the commissioner shall add the appropriate salary adjustment per diem determined in clauses (1) to (3) to the total operating cost payment rate of each eligible facility.

(1) For a facility to be eligible for a salary adjustment per diem, the commissioner shall require a written affidavit signed by the provider of each facility by November 1, 1990. The affidavit must include assurances that at least 50 percent of the amount of the increase resulting from the application of the statewide index for the rate year beginning October 1, 1990, and the entire amount determined in this subdivision, shall be used for equitable increases to facility employee salaries, fringe benefits, and payroll taxes of employees included in clause (1) provided that the employees have an annual salary of less than \$20,000. Facilities with rates governed by section 252.292 or Minnesota Rules, part 9553.0075, or which are newly constructed or newly established with payment rates effective on or after May 1, 1990, are not eligible for payments under this subdivision. The commissioner shall determine the salary adjustment per diem as in clauses (2) and (3) by:

(2) multiplying each eligible facility's total salaries, payroll taxes, and fringe benefits allowed after desk audit in each operating cost category, for the reporting year ending December 31, 1989, except for management fees and administrator and central office salaries and the related payroll taxes and fringe benefits, by three percent; and

(3) then dividing the amount in clause (2) by the facility's resident days.

The commissioner shall indicate the percentage increase by which each eligible facility's salaries, payroll taxes, and fringe benefits, as specified in clauses (1) and (2), is required to increase for the reporting year ending December 31, 1991, over these same cost items for the preceding reporting year, on the nursing home's rate notice for the period beginning January 1, 1991.

(b) By December 1, 1992, the commissioner shall submit a report to the legislative commission on long-term care on the extent to which eligible facilities complied with paragraph (a). The commissioner may require eligible facilities to submit additional informa-

tion and supporting documentation as necessary to analyze facility expenditures under paragraph (a).

The commissioner, through desk or field audits, shall retroactively recover amounts not spent or inappropriately spent. The per diem amount of recovery, if any, shall be equal to the negative difference between an eligible facility's allowed salaries, payroll taxes, and fringe benefits, as specified in clauses (1) and (2) for the reporting year ending December 31, 1991, and its reporting year ending December 31, 1990, allowed costs for these same items multiplied by the percentage increase indicated by the commissioner on the eligible facility's January 1, 1991 rate notice, and then dividing the difference by the facility's actual resident days for the reporting year ending December 31, 1991. This subdivision does not apply to state operated services."

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 Gruenes et al amendment and the roll was called. There were 58 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Omann	Seaberg
Bennett	Frerichs	Limmer	Onnen	Stanius
Bertram	Girard	Lynch	Orenstein	Sviggum
Bishop	Gruenes	Macklin	Pauly	Swenson
Blatz	Gutknecht	Marsh	Pellow	Tjornhom
Boo	Hartle	McDonald	Pelowski	Tompkins
Burger	Haukoos	McPherson	Poppenhagen	Uphus
Cooper	Heap	Miller	Redalen	Valento
Dauner	Henry	Morrison	Richter	Waltman
Dempsey	Hugoson	Nelson, C.	Runbeck	Weaver
Dille	Johnson, V.	Olsen, S.	Schafer	
Forsythe	Kalis	Olson, K.	Schreiber	

Those who voted in the negative were:

Anderson, G.	Clark	Jefferson	Long	O'Connor
Anderson, R.	Dawkins	Johnson, A.	McEachern	Ogren
Battaglia	Dorn	Johnson, R.	McGuire	Olson, E.
Bauerly	Greenfield	Kahn	McLaughlin	Osthoff
Begich	Hasskamp	Kelso	Milbert	Ostrom
Brown	Hausman	Kinkel	Munger	Otis
Carlson, D.	Jacobs	Krueger	Murphy	Ozment
Carlson, L.	Janezich	Lasley	Nelson, K.	Pappas
Carruthers	Jaros	Lieder	Neuenschwander	Peterson

Pugh	Rodosovich	Solberg	Wagenius	Spk. Vanasek
Quinn	Sarna	Steensma	Welle	
Reding	Scheid	Trimble	Wenzel	
Rest	Segal	Tunheim	Williams	
Rice	Skoglund	Vellenga	Winter	

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

Gutknecht; Abrams; Omann; Hugoson; Lynch; Carlson, D.; Girard; Weaver; Waltman; Tompkins; Swenson; Frerichs; Johnson, V.; McPherson; McDonald; Haukoos; Schafer; Pauly; Stanius and Bishop moved to amend S. F. No. 2621, as amended, as follows:

Page 5, after line 20, insert:

"\$3,000,000 of the fiscal year 1991 appropriation for the implementation and development of the MAXIS computer system shall be used for increased payments to physicians for office visits and preventive medicine under subdivision 7, and the increase in the global rate for prenatal and delivery services under subdivision 7."

Page 5, after line 42, insert:

"Effective for services rendered on or after July 1, 1990, payments to physicians for office visits and preventive medicine under medical assistance, general assistance medical care, and the children's health plan shall be increased by 15 percent."

"Effective for services rendered on or after July 1, 1990, the global rate a medical provider is paid under the medical assistance or general assistance medical care programs for prenatal and delivery services provided to medical assistance and general assistance medical care recipients shall be increased by \$150."

The question was taken on the Gutknecht et al amendment and the roll was called. There were 58 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Omann	Seaberg
Bennett	Frerichs	Knickerbocker	Onnen	Stanius
Bishop	Girard	Limmer	Ozment	Sviggum
Blatz	Gruenes	Lynch	Pauly	Swenson
Boo	Gutknecht	Macklin	Pellow	Tjornhom
Burger	Hartle	Marsh	Pelowski	Tompkins
Carlson, D.	Haukoos	McDonald	Poppenhagen	Uphus
Cooper	Heap	McPherson	Redalen	Valento
Dempsey	Henry	Miller	Richter	Waltman
Dille	Himle	Morrison	Runbeck	Weaver
Dorn	Hugoson	Olsen, S.	Schafer	
Forsythe	Johnson, V.	Olson, K.	Schreiber	

Those who voted in the negative were:

Anderson, G.	Janezich	McEachern	Otis	Skoglund
Battaglia	Jefferson	McGuire	Pappas	Sparby
Begich	Jennings	McLaughlin	Peterson	Steensma
Bertram	Johnson, A.	Murphy	Pugh	Trimble
Brown	Johnson, R.	Nelson, C.	Quinn	Tunheim
Carlson, L.	Kahn	Nelson, K.	Reding	Vellenga
Carruthers	Kalis	Neuenschwander	Rest	Wagenius
Clark	Kelly	O'Connor	Rice	Welle
Dauner	Kinkel	Ogren	Rodosovich	Wenzel
Dawkins	Krueger	Olson, E.	Rukavina	Williams
Greenfield	Lasley	Orenstein	Sarna	Winter
Hasskamp	Lieder	Osthoff	Scheid	Spk. Vanasek
Hausman	Long	Ostrom	Simoneau	

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

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

Macklin; Limmer; Hartle; Stanius; Johnson, V.; Tjornhom; McDonald; Richter and Pellow moved to amend S. F. No. 2621, as amended, as follows:

Page 246, after line 1, insert:

"Sec. 30. Minnesota Statutes 1988, section 256D.06, is amended by adding a subdivision to read:

Subd. 1d. [GENERAL ASSISTANCE PAYMENTS FOR NEW RESIDENTS.] Notwithstanding any other provisions of sections 256D.01 to 256D.22, eligible assistance units without minor children, who have been residing in the state less than six months, shall be granted general assistance payments in an amount that, when added to the nonexempt income actually available to the assistance unit, will equal the amount of assistance that the unit received or was eligible to receive in the last state in which the unit resided, up to a maximum amount. The maximum amount shall be the assistance that would be paid to the unit under subdivision 1. The amount of assistance must be no less than 60 percent of the basic Minnesota general assistance grant level. Nonexempt income is the income considered available under Minnesota Rules, parts 9500.1200 to 9500.1270."

Page 275, line 10, delete "30" and insert "31" and delete "78" and insert "79"

Renumber sections

Amend the title

A roll call was requested and properly seconded.

The question was taken on the Macklin et al amendment and the roll was called. There were 108 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Lasley	Onnen	Seaberg
Anderson, G.	Frerichs	Lieder	Osthoff	Simoneau
Anderson, R.	Girard	Limmer	Ostrom	Skoglund
Battaglia	Gruenes	Lynch	Otis	Solberg
Bauerly	Gutknecht	Macklin	Ozment	Sparby
Begich	Hartle	Marsh	Pauly	Stanius
Bennett	Hasskamp	McDonald	Pellow	Steensma
Bertram	Haukoos	McEachern	Pelowski	Sviggum
Bishop	Heap	McGuire	Peterson	Swenson
Blatz	Henry	McPherson	Poppenhagen	Tjornhom
Boo	Himle	Milbert	Pugh	Tompkins
Brown	Hugoson	Miller	Quinn	Tunheim
Burger	Jacobs	Morrison	Redalen	Uphus
Carlson, D.	Janezich	Nelson, C.	Reding	Valento
Carlson, L.	Jennings	Nelson, K.	Rest	Wagenius
Carruthers	Johnson, A.	Neuenschwander	Richter	Waltman
Cooper	Johnson, R.	O'Connor	Rukavina	Weaver
Dauner	Johnson, V.	Ogren	Runbeck	Welle
Dempsey	Kalis	Olsen, S.	Sarna	Wenzel
Dille	Kelso	Olson, E.	Schafer	Winter
Dorn	Knickerbocker	Olson, K.	Scheid	
Forsythe	Krueger	Omann	Schreiber	

Those who voted in the negative were:

Clark	Jefferson	Orenstein	Segal	Spk. Vanasek
Dawkins	Kahn	Pappas	Trimble	
Greenfield	McLaughlin	Rice	Vellenga	
Jaros	Murphy	Rodosovich	Williams	

The motion prevailed and the amendment was adopted.

Gruenes, Forsythe and Frerichs moved to amend S. F. No. 2621, as amended, as follows:

Page 6, after line 57, insert:

"The total reduction of \$5,275,000 associated with the inflation index changes or limitations for inpatient hospitals, nursing homes, and intermediate care facilities for persons with mental retardation and related conditions shall be distributed among state residential facilities, inpatient hospitals, nursing homes, and intermediate care facilities for persons with mental retardation and related conditions, in proportion to each facility group's share of the total estimated base funding and medical assistance reimbursement received by these groups of facilities for the 1990-1991 biennium."

A roll call was requested and properly seconded.

The question was taken on the Gruenes et al amendment and the roll was called. There were 45 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Girard	Limmer	Onnen	Stanius
Blatz	Gruenes	Lynch	Pauly	Sviggum
Boo	Gutknecht	Macklin	Pelowski	Swenson
Burger	Hasskamp	Marsh	Redalen	Tjornhom
Dempsey	Haukoos	McPherson	Richter	Tompkins
Dorn	Henry	Milbert	Schafer	Uphus
Forsythe	Himle	Miller	Schreiber	Valento
Frederick	Hugoson	Morrison	Seaberg	Waltman
Frerichs	Johnson, V.	Omann	Segal	Wenzel

Those who voted in the negative were:

Abrams	Greenfield	Long	Otis	Skoglund
Anderson, R.	Hartle	McGuire	Ozment	Solberg
Battaglia	Hausman	McLaughlin	Pappas	Sparby
Bauerly	Jacobs	Munger	Pellow	Steenasma
Begich	Janezich	Murphy	Peterson	Trimble
Bennett	Jaros	Nelson, C.	Pugh	Tunheim
Bertram	Jefferson	Nelson, K.	Quinn	Vellenga
Brown	Jennings	Neuenschwander	Reding	Wagenius
Carlson, D.	Johnson, A.	O'Connor	Rest	Weaver
Carlson, L.	Johnson, R.	Ogren	Rice	Welle
Carruthers	Kahn	Olsen, S.	Rodosovich	Williams
Clark	Kalis	Olson, E.	Rukavina	Winter
Cooper	Kelso	Olson, K.	Runbeck	Spk. Vanasek
Dauner	Krueger	Orenstein	Sarna	
Dawkins	Lasley	Osthoff	Scheid	
Dille	Lieder	Ostrom	Simoneau	

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

Sviggum moved to amend S. F. No. 2621, as amended, as follows:

Page 5, after line 20, insert:

“\$3,000,000 of the fiscal year 1991 appropriation for the implementation and development of the MAXIS computer system shall be used for increased reimbursement to SILS, mental health residential programs, day training and habilitation services, waived services, and intermediate care facilities for persons with mental retardation and related conditions.”

Page 115, after line 26, insert:

“Sec. 9. Minnesota Statutes 1988, section 252.275, is amended by adding a subdivision to read:

Subd. 9. [SILS; SALARY ADJUSTMENTS; RATES.] In establishing, operating, or contracting for the provision of semi-independent living services and in securing the commissioner's approval of a county application and budget in subdivision 2, a county board must contract at rates to reflect increased salaries of direct care staff whose annual salary is less than \$20,000, by multiplying the total salaries, payroll taxes and fringe benefits related to direct care staff in fiscal year 1990, by an additional three percent in fiscal year 1991 and then dividing the resulting amount by contracted total number of service units. All increased revenue produced by this calculation must be equitably used by the license holder for salary and related costs of all personnel in direct care positions which have an annual salary of less than \$20,000. The license holder shall report to the county and department on forms prescribed by the commissioner to determine how, and to what extent, revenues were expended in accordance with this section. The commissioner, through desk or field audit, shall retroactively recover amounts not spent or inappropriately spent. This section does not apply to state operated services.

Sec. 10. [252.286] [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 direct care staff with annual salaries of less than \$20,000 times three 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 direct care staff with annual salaries of less than \$20,000. The commissioner, through desk or field audits, shall retroactively recover amounts not spent or inappropriately spent.

Sec. 11. Minnesota Statutes 1988, section 252.46, is amended by adding a subdivision to read:

Subd. 15. [DAY TRAINING AND HABILITATION; SALARY ADJUSTMENTS; RATES.] For the 12 month contract period beginning January 1, 1991, the county must recommend payment rates for day training and habilitation services for approval by the commissioner which are adjusted in accordance with paragraphs (a) and (b). In order to be eligible for the adjustment in payment rates the county shall require a written affidavit signed by the vendor. The affidavit must include assurances that the entire amount paid under this provision shall be used for equitable increases for employee salaries, payroll taxes, and fringe benefits included in paragraph (a) provided that the employees have an annual salary of less than \$20,000 and their job description requires that 50 percent or more of their paid time be spent in direct service delivery as

defined in Minnesota Rules, parts 9525.1500, subdivision 12. That portion of the payment rate increases attributable to compliance with this part and recommended for approval to the commissioner under section 252.46, subdivision 5, are exempt from the limits in section 252.46, subdivision 3. The county shall determine the salary adjustment on payment rates by:

(a) multiplying each vendor's eligible salary expenses, payroll taxes, and fringe benefits for calendar year 1990 by three percent in addition to the annual cost of living increase recommended under section 252.46, subdivision 3; and

(b) then dividing the amount in paragraph (a) by the total number of service units projected to be provided for the contract period.

Counties that contract for salary increases under this section shall monitor expenditures in accordance with Minnesota Statutes, section 252.44 and shall report the actual salary expenses and annual salary increases of vendors to the department on forms prescribed by the commissioner. The commissioner, through desk or field audits, shall retroactively recover amounts not spent or inappropriately spent. This subdivision does not apply to state operated services."

Page 183, after line 24, insert:

"Sec. 71. Minnesota Statutes 1988, section 256B.501, is amended by adding a subdivision to read:

Subd. 4a. [WAIVERED SERVICES; SALARY ADJUSTMENTS; RATES.] In establishing, operating, or contracting for the provision of residential habilitation services covered under the home and community based waiver, a county board must contract with licensed residential habilitation vendors at rates to reflect increased salaries of direct care staff whose annual salary is less than \$20,000 by multiplying the total salaries, payroll taxes and fringe benefits related to direct care staff in fiscal year 1990 by an additional three percent in fiscal year 1991 and then dividing the resulting amount by the contracted total number of service units. All increased revenue produced by this calculation must be equitably used by the license holder for salary and related costs of all personnel in direct care positions which have an annual salary of less than \$20,000. The license holder shall report to the county and department on forms prescribed by the commissioner to determine how, and to what extent, revenues were expended in accordance with this section. The commissioner, through desk or field audits, shall retroactively recover amounts not spent or inappropriately spent. This section does not apply to state operated services."

Page 186, after line 25, insert:

"Sec. 72. Minnesota Statutes 1988, Section 256B.501, is amended by adding a subdivision to read:

Subd. 12. [RATES FOR INTERMEDIATE CARE FACILITIES FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS; SALARY ADJUSTMENT.] (a) For the rate period January 1, 1991, to September 30, 1992, the commissioner shall add the appropriate salary adjustment per diem determined in clauses (1) to (3) to the total operating cost payment rate of each eligible facility.

(1) For a facility to be eligible for a salary adjustment per diem, the commissioner shall require a written affidavit signed by the provider of each facility by November 1, 1990. The affidavit must include assurances that at least 50 percent of the amount of the increase resulting from the application of the statewide index for the rate year beginning October 1, 1990, and the entire amount determined in this subdivision, shall be used for equitable increases to facility employee salaries, fringe benefits, and payroll taxes of employees included in clause (1) provided that the employees have an annual salary of less than \$20,000. Facilities with rates governed by section 252.292 or Minnesota Rules, part 9553.0075, or which are newly constructed or newly established with payment rates effective on or after May 1, 1990, are not eligible for payments under this subdivision. The commissioner shall determine the salary adjustment per diem as in clauses (2) and (3) by:

(2) multiplying each eligible facility's total salaries, payroll taxes, and fringe benefits allowed after desk audit in each operating cost category, for the reporting year ending December 31, 1989, except for management fees and administrator and central office salaries and the related payroll taxes and fringe benefits, by three percent; and

(3) then dividing the amount in clause (2) by the facility's resident days.

The commissioner shall indicate the percentage increase by which each eligible facility's salaries, payroll taxes, and fringe benefits, as specified in clauses (1) and (2), is required to increase for the reporting year ending December 31, 1991, over these same cost items for the preceding reporting year, on the nursing home's rate notice for the period beginning January 1, 1991.

(b) By December 1, 1992, the commissioner shall submit a report to the legislative commission on long-term care on the extent to which eligible facilities complied with paragraph (a). The commissioner may require eligible facilities to submit additional information and supporting documentation as necessary to analyze facility expenditures under paragraph (a).

The commissioner, through desk or field audits, shall retroactively recover amounts not spent or inappropriately spent. The per diem amount of recovery, if any, shall be equal to the negative difference between an eligible facility's allowed salaries, payroll taxes, and fringe benefits, as specified in clauses (1) and (2) for the reporting year ending December 31, 1991, and its reporting year ending December 31, 1990, allowed costs for these same items multiplied by the percentage increase indicated by the commissioner on the eligible facility's January 1, 1991 rate notice, and then dividing the difference by the facility's actual resident days for the reporting year ending December 31, 1991. This subdivision does not apply to state operated services.

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The question was taken on the Sviggum amendment and the roll was called. There were 116 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Greenfield Murphy Rodosovich Simoneau

The motion prevailed and the amendment was adopted.

Onnen, Tompkins, Runbeck, Redalen, Waltman, Frerichs, Forsythe, Schafer and Hartle moved to amend S. F. No. 2621, as amended, as follows:

Page 4, after line 12, insert:

“Base funding for the 1990-1991 biennium for state residential facilities and state nursing homes is reduced by one-half percent.”

Page 171, delete lines 1 to 13, and insert:

“(d) For rate years beginning on July 1, 1990, through the rate year beginning July 1, 1992, a Group B nursing home shall continue to receive a property-related per diem equal to its allowable historical property-related per diem (the property-related payment rate in effect on July 1, 1989).”

Page 171, line 17, delete everything after “section” and insert a period

Page 171, delete lines 18 to 20

Pages 198 and 199, delete section 83

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 Onnen et al amendment and the roll was called. There were 58 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Haukoos	Knickerbocker	Miller
Bauerly	Forsythe	Hausman	Limmer	Neuenschwander
Bennett	Frederick	Heap	Lynch	Olsen, S.
Blatz	Frerichs	Henry	Macklin	Omann
Boo	Girard	Himle	Marsh	Onnen
Burger	Gruenes	Hugoson	McEachern	Orenstein
Dempsey	Gutknecht	Johnson, V.	McGuire	Pauly
Dille	Hartle	Kelso	McPherson	Pellow

Pelowski	Runbeck	Stanisus	Tompkins	Weaver
Poppenhagen	Schafer	Sviggum	Uphus	Wenzel
Redalen	Schreiber	Swenson	Valento	
Richter	Seaberg	Tjornhom	Waltman	

Those who voted in the negative were:

Anderson, G.	Greenfield	McLaughlin	Ozment	Simoneau
Anderson, R.	Hasskamp	Milbert	Pappas	Skoglund
Battaglia	Jacobs	Morrison	Peterson	Solberg
Begich	Jaros	Munger	Pugh	Sparby
Bertram	Jefferson	Murphy	Quinn	Steensma
Bishop	Jennings	Nelson, C.	Reding	Trimble
Carlson, D.	Johnson, A.	Nelson, K.	Rest	Tunheim
Carlson, L.	Kahn	O'Connor	Rice	Vellenga
Carruthers	Kalis	Ogren	Rodosovich	Wagenius
Clark	Krueger	Olson, E.	Rukavina	Welle
Cooper	Lasley	Olson, K.	Sarna	Williams
Dauner	Lieder	Ostrom	Scheid	Winter
Dawkins	Long	Otis	Segal	Spk. Vanasek

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

Wenzel offered an amendment to S. F. No. 2621, as amended.

POINT OF ORDER

Simoneau raised a point of order pursuant to rule 3.10 that the Wenzel amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

S. F. No. 2621, A bill for an act relating to the organization and operation of state government; appropriating money for human services and health and other purposes with certain conditions; amending Minnesota Statutes 1988, sections 13.46, subdivision 5; 144A.073, by adding a subdivision; 245A.07, subdivision 3; 245A.08, subdivision 3; 245A.16, subdivision 4; 254B.04, subdivision 1; 254B.08; 256.736, subdivision 3a; 256.936, by adding a subdivision; 256B.04, subdivisions 15 and 16; 256B.055, subdivisions 3, 5, 6, and 12; 256B.056, subdivisions 2 and 7, and by adding a subdivision; 256B.0625, subdivisions 4, 5, 9, and by adding subdivisions; 256B.091, subdivisions 4 and 6; 256B.092, subdivisions 1a and 1b, and by adding subdivisions; 256B.15; 256B.19, by adding a subdivision; 256B.431, subdivision 3e, and by adding subdivisions; 256B.48, subdivision 2, and by adding a subdivision; 256B.49, by adding a subdivision; 256B.50, subdivisions 1 and 1b; 256B.501, subdivision 3e, and by adding a subdivision; 256B.69, subdivision 3; 256D.03, subdivision 7; 256E.06, subdivisions 2 and 7; 256H.01, by adding subdivisions; 518.171, subdivisions 1, 3, 4, and 7; 518.54, by adding subdivisions; 518.551, subdivisions 1 and 5; 518.611, subdivisions 1, 2, 8, and 8a, and by adding a subdivision; 518C.02, by adding subdivisions; 518C.03; 518C.05; 518C.09; 518C.12; and 518C.27, subdivision 1; Minnesota Statutes 1988, section 252.27, as amended

by Laws 1989, chapter 282, article 2, section 92; Minnesota Statutes 1989 Supplement, sections 144.50, subdivision 6; 245.470, subdivision 1; 245.488, subdivision 1; 245A.02, subdivision 6a; 245A.03, subdivision 2; 245A.04, subdivisions 3, 3a, and 3b; 245A.12; 245A.13; 245A.16, subdivision 1; 252.46, subdivisions 1, 2, 3, 4, and 12; 254B.03, subdivision 4; 256.736, subdivision 16; 256.74, subdivision 1; 256.936, subdivision 1; 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 and 2, and by adding subdivisions; 256B.0575; 256B.059, subdivisions 4 and 5; 256B.0595, subdivisions 1, 2, and 4; 256B.0625, subdivision 13; 256B.091, subdivision 8; 256B.14; 256B.431, subdivision 2b; 256B.495, subdivision 1; 256B.69, subdivision 16; 256D.03, subdivisions 3, 4, and 6; 256D.425, subdivision 3; 256H.03, subdivisions 2, 2a, and 2b; 256H.05, subdivisions 1b, 1c, 2, and 5; 256H.08; 256H.15, subdivisions 1 and 2; 256I.05, subdivisions 1 and 7; 257.57, subdivision 1; 518.551, subdivision 10; 518.611, subdivision 4; and 518.613, subdivision 2; Laws 1988, chapter 689, article 2, section 256; Laws 1989, chapter 282, article 3, section 98, subdivisions 4 and 5; proposing coding for new law in Minnesota Statutes, chapters 60A; 144; 245A; 252; 254A; 256; and 256B; repealing Minnesota Statutes 1988, sections 256.736, subdivision 8; 256B.0625, subdivision 2; 256B.431, subdivisions 3, 3b, 3c, and 3d; and 256B.50, subdivision 2; Minnesota Statutes 1989 Supplement, sections 256.736, subdivision 15; 256B.055, subdivision 8; and 256B.431, subdivisions 3a and 3f.

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 74 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Long	Ostrom	Segal
Anderson, R.	Hasskamp	McGuire	Otis	Simoneau
Battaglia	Hausman	McLaughlin	Pappas	Skoglund
Bauerly	Jacobs	Milbert	Pelowski	Solberg
Begich	Jaros	Munger	Peterson	Steensma
Bertram	Jefferson	Murphy	Pugh	Trimble
Brown	Johnson, A.	Nelson, C.	Quinn	Tunheim
Carlson, L.	Johnson, R.	Nelson, K.	Redalen	Vellenga
Carruthers	Kahn	Neuenschwander	Reding	Wagenius
Clark	Kalis	O'Connor	Rest	Welle
Cooper	Kelly	Ogren	Rice	Wenzel
Dauner	Kelso	Olson, E.	Rodosovich	Williams
Dawkins	Krueger	Olson, K.	Rukavina	Winter
Dorn	Lasley	Orenstein	Sarna	Spk. Vanasek
Frederick	Lieder	Osthoff	Scheid	

Those who voted in the negative were:

Abrams	Girard	Limmer	Onnen	Sviggum
Bennett	Gruenes	Lynch	Ozment	Swenson
Bishop	Gutknecht	Macklin	Paulý	Tjornhom
Blatz	Hartle	Marsh	Pellow	Tompkins
Boo	Haukoos	McDonald	Poppenhagen	Uphus
Burger	Heap	McEachern	Richter	Valento
Carlson, D.	Henry	McPherson	Runbeck	Waltman
Dempsey	Himle	Miller	Schafer	Weaver
Dille	Hugoson	Morrison	Schreiber	
Forsythe	Johnson, V.	Olsen, S.	Seaberg	
Frerichs	Knickerbocker	Omann	Stanius	

The bill was passed, as amended, 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 Special Orders pending for today, Friday, March 30, 1990:

H. F. Nos. 2646 and 2419.

SPECIAL ORDERS

Long moved that the 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 Nelson, C., be added as an author on H. F. No. 1985. The motion prevailed.

Pugh moved that the name of Blatz be added as an author on H. F. No. 2365. The motion prevailed.

Kahn moved that the following statement be printed in the permanent Journal of the House:

"It was my intention to vote in the affirmative on Friday, March 30, 1990, when the final vote was taken on the Stanius et al

amendment to S. F. No. 2617. In error I pressed the page button rather than the yea button." The motion prevailed.

Hasskamp moved that the following statement be printed in the permanent Journal of the House:

"It was my intention to vote in the affirmative on Friday, March 30, 1990, when the vote was taken on the Stanius et al amendment to S. F. No. 2617. In error I pressed the nay button rather than the yea button." The motion prevailed.

Wenzel moved that the following statement be printed in the permanent Journal of the House:

"It was my intention on Thursday, March 29, 1990, to vote in the affirmative when the vote was taken on the Morrison amendment to S. F. No. 2618." The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2618:

Carlson, L.; Dorn; Price; Orenstein and Morrison.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 12:00 noon, Monday, April 2, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Monday, April 2, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION — 1990

EIGHTY-SECOND DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 2, 1990

The House of Representatives convened at 12:00 noon and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Margaret Thomas, Executive Director of the Minnesota Council of Churches, Minneapolis, 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	Girard	Kostohryz	Omann	Scheid
Anderson, G.	Greenfield	Krueger	Onnen	Schreiber
Anderson, R.	Gruenes	Lasley	Orenstein	Seaberg
Battaglia	Gutknecht	Lieder	Osthoff	Segal
Bauerly	Hartle	Limmer	Ostrom	Simoneau
Begich	Hasskamp	Long	Otis	Skoglund
Bennett	Haukoos	Lynch	Ozment	Solberg
Bertram	Hausman	Macklin	Pappas	Sparby
Bishop	Heap	Marsh	Pauly	Stanisus
Blatz	Henry	McDonald	Pellow	Sviggum
Boo	Himle	McEachern	Pelowski	Swenson
Brown	Hugeson	McGuire	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	Valento
Cooper	Johnson, A.	Murphy	Reding	Vellenga
Dauner	Johnson, R.	Nelson, C.	Rest	Wagenius
Dawkins	Johnson, V.	Nelson, K.	Rice	Waltman
Dempsey	Kahn	Neuenschwander	Richter	Weaver
Dille	Kalis	O'Connor	Rodosovich	Welle
Dorn	Kelly	Ogren	Rukavina	Wenzel
Forsythe	Kelso	Olsen, S.	Runbeck	Williams
Frederick	Kinkel	Olson, E.	Sarna	Winter
Frerichs	Knickerbocker	Olson, K.	Schafer	Spk. Vanasek

A quorum was present.

Beard, McLaughlin and Steensma were excused.

The Chief Clerk proceeded to read the Journal of the preceding

day. Lieder 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 S. F. Nos. 1104, 1790, 2236 and 2621 have been placed in the members' files.

S. F. No. 1104 and H. F. No. 1101, 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. 1104 be substituted for H. F. No. 1101 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1790 and H. F. No. 1997, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jaros moved that the rules be so far suspended that S. F. No. 1790 be substituted for H. F. No. 1997 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2195 and H. F. No. 2311, 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. 2195 be substituted for H. F. No. 2311 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2236 and H. F. No. 2695, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Kahn moved that the rules be so far suspended that S. F. No. 2236 be substituted for H. F. No. 2695 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2005, 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.

Reported the same back with the following amendments:

Page 4, line 35, after "an" insert "organization designed to assist an"

Page 5, line 3, after "an" insert "organization designed to assist an"

Page 63, delete section 57

Page 63, line 20, before "The" insert "Subject to the provisions of section 43A.18, subdivision 1,"

Page 63, delete section 59

Page 66, delete section 66

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 23, delete "set salaries" and insert "establish incentive plans"

Page 1, line 26, delete "appropriating money;"

Page 1, line 41, delete "subdivisions 4 and 5; 349A.15;" and insert "subdivision 5;"

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

The report was adopted.

SECOND READING OF SENATE BILLS

S. F. Nos. 1104, 1790, 2195 and 2236 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Orenstein introduced:

H. F. No. 2821, A bill for an act relating to civil actions; adopting the discovery rule for medical malpractice statutes of limitation; amending Minnesota Statutes 1989 Supplement, section 541.07.

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

Poppenhagen, Frederick, Heap and Macklin introduced:

H. F. No. 2822, A bill for an act relating to taxation; repealing the lawful gambling combined receipts tax; providing for refunds; appropriating money; repealing 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.

HOUSE ADVISORIES

The following House Advisory was introduced:

Carruthers introduced:

H. A. No. 48, A proposal to study the feasibility of permitting the transfer of accumulated sick leave from metropolitan agencies to state employment.

The advisory was referred to the Committee on Governmental Operations.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate refuses to adopt the Conference Committee report on H. F. No. 796 and that the present Conference Committee has been discharged. A new Conference Committee has been appointed on the part of the Senate with the request that the House appoint a like Committee to further consider the following bill:

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 and Fillmore counties.

The Senate has appointed as such committee:

Messrs. Chmielewski, Gustafson and Merriam.

H. F. No. 796 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, that the Speaker appoint a new Conference Committee of 3 members, and that H. F. No. 796 be returned to the new Conference Committee for further consideration. The motion prevailed.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rest moved that the House refuse to concur in the Senate amendments to H. F. No. 2457, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 2478; 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, Douglas, 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; providing for payment of the greater Minnesota landfill fee; 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; 279.06; 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, sections 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 115A.922; 115A.923, subdivisions 2, 3, 4, and 5; 115A.924; 115A.925; 115A.927; 115A.928; 290.06, subdivision 1a; and 375.192, subdivision 1; Minnesota Statutes Second 1989 Supplement, 273.1398, subdivision 2b.

PATRICK E. FLAHAVEN, Secretary of the Senate

Ogren moved that the House refuse to concur in the Senate amendments to H. F. No. 2478, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Luther, Cohen and Laidig.

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

Scheid 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. 2421. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2617, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; reducing appropriations for the biennium ending June 30, 1991, with certain conditions; providing for the transfer of money in the state treasury; amending Minnesota Statutes 1989 Supplement, section 297B.09, subdivision 1.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Langseth, Berg, Purfeerst, Mehrkens and Metzen.

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

Rice moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2617. The motion prevailed.

SPECIAL ORDERS

H. F. No. 2646 was reported to the House.

Greenfield moved that H. F. No. 2646 be returned to its author. The motion prevailed.

H. F. No. 2419 was reported to the House.

The Speaker called Quinn to the Chair.

Kahn moved to amend H. F. No. 2419, the first engrossment, as follows:

Page 3, line 43, delete "422,000" in both places and insert "897,000"

Page 3, line 44, delete "(837,000)" in both places and insert "(987,000)"

Page 4, line 8; delete "\$ (19,581,000)" and insert "\$ (19,390,000)" and delete "\$ (21,794,000)" and insert "\$ (21,603,000)"

Page 4, delete lines 21 to 26 and insert:

"\$100,000 of the amount appropriated to the legislative commission on fiscal policy in Laws 1989, chapter 335, article 1, section 2, for the biennium is transferred to the house of representatives."

Page 7, line 13, delete "administrative law" and insert "workers' compensation"

Page 7, line 40, delete "24" and insert "26"

Page 9, line 57, delete "2" and insert "1"

Page 11, line 14, delete "(987,000)" and insert "(959,000)"

Page 11, line 20, delete everything before "to" and insert "These budget reductions are"

Page 14, line 34, after "treatment" insert "program"

Page 14, line 38, delete "in" and insert "through"

Page 15, line 30, delete "reduction in" and insert "is reduced from"

Page 15, line 31, delete "as"

Page 16, line 40, delete "authority" and insert "project"

Page 18, line 15, delete "(6,030,000)" and insert "(6,135,000)"

Page 36, after line 1, insert:

"This section does not apply to a public corporation governed by chapter 119."

Page 55, line 22, after the period insert "It may not renew a permit for burning wastes containing 50 ppm or greater PCBs if an environmental impact statement was not completed for the initial permit or an earlier renewal."

Page 116, delete lines 26 to 28

Page 117, line 14, delete "Sections" and insert "Section" and delete ", 77, and 78 are" and insert "is"

Page 169, delete section 45

Page 186, delete lines 32, 33, and 36

Page 187, line 17, after "80" insert ", 84, and 85"

ReNUMBER the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Kahn moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 9, line 57, delete "2" and insert "1"

The motion prevailed and the amendment was adopted.

Kelso, Kahn and Macklin moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 6, after line 6, insert:

"(d) \$67,000 is appropriated to Scott county for deposit in the county general fund for expenses incurred."

Adjust figures accordingly

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

McEachern moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 30, delete section 39

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 McEachern amendment and the roll was called. There were 46 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Bauerly	Kalis	Nelson, C.	Pelowski	Tjornhom
Begich	Kelso	Nelson, K.	Poppenhagen	Tompkins
Bertram	Kostohryz	Neuenschwander	Price	Uphus
Dauner	Lieder	O'Connor	Quinn	Wagenius
Dempsey	Limmer	Ogren	Rest	Waltman
Heap	McEachern	Olsen, S.	Rukavina	Wenzel
Jacobs	McPherson	Olson, E.	Runbeck	
Jaros	Morrison	Onnen	Sarna	
Jennings	Munger	Orenstein	Schreiber	
Johnson, R.	Murphy	Ozment	Sviggum	

Those who voted in the negative were:

Abrams	Forsythe	Kahn	Otis	Solberg
Anderson, G.	Frederick	Kinkel	Pauly	Sparby
Battaglia	Frerichs	Knickerbocker	Pellow	Stanius
Bennett	Girard	Krueger	Peterson	Swenson
Bishop	Greenfield	Long	Pugh	Trimble
Blatz	Gruenes	Lynch	Redalen	Tunheim
Boo	Gutknecht	Macklin	Reding	Valento
Burger	Hartle	Marsh	Richter	Weaver
Carlson, D.	Haukoos	McDonald	Rodosovich	Welle
Carlson, L.	Hausman	McGuire	Schafer	Williams
Carruthers	Henry	Miller	Scheid	Winter
Clark	Himle	Olson, K.	Seaberg	Spk. Vanasek
Dawkins	Hugoson	Omann	Segal	
Dille	Janezich	Osthoff	Simoneau	
Dorn	Johnson, V.	Ostrom	Skoglund	

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

Johnson, R., moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 48, after line 33, insert:

"Sec. 69. Minnesota Statutes 1989 Supplement, section 43A.24, is amended by adding a subdivision to read:

Subd. 2a. [OTHER ELIGIBLE PERSONS.] An executive branch employee is eligible for state-paid hospital, medical and dental benefits if the person: (1) is eligible for state-paid insurance under section 43A.18 or other law; (2) has at least 25 years of state service; (3) upon retirement is immediately eligible for a retirement annuity; (4) is at least 55 and not yet 65 years of age; and (5) retires after the effective date of this section and before July 1, 1990. This subdivision does not apply to an employee previously, currently, or prospectively eligible for any form of early retirement incentive under the provisions of any collective bargaining agreement or plan established under section 43A.18, except for employees covered by subdivision 2, clause (i). For purposes of this subdivision, a person retires when the person terminates active employment in state service and applies for a retirement annuity. The retired employee shall be eligible for coverages to which the person was entitled at

the time of retirement, subject to any changes in coverage through collective bargaining or plans established under section 43A.18 for employees in positions equivalent to that from which they retired. The retired employee is not eligible for state paid life insurance. Eligibility ceases when the retired employee attains the age of 65, or when the employee chooses not to receive the annuity for which the employee has applied, or the employee is eligible for employer-paid health insurance from a new employer. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program."

Page 116, after line 13, insert:

"Sec. 159. [BASE REDUCTION.]

The position of any person who retires under section 69 may not be included in an agency's budget base for the biennium beginning July 1, 1991. An agency that wishes to retain the position must submit the proposal to the legislature as a change level request."

Page 117, after line 13, insert:

"Section 69 is effective the day after final enactment."

Renumber sections accordingly

Correct internal cross references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Kahn moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 115, line 5, after "account" insert "; the Greater Minnesota Corporation; the Iron Range resources and rehabilitation board; and the World Trade Center"

Page 143, line 36, after "account" insert "; the Greater Minnesota Corporation; the Iron Range resources and rehabilitation board; and the World Trade Center"

The motion prevailed and the amendment was adopted.

Ogren; Jacobs; Begich; Scheid; Janezich; Carruthers; Rest; Long; Milbert; Brown; Olson, E.; Vellenga; Nelson, K.; Bertram; Welle and

Kelly moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Pages 84 to 86, delete section 113-

Pages 90 to 92, delete sections 119 and 120

Page 117, line 1, delete "Minnesota Statutes Second"

Page 117, line 2, delete "1989 Supplement, section 3.885, subdivision 1a;"

Page 117, delete lines 19 and 20

Renumber sections in sequence

Correct internal references

Amend the title as follows:

Page 2, line 13, delete "290A.19;"

Page 2, line 15, delete "297.04, subdivision 4;"

Page 2, line 63, delete "subdivisions 3, 5, and 6" and insert "subdivision 3"

Page 3, line 4, delete "297C,"

A roll call was requested and properly seconded.

The question was taken on the Ogren et al amendment and the roll was called. There were 109 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dempsey	Janezich	Macklin	Olsen, S.
Anderson, R.	Dorn	Jefferson	Marsh	Olson, E.
Battaglia	Forsythe	Johnson, A.	McDonald	Omann
Bauerly	Frederick	Johnson, R.	McEachern	Onnen
Begich	Frerichs	Johnson, V.	McGuire	Orenstein
Bennett	Girard	Kalis	McPherson	Osthoff
Bertram	Gruenes	Kelly	Milbert	Ostrom
Blatz	Gutknecht	Kelso	Miller	Otis
Boo	Hartle	Kinkel	Morrison	Ozment
Brown	Hasskamp	Kostohryz	Munger	Pappas
Burger	Haukoos	Krueger	Murphy	Pauly
Carlson, L.	Hausman	Lasley	Nelson, C.	Pellow
Carruthers	Henry	Lieder	Nelson, K.	Pelowski
Clark	Himle	Limmer	Neuenschwander	Peterson
Cooper	Hugoson	Long	O'Connor	Poppenhagen
Dauner	Jacobs	Lynch	Ogren	Price

Pugh	Rukavina	Seaberg	Tompkins	Welle
Quinn	Runbeck	Segal	Trimble	Wenzel
Reding	Sarna	Stanius	Tunheim	Williams
Rest	Schafer	Swiggum	Uphus	Winter
Richter	Scheid	Swenson	Valento	Spk. Vanasek
Rodosovich	Schreiber	Tjornhom	Weaver	

Those who voted in the negative were:

Bishop	Dawkins	Greenfield	Simoneau	Wagenius
Carlson, D.	Dille	Kahn	Skoglund	

The motion prevailed and the amendment was adopted.

Johnson, R.; Neuenschwander; Carlson, D.; Janezich; Rukavina; Nelson, C.; Uphus; Solberg; Sparby; Peterson; Welle; Anderson, R.; Kinkel; Boo; Olson, E., and Ogren moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 13, after line 25, insert:

“(m) The commissioner shall study and report to the legislature by January 1, 1991, a plan to establish family licenses to take small game, and family licenses to take large game. The study and report must include the cost implications to the state of establishing this type of license fee structure, and the cost savings to families.”

The motion prevailed and the amendment was adopted.

Ogren and Solberg moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 11, delete lines 40 to 42

Page 115, line 27, delete the semicolon and insert a period

Page 115, delete lines 28 to 32

Renumber the clauses in sequence

Adjust figures accordingly

Correct internal references

The motion prevailed and the amendment was adopted.

Long, Rest, Rice, Scheid and Greenfield moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 6, delete line 15

Page 6, line 16, delete "center"

The motion prevailed and the amendment was adopted.

Reding moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Delete article 1, sections 29, 107, and 157

Page 116, delete lines 15 to 21 and re-letter subsequent paragraphs

Page 116, line 22, delete "(b)"

Page 116, line 33, delete "256.481; and 256.482, as amended;"

Renumber the sections accordingly

Correct internal cross-references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Reding amendment and the roll was called. There were 96 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olson, K.	Sparby
Anderson, R.	Frerichs	Kinkel	Omann	Stanius
Battaglia	Girard	Kostohryz	Onnen	Sviggum
Bauerly	Greenfield	Krueger	Orenstein	Swenson
Begich	Gruenes	Limmer	Ostrom	Tjornhom
Bennett	Gutknecht	Lynch	Ozment	Tompkins
Bertram	Hartle	Macklin	Pauly	Trimble
Blatz	Hasskamp	Marsh	Pellow	Tunheim
Boo	Haukoos	McDonald	Pelowski	Uphus
Brown	Hausman	McEachern	Pugh	Valento
Burger	Henry	McGuire	Quinn	Vellenga
Carlson, L.	Himle	McPherson	Reding	Wagenius
Carruthers	Hugoson	Miller	Richter	Weaver
Cooper	Jacobs	Munger	Rodosovich	Wenzel
Dauner	Janezich	Murphy	Rukavina	Williams
Dawkins	Jaros	Nelson, C.	Runbeck	Winter
Dempsey	Jefferson	Nelson, K.	Sarna	
Dille	Johnson, A.	O'Connor	Schafer	
Dorn	Johnson, V.	Ogren	Seaberg	
Forsythe	Kelly	Olsen, S.	Skoglund	

Those who voted in the negative were:

Anderson, G.	Kahn	Milbert	Otis	Solberg
Carlson, D.	Kalis	Neuenschwander	Peterson	Welle
Heap	Knickerbocker	Olson, E.	Scheid	Spk. Vanasek
Jennings	Lieder	Osthoff	Schreiber	

The motion prevailed and the amendment was adopted.

Kelly moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Pages 49 and 50, delete section 70

Renumber the sections in article 1 in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

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

Cooper and Williams moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 15, after line 6, insert:

“(g) This appropriation for fiscal year 1991 is for a grant to a city with a population under 600 that took part in the municipal litigation loan program under Laws 1988, chapter 686, article 1, section 69. Of this amount, \$113,771 is to reimburse the city for litigation costs and \$75,000 is to pay a court-ordered settlement.”

188,771

Page 17, after line 50, insert:

“(d) The pollution control agency shall forgive a loan of \$42,659.50 made to a city with a population under 600 under the municipal litigation loan program under Laws 1988, chapter 686, article 1, section 69.”

Adjust the figures accordingly

The question was taken on the Cooper and Williams amendment and the roll was called. There were 45 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jacobs	Miller	Otis	Sviggum
Anderson, R.	Janezich	Murphy	Pelowski	Trimble
Bauerly	Kalis	Nelson, C.	Pugh	Tunheim
Bertram	Kelso	Neuenschwander	Quinn	Uphus
Brown	Kinkel	Ogren	Reding	Waltman
Carlson, L.	Knickerbocker	Olson, E.	Rukavina	Welle
Cooper	McEachern	Olson, K.	Sarna	Wenzel
Dauner	McGuire	Onnen	Scheid	Williams
Dorn	Milbert	Ostrom	Solberg	Winter

Those who voted in the negative were:

Abrams	Ferichs	Kahn	Orenstein	Simoneau
Battaglia	Girard	Krueger	Osthoff	Skoglund
Begich	Gruenes	Lasley	Ozment	Sparby
Bennett	Gutknecht	Lieder	Pellow	Stanius
Bishop	Hartle	Limmer	Peterson	Swenson
Blatz	Haukoos	Lynch	Poppenhagen	Tjornhom
Boo	Hausman	Macklin	Price	Tompkins
Burger	Heap	Marsh	Redalen	Valento
Carlson, D.	Henry	McDonald	Rest	Wagenius
Carruthers	Himle	McPherson	Rice	Weaver
Clark	Hugoson	Morrison	Richter	Spk. Vanasek
Dawkins	Jaros	Munger	Rodosovich	
Dempsey	Johnson, A.	O'Connor	Runbeck	
Forsythe	Johnson, R.	Olsen, S.	Schafer	
Frederick	Johnson, V.	Omann	Seaberg	

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

Quinn, Stanius, Kostohryz and Kelly moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 10, line 38, delete "criminal"

Page 10, line 39, delete "division" and insert "for the purpose of auditing lawful gambling"

Page 10, line 40, delete "The"

Page 10, delete lines 41 to 56

Page 81, delete section 109

Page 93, delete section 123

Re-number the sections in sequence

Correct internal references

Adjust figures accordingly

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Quinn et al amendment and the roll was called. There were 60 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dauner	Kelly	Ogren	Rodosovich
Anderson, R.	Dempsey	Kinkel	Olsen, S.	Rukavina
Bauerly	Dorn	Lasley	Olson, E.	Sarna
Begich	Frederick	Lieder	Olson, K.	Seaberg
Bennett	Frerichs	Limmer	Omann	Stanius
Bertram	Girard	Marsh	Onnen	Svigum
Blatz	Hasskamp	McDonald	Otis	Swenson
Boo	Haukoos	McEachern	Ozment	Tjornhom
Brown	Jacobs	McPherson	Pellow	Uphus
Burger	Janezich	Nelson, C.	Pelowski	Valento
Carruthers	Jefferson	Neuenschwander	Quinn	Winter
Cooper	Johnson, R.	O'Connor	Richter	Spk. Vanasek

Those who voted in the negative were:

Abrams	Hausman	McGuire	Redalen	Tompkins
Battaglia	Himle	Milbert	Reding	Tunheim
Bishop	Hugoson	Miller	Rest	Vellenga
Carlson, D.	Jaros	Morrison	Rice	Wagenius
Carlson, L.	Jennings	Murphy	Runbeck	Waltman
Clark	Johnson, A.	Nelson, K.	Schafer	Weaver
Dawkins	Johnson, V.	Orenstein	Scheid	Welle
Dille	Kahn	Osthoff	Schreiber	Wenzel
Forsythe	Kalis	Ostrom	Segal	Williams
Greenfield	Knickerbocker	Pappas	Simoneau	
Gruenes	Krueger	Peterson	Skoglund	
Gutknecht	Long	Poppenhagen	Solberg	
Hartle	Lynch	Pugh	Sparby	

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

Rice, Kahn and Simoneau moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 7, line 5, after "from" insert "the department of public safety and"

Page 10, line 40, delete "The"

Page 10, delete lines 41 to 44

Page 10, line 45, delete "gambling."

The motion prevailed and the amendment was adopted.

Orenstein, Osthoff, Seaberg, Solberg and Kahn moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 5, after line 34, insert:

"(c) The state court administrator, as part of the planning for state takeover of court financing, shall report to the legislature by February 1, 1991, on the proper role and compensation of court reporters."

Page 142, line 33, after "23," delete "24, and 25" and insert "and 24"

The motion prevailed and the amendment was adopted.

Rukavina; Battaglia; Solberg; Stanius; Anderson, R.; Abrams; Janezich; Carlson, D.; Begich; Murphy; Limmer; Jaros; Kinkel and Hasskamp moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Pages 51 and 52, delete section 72

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 Rukavina et al amendment and the roll was called. There were 89 yeas and 23 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Brown	Dorn	Himle	Johnson, V.
Battaglia	Burger	Forsythe	Hugoson	Kelso
Bauerly	Carlson, D.	Frerichs	Janezich	Kinkel
Begich	Carlson, L.	Hartle	Jaros	Lasley
Bennett	Carruthers	Hasskamp	Jefferson	Lieder
Bertram	Cooper	Haukoos	Jennings	Limmer
Blatz	Dauner	Hausman	Johnson, A.	Lynch
Boo	Dawkins	Henry	Johnson, R.	Macklin

Marsh	O'Connor	Pelowski	Runbeck	Trimble
McDonald	Ogren	Peterson	Sarna	Uphus
McGuire	Olson, E.	Poppenhagen	Schafer	Valento
McPherson	Olson, K.	Pugh	Seaberg	Vellenga
Milbert	Omann	Reding	Solberg	Wagemus
Miller	Onnen	Rest	Stanius	Waltman
Morrison	Orenstein	Rice	Sviggum	Weaver
Murphy	Ostrom	Richter	Swenson	Wenzel
Nelson, C.	Pauly	Rodosovich	Tjornhom	Winter
Neuenschwander	Pellow	Rukavina	Tompkins	

Those who voted in the negative were:

Bishop	Gruenes	Knickerbocker	Pappas	Sparby
Clark	Heap	McEachern	Scheid	Tunheim
Dempsey	Jacobs	Munger	Segal	Welle
Frederick	Kahn	Nelson, K.	Simoneau	
Girard	Kalis	Olsen, S.	Skoglund	

The motion prevailed and the amendment was adopted.

Begich, Solberg, Battaglia, Janezich and Rukavina moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 108, delete section 143

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 Begich et al amendment and the roll was called. There were 46 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	McEachern	Otis	Sviggum
Anderson, R.	Gruenes	McGuire	Pelowski	Trimble
Battaglia	Hasskamp	Milbert	Pugh	Uphus
Begich	Jacobs	Murphy	Quinn	Valento
Boo	Janezich	Nelson, C.	Rest	Wenzel
Brown	Jaros	O'Connor	Rice	Winter
Carruthers	Johnson, R.	Ogren	Rukavina	
Cooper	Kelso	Olson, E.	Sarna	
Dauner	Kinkel	Olson, K.	Seaberg	
Dempsey	Lieder	Orenstein	Solberg	

Those who voted in the negative were:

Abrams	Greenfield	Limmer	Ozment	Skoglund
Bauerly	Gutknecht	Long	Pappas	Sparby
Bennett	Hartle	Lynch	Pauly	Stanius
Bertram	Haukoos	Macklin	Pellow	Swenson
Bishop	Hausman	Marsh	Peterson	Tjornhom
Blatz	Heap	McDonald	Poppenhagen	Tompkins
Burger	Henry	McPherson	Redalen	Tunheim
Carlson, D.	Himle	Miller	Reding	Vellenga
Carlson, L.	Hugoson	Morrison	Richter	Wagenius
Clark	Johnson, A.	Munger	Rodosovich	Waltman
Dawkins	Johnson, V.	Nelson, K.	Runbeck	Weaver
Dille	Kahn	Olsen, S.	Schafer	Welle
Forsythe	Kalis	Omann	Scheid	Williams
Frederick	Knickerbocker	Onnen	Schreiber	Spk. Vanasek
Frerichs	Krueger	Osthoff	Segal	
Girard	Lasley	Ostrom	Simoneau	

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

Nelson, K.; Tunheim; Hartle; Bauerly; McEachern and Schafer moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 4, delete lines 28 to 35

Adjust the totals accordingly

The motion prevailed and the amendment was adopted.

Carlson, D., moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 69, after line 29, insert:

"Sec. 97. 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, hear-

ing 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."

Page 116, after line 13, insert:

"Sec. 161. [SALE OF TAX-FORFEITED LAND; PINE COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 282.018, Pine county may sell the tax-forfeited lands bordering public waters that are described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general.

(c) The lands that may be conveyed are located in Pine county and are described as follows:

(1) In Windemere township, Lots 56, 57, and 58 on Sturgeon Island, Section 16, Township 45 North, Range 19 West;

(2) In the city of Willow River:

(i) Rearrangement of Auditor's Subdivision, Part of Lot 4, less the following: Commencing at the southeasterly corner of Lot 2, Block 2, Townsite of Willow River, running thence easterly on prolongation of southerly line of said Lot 2 150 feet to East bank of the creek running through said Auditor Lot 4, thence southerly along East bank of creek to South line of Section 2, Township 44 North, Range 20 West, thence westerly along said South line to point of intersection with easterly line of Willow Street in Townsite of Willow River thence northerly along East line of Willow Street 304.5 feet, more or

less, to Southwest corner of Auditor Lot 6 thence easterly 150 feet to prolongation of easterly line of said Auditor Lot 6 thence northerly 119 feet to point of beginning. Rearrangement of Auditor's Subdivision of Section 2, Township 44 North, Range 20 West; and

(ii) Part of Lot 15, viz: Beginning at the Northeast corner of Lot 4, Block 2, Townsite of Willow River, thence along North line of Lot 15, Rearrangement of Auditor's Subdivision of Section 2, Township 44 North, Range 20 West, to Creek, South along Creek approximately 75 feet, thence westerly to Southeast corner of Lot 4, Block 2, Townsite of Willow River and East 75 feet to point of beginning, Rearrangement of Auditor's Subdivision of Section 2, Township 44 North, Range 20 West.

(3) In Windemere township, Part of Government Lot 8 viz: Beginning at a point on the South line 1336.15 feet West of the Southeast corner thereof, thence to the right an angle of 77 degrees, 27 minutes, for a distance of 406.12 feet, more or less, to shore of Sand Lake, thence southwesterly on shore 620 feet, more or less, to South line of Lot 8, thence East 568.44 feet, more or less, to point of beginning, less 1.22 acres to Vogel and 0.37 acre to Lund and less 0.24 acre to Lund; all in Section 6, Township 45 North, Range 19 West.

(4) In Windemere township, Part of East 50 feet of West 100 feet of Government Lot 8 lying North of a line described as follows: Beginning at a point on West boundary line of Lot 8, which is 1742 feet North of the Southwest corner of Section 4, Township 45 North, Range 19 West, measured along West boundary line thence north-easterly forming an angle of 53 degrees 21 minutes with West boundary line 124.6 feet, more or less, to point 100 feet East of West boundary line measured at right angles thereto on East line of land.

(d) The county has determined that the county's land management interests would best be served if the lands were privately owned."

Page 117, after line 25, insert:

"Section 161 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.

Stanisus, Frerichs and Schreiber moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 5, after line 18, insert:

"Legislative Budget Commission 200,000"

Page 17, line 6, delete "(4,046,000)" and insert "(4,246,000)"

Page 17, line 9, delete "(1,075,000)" and insert "(1,275,000)"

Page 29, after line 19, insert:

"Sec. 36. [3.888] [LEGISLATIVE BUDGET COMMISSION.]

Subdivision 1. [MEMBERSHIP.] The legislative budget commission consists of nine members of the senate and nine members of the house. Five of the senate members shall be appointed by the senate majority leader, and four of the senate members shall be appointed by the senate minority leader. Five of the house members shall be appointed by the speaker of the house, and four of the house members shall be appointed by the house minority leader. Each senate member must also be a member of the senate finance committee, and each house member must also be a member of the house appropriations committee. Vacancies on the commission are filled in the same manner as original appointments. The commission shall elect a chair and a vice-chair from among its members. The chair alternates between a member of the senate and a member of the house in January of each odd-numbered year.

Subd. 2. [COMPENSATION.] Members of the commission are compensated as provided by Minnesota Statutes, section 3.101.

Subd. 3. [LEGISLATIVE BUDGET OFFICE.] A legislative budget office is established to study issues and provide information to the legislature related to the state budget, and to assist the commission in its duties. The legislative budget office shall be supervised by the commission.

Subd. 4. [STAFF.] (a) The commission may:

(1) employ and fix the salaries of professional, technical, clerical, and other staff of the legislative budget office;

(2) employ and discharge staff solely on the basis of their fitness to perform their duties and without regard to political affiliation;

(3) buy necessary furniture, equipment, and supplies;

(4) enter into contracts for necessary services, equipment, office, and supplies;

(5) provide its staff with computer capability necessary to carry out assigned duties. The computer should be capable of receiving data and transmitting data to computers maintained by the executive and judicial departments of state government that are used for budgetary and revenue purposes; and

(6) use other legislative staff.

(b) The commission may hire an executive director, who shall also be the director of the legislative budget office, and delegate any of its authority under paragraph (a) to that person. The executive director shall be appointed by the chair and vice-chair to a four-year term, shall serve in the unclassified service, and is subject to removal by a majority vote of the members of either the senate or the house of representatives.

(c) The legislative coordinating commission shall provide office space and administrative support to the commission and the legislative budget office.

Subd. 5. [DUTIES.] The commission shall:

(1) conduct a thorough review of the budget base each year for programs comprising at least one-fourth of total state expenditures so that in a four-year period the budget base of every state program is reviewed;

(2) report the results of its review of the budget base to the senate finance committee and the house appropriations committee by February 1 of each year. This report shall specifically identify programs that have grown faster than the rate of inflation, and include recommendations on ways to limit that growth to the rate of inflation, including program elimination, program reduction, or privatization of public programs;

(3) provide state revenue and expenditure projections;

(4) review fiscal notes; and

(5) analyze and report on the operational efficiency of state agencies, including:

(i) effectiveness of internal organizational structures and reporting relationships;

(ii) appropriateness of staff size relative to tasks performed;

(iii) productivity of the agency work force;

(iv) operating expense comparisons among state agencies; and

(v) opportunities for greater cost efficiencies, including, but not limited to, job-merging, interdepartmental cooperation, public-private partnerships, and position phase-out.

The legislative budget office shall provide the public with copies of reports and information for the legislature. Copies must be provided at the actual cost of furnishing each copy.

Subd. 6. [AGENCIES TO COOPERATE.] (a) All departments, agencies, and education institutions of the executive and judicial branches must comply with a request of the commission for information, data, estimates, and statistics on the funding, revenue, operations, and other affairs of the department, agency, or education institution. The commissioner of finance and the commissioner of revenue shall provide the commission with full and free access to information, data, estimates, and statistics in the possession of the finance and revenue departments on the state budget, revenue, expenditures, and tax expenditures.

(b) The commissioner of finance shall assist the commission in conducting its review of the budget base of state programs and shall provide the commission with materials and information regarding the budget base that the commission requests.

(c) The commissioner of finance shall provide the commission with a quarterly state budget report on January 1, April 1, July 1, and November 1 of each year. The quarterly budget report shall include state revenue and expenditure projections and shall identify any programs where expenditures exceed appropriated amounts or, in the case of open appropriations or tax expenditures, where expenditures exceed projected amounts.

Sec. 37. Minnesota Statutes 1988, section 3.98, subdivision 1, is amended to read:

Subdivision 1. The head or chief administrative officer of each department or agency of the state government shall prepare a fiscal note at the request of the chair of the standing committee to which a bill has been referred, or the chair of the house appropriations committee, or the chair of the senate committee on finance, or the chair of the legislative budget commission.

Sec. 38. Minnesota Statutes 1988, section 3.98, subdivision 3, is amended to read:

Subd. 3. A copy of the fiscal note shall be delivered to the chair of

the appropriations committee of the house of representatives, the chair of the finance committee of the senate, the chair of the standing committee to which the bill has been referred, the chair of the legislative budget commission, to the chief author of the bill and to the commissioner of finance.”

Page 41, after line 17, insert:

“Sec. 62. Minnesota Statutes 1988, section 16A.11, is amended by adding a subdivision to read:

Subd. 3a. [BUDGET BASE REVIEW.] Each year the commissioner shall prepare detailed information on the budget base of state programs designated for review by the legislative budget commission. At the direction of the commission, the detailed information shall include:

- (1) a precise and complete description of the program;
- (2) the need the program is intended to address;
- (3) the recommended goals and measurable objectives of the program to meet those needs;
- (4) program outcomes and measures which identify:
 - (i) results in meeting stated needs, goals, and objectives;
 - (ii) administrative efficiency, which, when appropriate, shall include number of program staff and clients served, timeliness in processing clients, and rates and administrative cost as a percent of total program expenditures;
 - (iii) unanticipated program outcomes;
 - (iv) detailed program expenditures compared with program appropriations;
 - (v) historical cost trends and projected program growth, including reasons for fiscal and program growth, for all levels of government involved in the program;
 - (vi) if rules or guidelines or instructions have been promulgated for a program, a review of their efficacy in helping to meet program goals and objectives and in administering the program in a cost-effective way; and
 - (vii) quality control monitoring and sanctions including a review of the level of training, experience, skill, and standards of staff;

(5) recommended changes in the program that would lead to its policy objectives being achieved more efficiently or effectively, or at lower cost;

(6) identification of programs where expenditure growth exceeds the rate of inflation, and consideration of alternatives to limit that growth to the rate of inflation, including program elimination, program reduction, and privatization of public programs; and

(7) additional information requested by the commission."

Page 42, after line 35, insert:

"Sec. 67. Minnesota Statutes 1988, section 16A.15, subdivision 1, is amended to read:

Subdivision 1. [REDUCTION.] (a) If the commissioner determines that probable receipts for the general fund will be less than anticipated, and that the amount available for the remainder of the biennium will be less than needed, and that the conditions specified in subdivision 6a for reducing the amount in the budget reserve account established in subdivision 6a are met, the commissioner shall, with the approval of the governor, and after consulting the legislative advisory commission, reduce the amount in the budget and cash flow reserve account established in subdivision 6 as needed to balance expenditures with revenue by the amount permitted in subdivision 6a to increase revenue available to meet expenditures.

(b) ~~An additional~~ Any remaining deficit that exists after determining the amount, if any, that can be drawn from the budget reserve account under the provisions of subdivision 6a shall, with the approval of the governor, and after consulting the legislative advisory commission, be made up by reducing unexpended allotments of any prior appropriation or transfer. Notwithstanding any other law to the contrary, the commissioner is empowered to defer or suspend prior statutorily created obligations which would prevent effecting such reductions.

(c) If the commissioner determines that probable receipts for any other fund, appropriation, or item will be less than anticipated, and that the amount available for the remainder of the term of the appropriation or for any allotment period will be less than needed, the commissioner shall notify the agency concerned and then reduce the amount allotted or to be allotted so as to prevent a deficit.

(d) In reducing allotments, the commissioner may consider other sources of revenue available to recipients of state appropriations and may apply allotment reductions based on all sources of revenue available.

(e) In like manner, the commissioner shall reduce allotments to an agency by the amount of any saving that can be made over previous spending plans through a reduction in prices or other cause.

Sec. 68. Minnesota Statutes Second 1989 Supplement, section 16A.15, subdivision 6, is amended to read:

Subd. 6. [BUDGET AND CASH FLOW RESERVE ACCOUNT.] A budget and cash flow reserve account is created in the general fund in the state treasury. The commissioner of finance shall, as authorized from time to time by law, restrict part or all of the budgetary balance in the general fund for use as the budget and cash flow reserve account. The commissioner of finance shall transfer to the budget and cash flow reserve account such amounts as are available to bring the total amount, including any existing balance in the account on June 30, 1989, to \$550,000,000 \$200,000,000. The amounts restricted shall remain in the account until drawn down under the provisions of this subdivision ~~1~~ or increased under section 16A.1541.

The amount in the cash flow reserve account must be used only to meet temporary cash flow needs in the general fund. The amount in the cash flow reserve account must not be used to supplement general fund revenues when the amount available for the rest of the biennium is less than needed.

Sec. 69. Minnesota Statutes 1988, section 16A.15, is amended by adding a subdivision to read:

Subd. 6a. [BUDGET RESERVE ACCOUNT.] The legislature finds that a budget reserve is necessary to protect the state budget and the recipients of state-funded services from severe fluctuations in revenue available due to fluctuations in the economy and the difficulty of accurately estimating revenues in advance of their receipt. The legislature further finds that a budget reserve equal to five percent of the state's annual general fund expenditures and transfers is a suitable amount. A budget reserve account is created in the general fund in the state treasury. The commissioner of finance shall, as authorized from time to time by law, restrict part of the budgetary balance in the general fund for use as the budget reserve account. The commissioner of finance shall transfer to the budget reserve account such amounts as are available to bring the total amount to \$350,000,000. This amount shall exclude the amount of the cash flow reserve account created under subdivision 6. Beginning July 1, 1991, interest and investment earnings attributable to the amount in the budget reserve account shall accrue to that account. The amounts restricted as the budget reserve account shall remain in the account until drawn down under the provisions of this subdivision and subdivision 1.

The amount in the budget reserve account shall be reduced and

used to balance expenditures with revenue only to meet shortfalls due to revenue collections that are less than was projected. The budget reserve account shall not be used to balance expenditures with revenue to the extent that the shortfall was caused by expenditures that exceed estimates.

If a revenue collection shortfall occurs during a biennium that is less than \$150,000,000, no amount shall be drawn from the budget reserve account. If a revenue collection shortfall occurs that is more than \$150,000,000, an amount shall be drawn from the budget reserve account equal to (1) one-half of the amount by which the revenue collection shortfall exceeds \$150,000,000, but is less than \$450,000,000, plus (2) the amount by which the revenue collection shortfall exceeds \$450,000,000.

Sec. 70. Minnesota Statutes Second 1989 Supplement, section 16A.1541, is amended to read:

16A.1541 [ADDITIONAL REVENUES; PRIORITY.]

If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to the budget and cash flow reserve account until the total amount in the account equals five percent of total general fund appropriations for the current biennium fiscal year as established by the most recent legislative session legislature. Beginning in November 1990 1991, forecast unrestricted budgetary general fund balances are first appropriated to reduce the property tax levy recognition percent under section 121.904, subdivision 4a, to 27 percent before money is allocated to the budget and cash flow reserve account under the preceding sentence.

The amounts necessary to meet the requirements of this section are appropriated from the general fund."

Renumber remaining sections

Amend the title

A roll call was requested and properly seconded.

The question was taken on the Stanius et al amendment and the roll was called. There were 55 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Johnson, V.	Omann	Schreiber
Anderson, G.	Frerichs	Knickerbocker	Onnen	Seaberg
Anderson, R.	Girard	Limmer	Otis	Stanius
Bennett	Gruenes	Lynch	Ozment	Sviggum
Bishop	Gutknecht	Macklin	Pauly	Swenson
Blatz	Haukoos	Marsh	Pellow	Tjornhom
Boo	Heap	McDonald	Poppenhagen	Tompkins
Burger	Henry	McPherson	Redalen	Uphus
Dempsey	Himle	Miller	Richter	Valento
Dille	Hugoson	Morrison	Runbeck	Waltman
Forsythe	Jennings	Olsen, S.	Schafer	Weaver

Those who voted in the negative were:

Battaglia	Hausman	McEachern	Pappas	Solberg
Bauerly	Jacobs	McGuire	Pelowski	Sparby
Begich	Janezich	Milbert	Peterson	Trimble
Bertram	Jefferson	Munger	Price	Tunheim
Brown	Johnson, A.	Murphy	Pugh	Vellenga
Carlson, L.	Johnson, R.	Nelson, C.	Quinn	Wagenius
Carruthers	Kahn	Nelson, K.	Reding	Welle
Clark	Kalis	Neuenschwander	Rest	Wenzel
Cooper	Kelly	O'Connor	Rice	Williams
Dauner	Kelso	Ogren	Rodosovich	Winter
Dawkins	Kinkel	Olson, E.	Sarna	Spk. Vanasek
Dorn	Krueger	Olson, K.	Scheid	
Greenfield	Lasley	Orenstein	Segal	
Hartle	Lieder	Osthoff	Simoneau	
Hasskamp	Long	Ostrom	Skoglund	

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

Schreiber moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 9, line 17, after "committees" insert "a revenue forecast and"

The motion prevailed and the amendment was adopted.

Knickerbocker moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 21, after line 33, insert:

"Sec. 32. Minnesota Statutes 1988, section 2.021, is amended to read:

2.021 [NUMBER OF MEMBERS.]

For each legislature, until a new apportionment shall have been made, the senate is composed of ~~67~~ 49 members and the house of representatives is composed of ~~134~~ 98 members.

Sec. 33. Minnesota Statutes 1988, section 2.031, subdivision 1, is amended to read:

Subdivision 1. [LEGISLATIVE DISTRICTS.] The representatives in the senate and house of representatives are apportioned throughout the state in 67 a number of senate districts and 134 house districts equal to the number of members set in section 2.021. Each senate district is entitled to elect one senator and each house district is entitled to elect one representative."

Page 117, after line 11, insert:

"Sections 32 and 33 are effective for the first legislative elections following the apportionment of legislative districts based on the 1990 federal census."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Knickerbocker amendment and the roll was called. There were 57 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Gruenes	Lynch	Onnen	Seaberg
Bennett	Gutknecht	Macklin	Ozment	Stanius
Bishop	Haukoos	Marsh	Pauly	Sviggum
Blatz	Heap	McDonald	Pellow	Swenson
Boo	Henry	McEachern	Poppenhagen	Tjornhom
Burger	Himle	McGuire	Price	Uphus
Carlson, D.	Hugoson	McPherson	Quinn	Valento
Dempsey	Jacobs	Miller	Rest	Waltman
Forsythe	Jaros	Morrison	Runbeck	Weaver
Frederick	Jennings	O'Connor	Sarna	
Frerichs	Knickerbocker	Olsen, S.	Schafer	
Girard	Limmer	Omann	Schreiber	

Those who voted in the negative were:

Abrams	Dorn	Lasley	Ostrom	Solberg
Anderson, R.	Greenfield	Lieder	Otis	Sparby
Battaglia	Hasskamp	Long	Pelowski	Tompkins
Bauerly	Hausman	Milbert	Peterson	Trimble
Begich	Janezich	Munger	Pugh	Tunheim
Bertram	Jefferson	Murphy	Reding	Wagenius
Brown	Johnson, A.	Nelson, C.	Rice	Welle
Carlson, L.	Johnson, R.	Nelson, K.	Richter	Wenzel
Carruthers	Johnson, V.	Neuenschwander	Rodosovich	Williams
Clark	Kahn	Ogren	Rukavina	Winter
Cooper	Kalis	Olson, E.	Scheid	Spk. Vanasek
Dauner	Kelso	Olson, K.	Segal	
Dawkins	Kinkel	Orenstein	Simoneau	
Dille	Krueger	Osthoff	Skoglund	

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

Carlson, D.; Battaglia and Solberg moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 51, after line 31, insert:

“Sec. 72. [88.81] [FOREST MANAGEMENT PRACTICES IN LITIGATION.]

(a) The commissioner may not implement new or revised forest management practices as part of agreements relating to litigation unless:

(1) the forest management practices have been adopted by rule; and

(2) the commissioner has reported the forest management practices to the chairs of the environment and natural resources committees of the legislature at the next regular session of the legislature.

(b) The commissioner shall not take into consideration a proposed agreement or settlement in the rulemaking process.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

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

Macklin moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 35, line 26, after “to” insert “the minority leaders of the house and senate and”

Page 35, line 30, after “party” insert “and the factual basis supporting the appropriateness of the settlement” and delete everything after the period and insert “The report must be made”

A roll call was requested and properly seconded.

The question was taken on the Macklin amendment and the roll was called. There were 55 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Johnson, V.	Olsen, S.	Schreiber
Anderson, R.	Frerichs	Knickerbocker	Omann	Seaberg
Bishop	Girard	Limmer	Onnen	Stanius
Blatz	Gruenes	Lynch	Ozment	Svigum
Boo	Gutknecht	Macklin	Pauly	Swenson
Burger	Hartle	Marsh	Pellow	Tjornhom
Carlson, D.	Haukoos	McDonald	Poppenhagen	Tompkins
Dempsey	Heap	McGuire	Redalen	Uphus
Dille	Henry	McPherson	Richter	Valento
Dorn	Himle	Miller	Runbeck	Waltman
Forsythe	Hugoson	Morrison	Schafer	Weaver

Those who voted in the negative were:

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

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

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

Long and Ogren moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 38, delete lines 7 to 21 and insert:

"(1) the appropriate distribution of service delivery and revenue raising responsibilities between state and local government;

(2) the extent to which programs required by state law influence the cost of local government operations; and

(3) the degree to which the state should subsidize local government operations and provide property tax relief."

Page 38, line 23, delete "20" and insert "16"

Page 38, delete lines 25 to 36

Page 39, delete lines 1 to 7 and insert:

“(1) six persons appointed by the governor, one of whom shall be designated by the governor to serve as chair;

(2) five persons appointed by the senate in a manner provided by the senate committee on rules and administration, appointees may include members of the senate; and

(3) five persons appointed by the house in a manner as provided by the house rules committee, appointees may include members of the house.

Subd. 3. [OUTSIDE RESOURCES.] The commission is encouraged to appoint advisory committees consisting of other interested legislators and representatives of local governments, employee organizations, legislative and executive staff, and other groups and institutions interested in intergovernmental finance. The commission may seek funding and other resources from legislative committees, state agencies, higher education institutions, and private sources.”

Page 39, line 8, delete “3” and insert “4”

Page 39, line 13, delete “4” and insert “5”

Page 39, delete lines 31 to 36

Page 40, delete lines 1 to 10 and insert:

“Subd. 6. [RECOMMENDATIONS.] The commission shall make recommendations for improvements in the system of intergovernmental finance consistent with the general purposes listed in section 56, subdivision 1.

Subd. 7. [REPORTS.] The commission shall report regularly to the governor and the legislative commission on planning and fiscal policy. The legislative commission on planning and fiscal policy shall monitor the work of the commission and may recommend amendments to the commission's work plan. A final report shall be submitted to the legislature by September 1, 1991.”

A roll call was requested and properly seconded.

Long moved to amend the Long and Ogren amendment to H. F. No. 2419, the first engrossment, as amended, as follows:

Page 1, delete lines 16 to 18, the new clause (2) that reads "(2) five persons appointed by the senate in a manner provided by the senate committee on rules and administration; appointees may include members of the senate; and" and insert:

"(2) five persons appointed by the senate in a manner provided by the senate committee on rules and administration; and"

Page 1, delete lines 19 to 21, the new clause (3) that reads "(3) five persons appointed by the house in a manner as provided by the house rules committee, appointees may include members of the house." and insert:

"(3) five persons appointed by the speaker of the house."

The motion prevailed and the amendment to the amendment was adopted.

Bishop requested a division of the Long and Ogren amendment, as amended.

The first portion of the Long and Ogren amendment, as amended, to H. F. No. 2419, the first engrossment, as amended, reads as follows:

Page 38, delete lines 7 to 21 and insert:

"(1) the appropriate distribution of service delivery and revenue raising responsibilities between state and local government;

(2) the extent to which programs required by state law influence the cost of local government operations; and

(3) the degree to which the state should subsidize local government operations and provide property tax relief."

A roll call was requested and properly seconded.

The question was taken on the first portion of the Long and Ogren amendment, as amended, and the roll was called. There were 106 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Blatz	Cooper	Forsythe	Hartle
Anderson, R.	Burger	Dauner	Frederick	Hasskamp
Bauerly	Carlson, L.	Dawkins	Frerichs	Haukoos
Begich	Carruthers	Dille	Greenfield	Hausman
Bertram	Clark	Dorn	Gruenes	Heap

Henry	Lynch	Olsen, S.	Redalen	Tjornhom
Jacobs	Macklin	Olson, E.	Reding	Tompkins
Janezich	Marsh	Olson, K.	Rest	Trimble
Jefferson	McDonald	Onnen	Rice	Uphus
Jennings	McEachern	Orenstein	Richter	Valento
Johnson, A.	McGuire	Ostrom	Rodosovich	Vellento
Johnson, R.	McPherson	Otis	Rukavina	Wagenius
Johnson, V.	Milbert	Ozment	Rumbeck	Waitman
Kalis	Miller	Pappas	Sarna	Welle
Kelly	Morrison	Pauly	Schafer	Wenzel
Kelso	Munger	Pellow	Seaberg	Williams
Kinkel	Murphy	Pelowski	Simoneau	Winter
Knickerbocker	Nelson, C.	Peterson	Skoglund	Spk. Vanasek
Krueger	Nelson, K.	Poppenhagen	Solberg	
Lasley	Neuenschwander	Price	Sparby	
Lieder	O'Connor	Pugh	Stanius	
Long	Ogren	Quinn	Sviggum	

Those who voted in the negative were:

Abrams	Girard	Kahn	Schreiber
Bishop	Gutknecht	Limmer	Segal
Boo	Hugoson	Omann	Swenson
Dempsey	Jaras	Scheid	Tunheim

The motion prevailed and the first portion of the Long and Ogren amendment, as amended, was adopted.

The second portion of the Long and Ogren amendment, as amended, to H. F. No. 2419, the first engrossment, as amended, reads as follows:

Page 38, line 23, delete "20" and insert "16"

Page 38, delete lines 25 to 36

Page 39, delete lines 1 to 7 and insert:

"(1) six persons appointed by the governor, one of whom shall be designated by the governor to serve as chair;

(2) five persons appointed by the senate in a manner provided by the senate committee on rules and administration; and

(3) five persons appointed by the speaker of the house.

Subd. 3. [OUTSIDE RESOURCES.] The commission is encouraged to appoint advisory committees consisting of other interested legislators and representatives of local governments, employee organizations, legislative and executive staff, and other groups and institutions interested in intergovernmental finance. The commission may seek funding and other resources from legislative committees, state agencies, higher education institutions, and private sources."

Page 39, line 8, delete "3" and insert "4"

Page 39, line 13, delete "4" and insert "5"

Page 39, delete lines 31 to 36

Page 40, delete lines 1 to 10 and insert:

"Subd. 6. [RECOMMENDATIONS.] The commission shall make recommendations for improvements in the system of intergovernmental finance consistent with the general purposes listed in section 56, subdivision 1.

Subd. 7. [REPORTS.] The commission shall report regularly to the governor and the legislative commission on planning and fiscal policy. The legislative commission on planning and fiscal policy shall monitor the work of the commission and may recommend amendments to the commission's work plan. A final report shall be submitted to the legislature by September 1, 1991."

A roll call was requested and properly seconded.

The question was taken on the second portion of the Long and Ogren amendment, as amended, and the roll was called. There were 55 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Bauerly	Hasskamp	Lieder	Olson, E.	Rodosovich
Begich	Hausman	Long	Olson, K.	Sarna
Bertram	Jacobs	McEachern	Orenstein	Segal
Brown	Jaros	McGuire	Ostrom	Solberg
Carlson, L.	Jefferson	Milbert	Pappas	Trimble
Carruthers	Johnson, A.	Munger	Pelowski	Tunheim
Clark	Johnson, R.	Murphy	Peterson	Vellenga
Cooper	Kalis	Nelson, C.	Price	Welle
Dawkins	Kelly	Nelson, K.	Pugh	Wenzel
Dorn	Krueger	O'Connor	Quinn	Winter
Greenfield	Lasley	Ogren	Rest	Spk. Vanasek

Those who voted in the negative were:

Abrams	Dille	Hugoson	Marsh	Ozment
Anderson, G.	Forsythe	Janezich	McDonald	Pauly
Anderson, R.	Frederick	Jennings	McPherson	Pellow
Battaglia	Frerichs	Johnson, V.	Miller	Poppenhagen
Bishop	Girard	Kahn	Morrison	Redalen
Blatz	Gruenes	Kelso	Neuenschwander	Reding
Boo	Gutknecht	Kinkel	Olsen, S.	Rice
Burger	Hartle	Knickerbocker	Omann	Richter
Carlson, D.	Haukoos	Limmer	Onnen	Runbeck
Dauner	Heap	Lynch	Osthoff	Schafer
Dempsey	Henry	Macklin	Otis	Scheid

Schreiber
Seaberg
Simoneau
Skoglund

Sparby
Stanius
Sviggum
Swenson

Tjornhom
Tompkins
Uphus
Valento

Wagenius
Waltman
Weaver
Williams

The motion did not prevail and the second portion of the Long and Ogren amendment, as amended, was not adopted.

Johnson, V.; Redalen and Carlson, D., moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 52, after line 19, insert:

“Sec. 74. Minnesota Statutes 1988, section 97C.001, subdivision 1, is amended to read:

Subdivision 1. [DESIGNATION.] The commissioner may designate all or part of a lake or stream as experimental waters, except for the streams located in Beaver Creek Valley State Park and Forestville State Park. The designated experimental waters may not exceed 100 lakes and 25 streams at one time. Only lakes and streams that have a public access may be designated. The commissioner shall establish methods and criteria for public initiation of experimental waters designation and for public participation in the evaluation of the waters designated.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

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

Valento moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 7, line 2, after the period insert:

“Notwithstanding any law to the contrary, the attorney general may not use this appropriation to override the actions of any county attorney's office in its drug enforcement activities.”

Page 10, delete lines 37 to 63 and insert:

“Charitable gaming educators and two support staff are added to the depart-

ment of revenue in a separate information unit. These staff persons must be knowledgeable in laws, rules, and procedures relating to charitable gaming and must be available solely to respond to inquiries from the public."

Adjust internal appropriations totals as required by this amendment

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 Valento amendment and the roll was called. There were 49 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Gruenes	McDonald	Pellow	Sviggum
Bertram	Hartle	McPherson	Poppenhagen	Swenson
Boo	Haukoos	Milbert	Quinn	Tjornhom
Burger	Heap	Miller	Redalen	Tompkins
Dempsey	Henry	Neuenschwander	Richter	Uphus
Dille	Hugoson	Olsen, S.	Runbeck	Valento
Forsythe	Johnson, V.	Omann	Schafer	Waltman
Frederick	Limmer	Onnen	Schreiber	Weaver
Frerichs	Lynch	Ozment	Seaberg	Wenzel
Girard	Macklin	Pauly	Stanius	

Those who voted in the negative were:

Abrams	Dorn	Knickerbocker	Olson, K.	Sarna
Anderson, G.	Greenfield	Krueger	Orenstein	Scheid
Battaglia	Gutknecht	Lasley	Osthoff	Segal
Bauerly	Hasskamp	Lieder	Ostrom	Simoneau
Begich	Hausman	Long	Otis	Skoglund
Bishop	Janezich	Marsh	Pappas	Solberg
Blatz	Jaros	McEachern	Pelowski	Sparby
Brown	Jefferson	McGuire	Peterson	Trimble
Carlson, D.	Jennings	Munger	Price	Tunheim
Carlson, L.	Johnson, A.	Murphy	Pugh	Vellenga
Carruthers	Johnson, R.	Nelson, C.	Reding	Wagenius
Clark	Kahn	Nelson, K.	Rest	Welle
Cooper	Kalis	O'Connor	Rice	Williams
Dauner	Kelso	Ogren	Rodosovich	Winter
Dawkins	Kinkel	Olson, E.	Rukavina	Spk. Vanasek

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

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

Lasley and Quinn moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 36, delete section 49

The motion prevailed and the amendment was adopted.

Sviggum moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 21, after line 33, insert:

“Sec. 32. [SALARY FREEZE.]

Notwithstanding any law to the contrary, the salary for a constitutional officer or a legislator in effect on June 30, 1990, shall remain in effect until January 1, 1993, without increase.”

Re-number 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 Sviggum amendment and the roll was called. There were 51 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Blatz	Gutknecht	McDonald	Pelowski	Swenson
Boo	Hartle	McGuire	Poppenhagen	Tjornhom
Dauner	Hasskamp	McPherson	Pugh	Tompkins
Dempsey	Haukoos	Miller	Redalen	Uphus
Dille	Heap	Olsen, S.	Richter	Valento
Dorn	Henry	Omann	Runbeck	Waltman
Forsythe	Hugoson	Onnen	Schafer	Weaver
Frederick	Johnson, V.	Ostrom	Schreiber	
Frerichs	Limmer	Ozment	Seaberg	
Girard	Lynch	Pauly	Stanius	
Gruenes	Marsh	Pellow	Sviggum	

Those who voted in the negative were:

Abrams	Bertram	Clark	Jefferson	Kelly
Anderson, G.	Bishop	Cooper	Jennings	Kelso
Anderson, R.	Brown	Dawkins	Johnson, A.	Kinkel
Battaglia	Carlson, D.	Greenfield	Johnson, R.	Knickerbocker
Bauerly	Carlson, L.	Hausman	Kahn	Krueger
Begich	Carruthers	Janezich	Kalis	Lasley

Lieder	Neuenschwander	Pappas	Sarna	Wagenius
Long	O'Connor	Peterson	Segal	Welle
McEachern	Ogren	Price	Simoneau	Wenzel
Morrison	Olson, E.	Quinn	Skoglund	Williams
Munger	Olson, K.	Reding	Solberg	Winter
Murphy	Orenstein	Rice	Sparby	Spk. Vanasek
Nelson, C.	Osthoff	Rodosovich	Tunheim	
Nelson, K.	Otis	Rukavina	Vellenga	

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

Kelly, Clark, Pappas, Vellenga, Dawkins, Reding, Jaros, Munger, Wagenius, Ogren, Jefferson, Sarna, Otis and Hausman moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 8, after line 48, insert:

“(i) General reduction (250,000)”

Page 9, after line 20, insert:

“(e) General reduction (450,000)”

Page 9, after line 44, insert:

“(f) Career (50,000)”
development grants reduction

Page 9, line 46, delete “(1,550,000)” and insert “(1,800,000)”

Page 18, delete lines 46 to 50

Adjust figures accordingly

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

Kalis moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 69, delete section 96

ReNUMBER the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Valento moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 12, after line 44, insert:

“(h) \$126,000 is appropriated from the general fund to the nongame fund to replace an appropriation authorized in Laws 1989, chapter 335, article 1, section 21, subdivision 11, to the committee for an international wolf center.”

Reletter the paragraphs in order

Page 17, line 9, delete “(\$1,075,000)” and insert “(\$1,201,000)”

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 47 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Gutknecht	Macklin	Pellow	Swenson
Blatz	Hartle	Marsh	Poppenhagen	Tjornhom
Carruthers	Haukoos	McDonald	Redalen	Tompkins
Dempsey	Heap	McPherson	Richter	Uphus
Dille	Henry	Miller	Runbeck	Valento
Forsythe	Hugoson	Morrison	Schafer	Waltman
Frederick	Johnson, R.	Neuenschwander	Schreiber	Weaver
Frerichs	Johnson, V.	Omann	Seaberg	
Girard	Limmer	Onnen	Stanisus	
Gruenes	Lynch	Ozment	Sviggum	

Those who voted in the negative were:

Abrams	Greenfield	Lieder	Osthoff	Scheid
Anderson, G.	Hasskamp	Long	Ostrom	Segal
Battaglia	Hausman	McEachern	Otis	Simoneau
Eauerly	Janezich	McGuire	Pappas	Skoglund
Begich	Jaros	Milbert	Pelowski	Solberg
Bertram	Jefferson	Munger	Peterson	Sparby
Bishop	Jennings	Murphy	Price	Trimble
Brown	Johnson, A.	Nelson, C.	Pugh	Tunheim
Carlson, D.	Kahn	Nelson, K.	Quinn	Vellenga
Carlson, L.	Kalis	O'Connor	Reding	Wagenius
Clark	Kelly	Ogren	Rest	Welle
Cooper	Kelso	Olsen, S.	Rice	Wenzel
Dauner	Kinkel	Olson, E.	Rodosovich	Williams
Dawkins	Krueger	Olson, K.	Rukavina	Winter
Dorn	Lasley	Orenstein	Sarna	Spk. Vanasek

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

Kalis moved to amend H. F. No. 2419, the first engrossment, as amended, as follows:

Page 16, after line 41, insert:

“(7) \$130,000 is for the commissioner of agriculture as supplemental funding to provide state aid to county and district agricultural societies under Minnesota Statutes, section 38.02, during the fiscal year ending June 30, 1991.”

Adjust figures accordingly

The question was taken on the Kalis amendment and the roll was called. There were 107 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Hartle	Marsh	Otis	Solberg
Battaglia	Haukoos	McDonald	Ozment	Sparby
Bauerly	Hausman	McEachern	Pappas	Stanius
Begich	Heap	McGuire	Pellow	Sviggum
Bertram	Henry	McPherson	Pelowski	Swenson
Bishop	Hugoson	Milbert	Peterson	Tjornhom
Blatz	Janezich	Miller	Poppenhagen	Tompkins
Boo	Jaros	Morrison	Price	Trimble
Brown	Jennings	Munger	Pugh	Tunheim
Carlson, D.	Johnson, A.	Murphy	Quinn	Uphus
Cooper	Johnson, R.	Nelson, C.	Redalen	Valento
Dauner	Johnson, V.	Nelson, K.	Reding	Vellenga
Dawkins	Kalis	Neuenschwander	Rice	Wagenius
Dempsey	Kelly	O'Connor	Richter	Waltman
Dille	Kelso	Ogren	Rodosovich	Weaver
Dorn	Kinkel	Olsen, S.	Rukavina	Welle
Forsythe	Krueger	Olson, E.	Runbeck	Wenzel
Frederick	Lasley	Olson, K.	Sarna	Williams
Frerichs	Lieder	Omann	Schafer	Winter
Girard	Limmer	Onnen	Seaberg	
Gruenes	Lynch	Orenstein	Segal	
Gutknecht	Macklin	Ostrom	Skoglund	

Those who voted in the negative were:

Abrams	Clark	Kahn	Osthoff	Simoneau
Carlson, L.	Greenfield	Knickerbocker	Rest	Spk. Vanasek
Carruthers	Jefferson	Long	Scheid	

The motion prevailed and the amendment was adopted.

H. F. No. 2419, A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state govern-

ment; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; consolidating certain funds and accounts and making conforming changes; changing the organization, operation, financing, and management of certain courts and related offices; amending Minnesota Statutes 1988, sections 2.722, subdivision 1; 3C.035, subdivision 3; 3C.11, subdivision 2; 5.13; 11A.07, subdivision 5; 14.07, subdivisions 1 and 2; 14.08; 14.26; 14.53; 15.054; 15.06, subdivision 1; 15.51; 15.52, subdivisions 2 and 3; 15.53, subdivision 1; 15.56, subdivision 5; 15.59; 16A.10, by adding a subdivision; 16A.127, subdivisions 3 and 8; 16B.24, subdivision 5, and by adding subdivisions; 16B.28, subdivision 2; 16B.48, subdivisions 4 and 5; 16B.51, subdivision 2; 16B.53, subdivision 3; 16B.85, subdivisions 2, 3, and 5; 17.102, subdivision 4; 40A.08; 40A.151; 40A.152, subdivision 3; 40A.16; 41A.04, subdivision 1; 41A.05, subdivision 2; 41A.051; 41A.066, subdivision 1; 62D.122; 62J.02, subdivisions 2 and 3; 84.027, by adding a subdivision; 84.154, subdivision 5; 84.943; 84A.53; 84A.54; 89.37, subdivision 4; 89.58; 97A.065, subdivision 2; 97C.001, subdivision 1; 105.485, subdivision 3; 110B.04, subdivision 7; 110B.08, subdivision 5; 115.103, subdivision 1; 115A.072, subdivision 1; 115A.15, subdivision 6; 116.36, subdivision 1; 116.65, subdivision 3; 116C.03, subdivisions 4 and 5; 116C.712, subdivisions 3 and 5; 116D.04, subdivisions 5a and 10; 116D.045, subdivision 3; 116J.971, by adding a subdivision; 116J.980; 116L.03, by adding a subdivision; 116P.11; 126.115, subdivision 3; 144.226, subdivision 3; 144.70, subdivision 2; 144.8093, subdivisions 2, 3, and 4; 144A.071, subdivision 5; 144A.31, subdivision 1; 144A.33, subdivision 4; 145A.02, subdivision 16; 145A.09, subdivision 6; 157.045; 169.126, subdivision 4b; 171.06, subdivision 2a; 176B.02; 176B.04; 181.953; 183.545, subdivision 9; 184.33, subdivision 1, and by adding a subdivision; 184.35; 190.08, by adding a subdivision; 192.85; 196.054, subdivision 2; 197.23, subdivision 2; 201.023; 204B.14, subdivision 5; 214.141; 240A.02, subdivisions 1 and 3; 240A.03, subdivision 13, and by adding a subdivision; 243.48, subdivision 1; 268.026, subdivision 2; 268.361, subdivision 3; 268.677, subdivision 2; 268.681, subdivision 3; 270.68, subdivision 1; 272.38, subdivision 1; 282.014; 296.06, subdivision 2; 296.12, subdivisions 1 and 2; 296.17, subdivisions 10 and 17; 297.03, subdivision 5a; 299D.03, subdivision 5; 326.37; 326.47, subdivision 3; 326.52; 326.75, subdivision 4; 349.22, subdivision 2; 349.36; 349.52, subdivision 3; 352.92, subdivision 2; 352B.02, subdivision 1c; 353D.01, subdivision 2; 354.42, subdivision 5; 363.073, by adding a subdivision; 368.01, subdivision 1a; 402.045; 462.384, subdivision 7; 477A.014, subdivision 4; 480A.01, subdivision 3; 481.14; 484.54, subdivision 1; 484.545, subdivision 1; 484.68, subdivision 2, and by adding a subdivision; 484.70, subdivision 1; 485.03; 486.01; 487.32, subdivisions 2 and 3; 487.33, by adding a subdivision; 611.20; 611.215, subdivision 1; 611.26, subdivision 3; 611.27; 611.271; 629.292, subdivision 1; Minnesota Statutes 1989 Supplement, sections 3.30, subdivisions 1 and 2; 5.18; 15A.081, subdivision 1; 16A.11, subdivision 3; 16A.133, subdivision 1;

16B.24, subdivision 6; 16B.28, subdivision 3; 16B.465, subdivision 1; 16B.48, subdivision 2; 17.49, subdivision 1; 18.0225; 41A.05, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2, and by adding a subdivision; 84A.51, subdivision 2; 85.205; 89.035; 89.036; 97A.475, subdivision 2; 103H.101, subdivision 4; 103H.175; 105.41, subdivision 5a; 115A.54, subdivision 2a; 115A.923, subdivision 2; 116.85; 116C.03, subdivision 2; 116J.01, subdivision 3; 116J.58, subdivision 1; 116J.617, subdivision 5; 116J.955, subdivision 1; 116J.9673, subdivision 4; 116J.971, subdivisions 6, 7, and 8; 116L.03, subdivision 2; 129B.13, subdivisions 2, 3, 8, 9, 10, 12, 14, 15, and 16; 144.861; 145.926, subdivisions 1, 4, 5, 7, and 8; 169.686, subdivision 3; 176.135, subdivision 1; 183.357, subdivision 4; 190.25, subdivision 3; 216D.08, subdivision 3; 245.4873, subdivision 2; 245.697, subdivision 2a; 246.18, subdivision 3a; 256H.25, subdivision 1; 270.06; 270.064; 299A.30, subdivision 2; 299A.31, subdivision 1; 299A.40, subdivision 4; 299F.641, subdivision 8; 299J.12, subdivision 1; 336.9-413; 352.04, subdivisions 2 and 3; 357.021, subdivision 2; 357.022; 357.08; 363.073, subdivision 1; 466A.05, subdivision 1; 469.203, subdivisions 4 and 5; 469.204, subdivision 2; 469.205, by adding a subdivision; 469.207; 473.156, subdivision 1; 480.242; 484.68, subdivision 5; 485.018, subdivision 5; 486.05, subdivisions 1 and 1a; 486.06; 487.31, subdivision 1; 504.34, subdivisions 5 and 6; 611.215, by adding a subdivision; and 611.26, subdivision 2; Minnesota Statutes Second 1989 Supplement, sections 3.885, subdivisions 3, 5, and 6; 275.14; 275.51, subdivision 6; 297A.44, subdivision 1; 357.021, subdivision 1a; 373.40, subdivision 1; 477A.011, subdivisions 3 and 3a; 477A.012, subdivision 4; Laws 1987, chapter 404, section 192, subdivision 2; Laws 1988, chapters 648, section 3; and 686, article 1, section 52; Laws 1989, chapter 335, article 1, sections 4, 36, and 42, subdivision 2; article 3, sections 38; and 58, as amended; and article 4, section 107; Laws 1989, First Special Session chapter 1, article 24, section 2; proposing coding for new law in Minnesota Statutes, chapters 4, 6, 15, 16A, 16B, 43A, 88, 116, 116J, 240A, 268, 462A, and 484; proposing coding for new law as Minnesota Statutes, chapter 484A; repealing Minnesota Statutes 1988, sections 3C.056; 14.32, subdivision 2; 40A.02, subdivision 2; 84A.51, subdivision 1; 85.30; 116E.01; 116E.02; 116E.04; 116J.971, subdivisions 1, 2, 4, 5, and 10; 116K.01 to 116K.03; 116K.04, as amended; 116K.05 to 116K.13; 116N.01; 116N.02, as amended; 116N.03 to 116N.07; 116N.08, as amended; 184.34; 268.681, subdivision 4; 299J.18; 326.82; 480.252; 480.254; 484.55; 485.018, subdivision 2a; 486.07; 487.10, subdivisions 2 and 4; and 487.13; Minnesota Statutes 1989 Supplement, sections 3C.035, subdivision 2; 8.15; 97B.301, subdivision 5; 116E.03; 116E.035; 116J.970; 116J.971, subdivisions 3 and 9; 116K.14; 116O.03, subdivision 2a; 357.021, subdivision 2a; 469.203, subdivision 5; 480.241; 480.242, subdivision 4, as amended; 480.256; and 484.545, subdivisions 2 and 3; Laws 1988, chapter 686, article 1, section 3, paragraph (c); Laws 1989, chapter 303, section 10; Minnesota Rules, part 4410.3800, subparts 1 and 3.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 68 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Long	Ostrom	Simoneau
Anderson, G.	Hasskamp	McEachern	Otis	Skoglund
Anderson, R.	Janezich	McGuire	Pelowski	Solberg
Battaglia	Jennings	Milbert	Peterson	Sparby
Bauerly	Johnson, A.	Munger	Pugh	Sviggum
Begich	Johnson, R.	Murphy	Redalen	Tunheim
Bertram	Johnson, V.	Nelson, C.	Reding	Waltman
Bishop	Kahn	Nelson, K.	Rest	Welle
Brown	Kalis	Neuenschwander	Rice	Wenzel
Carlson, D.	Kelso	O'Connor	Rodosovich	Williams
Carlson, L.	Kinkel	Ogren	Rukavina	Winter
Cooper	Krueger	Olson, E.	Sarna	Spk. Vanasek
Dauner	Lasley	Olson, K.	Scheid	
Dorn	Lieder	Osthoff	Segal	

Those who voted in the negative were:

Blatz	Gutknecht	Macklin	Pauly	Tjornhom
Boo	Hartle	Marsh	Pellow	Tompkins
Carruthers	Haukoos	McDonald	Poppenhagen	Trimble
Clark	Hausman	McPherson	Price	Uphus
Dawkins	Heap	Miller	Quinn	Valento
Dempsey	Henry	Morrison	Richter	Vellenga
Dille	Hugoson	Olsen, S.	Runbeck	Wagenius
Forsythe	Jefferson	Omann	Schafer	Weaver
Frederick	Kelly	Onnen	Schreiber	
Frerichs	Knickerbocker	Orenstein	Seaberg	
Girard	Limmer	Ozment	Stanisus	
Gruenes	Lynch	Pappas	Swenson	

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

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2478:

Ogren, Long, Rest, Pauly and Olson, E.

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

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1843, 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.

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) chloropseudophedrine; 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 1989 Supplement, section 299A.34, subdivision 1, is amended to read:

Subdivision 1. [GRANT PROGRAMS.] (a) The commissioner shall develop grant programs to:

(1) assist law enforcement agencies in purchasing equipment, provide undercover buy money, and pay other 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.

(b) The commissioner shall by rule prescribe criteria for eligibility and the award of grants and reporting requirements for recipients.

Sec. 16. Minnesota Statutes 1989 Supplement, section 299A.35, subdivision 2, is amended to read:

Subd. 2. [GRANT PROCEDURE.] A local unit of government or a nonprofit community-based entity may apply for a grant by submitting an application with the commissioner. The applicant shall specify the following in its application:

(1) a description of each program for which funding is sought;

(2) the amount of funding to be provided to the program;

(3) the geographical area to be served by the program; and

(4) statistical information as to the number of arrests in the geographical area for violent crimes and for crimes involving schedule I and II controlled substances. "Violent crime" includes a violation of or an attempt or conspiracy to violate any of the following laws: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582, subdivision 1; 609.687; and any provision of chapter 152 that is punishable by a maximum term of imprisonment greater than ten years.

The commissioner shall give priority to funding programs in the geographical areas that have the highest crime rates, as measured by the data supplied under clause (4), and that demonstrate substantial involvement by members of the community served by the program. The maximum amount that may be awarded to an applicant is ~~\$25,000~~ \$50,000.

Sec. 17. 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. 18. Minnesota Statutes 1989 Supplement, section 609.5315, subdivision 5, is amended to read:

Subd. 5. [DISTRIBUTION OF MONEY.] ~~Seventy percent of~~ The money or proceeds from the sale of forfeited property, after payment of seizure, storage, forfeiture, and sale expenses, and satisfaction of valid liens against the property, must be distributed as follows:

(1) 70 percent of the money or proceeds must be forwarded to the appropriate agency for deposit to the general fund, and as a supplement to the agency's operating fund or similar fund for use in law enforcement;

(2) 20 percent of the money or proceeds 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; and

(3) the remaining ten percent of the money or proceeds must be forwarded within 60 days after resolution of the forfeiture to the state treasury and credited to the general fund. Any local police relief association organized under chapter 423, which received or was entitled to receive the proceeds of any sale made under this section before the effective date of Laws 1988, chapter 665, sections 1 to 17, shall continue to receive and retain the proceeds of these sales.

Sec. 19. 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. 20. [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. 21. [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. 22. [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. 23. [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. 24. [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 17. The programs shall comply with the criteria outlined in section 17, paragraphs (b) and (c).

Sec. 25. [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. 26. [EFFECTIVE DATE.]

Sections 1 to 8, 13, and 19 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 measurable 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 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. 11. 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. 12. 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. 13. 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. 14. 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. 15. [CHEMICAL DEPENDENCY TREATMENT FOR CERTAIN OFFENDERS; STEARNS COUNTY PILOT PROGRAM.] (a) Notwithstanding any law or rule to the contrary, when a defendant is convicted of a felony in Stearns county, 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.

Funds appropriated to pay for treatment services for persons placed through the provisions of this section shall be placed in a dedicated account to be used only for this purpose. No other state funds shall be used to pay for the treatment of these persons.

This pilot program expires on June 30, 1991.

Sec. 16. [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 12 to 14 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)~~ (5). 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)~~ (3)(a) and (c), (4), and (5).

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)~~ (3)(a) and (c), and (5). 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)~~ (3)(a) and (c), (4), and (5). 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 1989 Supplement, section 299C.155, subdivision 2, is amended to read:

Subd. 2. [UNIFORM EVIDENCE COLLECTION.] The bureau shall develop uniform procedures and protocols for collecting evidence in cases of alleged or suspected criminal sexual conduct, including procedures and protocols for the collection and preservation of human biological specimens for DNA analysis. Law enforcement agencies and medical personnel who conduct evidentiary exams shall use the uniform procedures and protocols in their investigation of criminal sexual conduct offenses. The uniform procedures and protocols developed under this subdivision are not subject to the rulemaking provisions of chapter 14.

Sec. 6. Minnesota Statutes 1989 Supplement, section 299C.155, subdivision 3, is amended to read:

Subd. 3. [DNA ANALYSIS AND DATA BANK.] The bureau shall adopt uniform procedures and protocols to maintain, preserve, and analyze human biological specimens for DNA. The bureau shall establish a centralized system to cross-reference data obtained from

DNA analysis. The uniform procedures and protocols developed under this subdivision are not subject to the rulemaking provisions of chapter 14.

Sec. 7. 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 corporation 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. 8. 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. 9. 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. 10. Minnesota Statutes 1988, section 609.14, is amended to read:

609.14 [REVOCAION OF STAY.]

Subdivision 1. [GROUNDS.] When it appears that the defendant has violated any of the conditions of probation or ~~noninstitutional 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 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 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.

Sec. 11. Minnesota Statutes 1988, section 631.48, is amended to read:

631.48 [PENALTY MAY INCLUDE COSTS OF PROSECUTION.]

In a criminal action, upon conviction of the defendant, the court may order as part of the sentence that defendant shall pay the whole or any part of the disbursements of the prosecution, including disbursements made to extradite a defendant. The court may order this payment in addition to any other penalty authorized by law which it may impose. The payment of the disbursements of prosecution may be enforced in the same manner as the sentence, or by execution against property. When collected, the disbursements must

be paid into the treasury of the county of conviction, but this payment may not interfere with the payment of officers', witnesses', or jurors' fees.

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) \$400,000 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) \$400,000 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) \$40,000 is appropriated to the bureau of criminal apprehension for implementation of article 1, sections 9 to 13.

(k) \$225,000 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) \$20,000 is appropriated from the general fund to the dedicated account created in article 4, section 15 to be used to pay for treatment services for persons placed under the provisions of article 4, section 15."

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; providing for the distribution of forfeiture proceeds; 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; 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; 609.135, subdivisions 1, 6, and by adding a subdivision; 609.14; and 631.40; 631.48; 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; 299A.34, subdivision 1; 299A.35, subdivision 2; 299C.155, subdivisions 2 and 3; 340A.503, subdivision 2; 609.5315, subdivision 5; 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.

The report was adopted.

Simoneau from the Committee on Appropriations 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:

Delete everything after the enacting clause and insert:

“Section 1. [126A.01] [FINDINGS.]

(a) The legislature finds that it is in the state's interest to provide all public school pupils in kindergarten through grade 12 with environmental education and all citizens with environmental education opportunities.

(b) The legislature further finds that the purpose of environmental education is to develop citizens who possess the awareness, knowledge, skills, attitudes, motivation, and commitment to work individually and collectively to establish and sustain a healthy environment.

Sec. 2. [126A.02] [ENVIRONMENTAL EDUCATION GOALS.]

The environmental education program described in this chapter has these goals for the pupils and other citizens of Minnesota:

(1) to understand ecological systems;

(2) to understand the cause and effect relationship between human attitudes and behavior and the environment;

(3) to be able to analyze, develop, and use problem-solving skills to understand the decision-making process of individuals, institutions, and nations regarding environmental issues;

(4) to be able to evaluate alternative responses to environmental issues before deciding on alternative courses of action;

(5) to provide experiences to assist citizens to increase their sensitivity and stewardship for the environment; and

(6) to provide the information citizens need to make informed decisions about actions to take on environmental issues.

Sec. 3. [126A.03] [ESTABLISHMENT OF ENVIRONMENTAL EDUCATION PROGRAM; CHARACTERISTICS; IMPLEMENTATION; IN-SERVICE.]

(a) The department of education shall assist in establishing environmental education programs in all public elementary and secondary schools.

(b) The environmental education program must be interdisciplinary, integrated into the curriculum, and outcome based.

(c) The program must be implemented through the department of education's learner outcome, assessment and feedback, and instructional processes.

(d) The department of education shall assist school districts, education districts, and other education organizations to develop environmental education policies that maximize the environmental education in-service teacher training in educational cooperative service unit regional offices.

Sec. 4. [126A.04] [INTEGRATED CURRICULUM DEVELOPMENT MODELS.]

The department of education shall develop curriculum integration models for a learner outcome-based environmental education program. The models must include:

(1) the specific environmental education and curriculum integration goals to be attained;

(2) the various options to achieve the goals;

(3) a hierarchy of learner outcomes composed of state learner goals; integrated learner outcomes; program learner outcomes; and course, unit, and lesson learner outcomes;

(4) mechanisms to communicate the models;

(5) an objective process to evaluate the progress to establish and implement a model integrated environmental education curriculum;

(6) alternatives to evaluate pupils' environmental education progress at the classroom level; and

(7) methods to assess pupils' environmental learning.

Sec. 5. [126A.05] [IN-SERVICE TEACHER TRAINING.]

The department of education is responsible for in-service teacher training in environmental education.

Sec. 6. [126A.06] [REPORTING.]

(a) Beginning January 15, 1992, the department of education shall submit a biennial report on its environmental education program to the legislature and the governor.

(b) The report must:

(1) describe the progress of environmental education learner outcome development and implementation in the public elementary and secondary schools;

(2) describe in-service involvement and assistance at the state and local level;

(3) evaluate the efforts of the research and development sites to implement integrated environmental learner outcome based education; and

(4) contain an implementation plan to assist school districts in the establishment of an environmental education program in all public elementary and secondary schools.

Sec. 7. [RESEARCH AND DEVELOPMENT SITES.]

(a) Sites selected under Laws 1989, chapter 329, article 7, section 21, or other school district sites may be used to demonstrate how environmental education outcomes can be integrated into a comprehensive education curriculum.

(b) The department of education shall assist the research and development sites to plan and implement integrated environmental education programs.

Sec. 8. [ADDITIONAL FUNDING.]

To the extent that existing funding is inadequate to meet the responsibilities of this act, the commissioner of education may request additional funding as a change level in the next biennial budget.

Sec. 9. [SUCCESSOR IN AUTHORITY.]

The department of administration takes the place of the environmental education board with respect to contracts made by the board's chief administrative officer and that officer's authority to apply for, receive, and disburse private grants and federal funds. After June 30, 1991, any such contracts must be transferred to other agencies or must not be renewed.

Sec. 10. [REPEALER.]

Minnesota Statutes 1988, sections 116E.01; 116E.02; 116E.03, subdivisions 2, 3, 4, 5, 6, 7, 7a, 8, and 9; and 116E.04; and Minnesota Statutes 1989 Supplement, sections 116E.03, subdivision 1; and 116E.035, are repealed.

Sec. 11. [EFFECTIVE DATE.]

This act is effective July 1, 1990."

Delete the title and insert:

"A bill for an act relating to education; providing for the environmental education act; 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."

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. 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, subdivisions 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:

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 and the public 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 RESTRICTIVE TECHNIQUES AND PROCEDURES IN FACILITIES SERVING EMOTIONALLY DISTURBED CHILDREN.]

The commissioner of human services shall amend the rules governing facilities serving emotionally disturbed children that are licensed under section 245A.09 and Minnesota Rules, parts 9545.0900 to 9545.1090 or 9545.1400 to 9545.1500 to adapt, in a manner applicable to the population served by those facilities, the restrictions on the use of aversive and deprivation procedures mandated in Minnesota Rules, parts 9525.2700 to 9525.2810.

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), and on individuals over the age of 13 who are members of the household in which the licensed program will be operated but who are currently living outside the household in an out-of-home placement, 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 259.40, subdivision 1, is amended to read:

Subdivision 1. [SUBSIDY PAYMENTS.] The commissioner of human services may make subsidy payments as necessary after the subsidized adoption agreement is approved to an adoptive parent or parents who adopt a child who meets the eligibility requirements under title IV-E of the Social Security Act, United States Code, title 42, section 670, or who otherwise meets the requirements in subdivision 4, is a Minnesota resident and is under guardianship of the commissioner or of a licensed child placing agency after the final decree of adoption is issued. The subsidy payments and any subsequent modifications to the subsidy payments shall be based on the needs of the adopted person that the commissioner has determined cannot be met using other resources including programs available to the adopted person and the adoptive parent or parents.

Sec. 6. Minnesota Statutes 1988, section 259.40, subdivision 4, is amended to read:

Subd. 4. [ELIGIBILITY CONDITIONS.] The placing agency shall determine the child's eligibility for adoption assistance under title IV-E of the Social Security Act. If the child does not qualify, the placing agency shall certify a child as eligible for a state-funded subsidy only if the following criteria are met:

(a) A placement agency has made reasonable efforts to place the child for adoption without subsidy, but has been unsuccessful; or

(b) The child's licensed foster parents desire to adopt the child and it is determined by the placing agency that:

(1) The adoption is in the best interest of the child; and,

(2) Due to the child's characteristics or circumstances it would be difficult to provide the child an adoptive home without subsidy; and

(c) The child has been a ward of the commissioner, or licensed child placing agency.

Sec. 7. 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. 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.

(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. and the Minnesota Indian family preservation act under sections 257.35 to 257.3579.

(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. 8. 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 within the past ten years.

Sec. 9. 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 and petitions for the termination of parental rights, 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 and petitions for the termination of parental rights, hearings may not be continued or adjourned for more than one week unless 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. 10. 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. 11. 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. 12. 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 within the past ten years; 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: (1) the parent has been diagnosed as chemically dependent by a professional certified to make the diagnosis; (2) the parent has been required by a case plan to participate in a chemical dependency treatment program; (3) the parent has either failed to successfully complete the program two or more times or has refused to participate in a culturally and linguistically appropriate treatment program; and (4) 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. 13. 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. 14. 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. 15. 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. 16. 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. 17. 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. 18. 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 of a child 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. Sexual abuse includes threatened sexual abuse.

(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 custo-

dian 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.

(l) "Threatened injury" means a statement, overt act, condition or status that represents a substantial risk of physical or sexual abuse or mental injury.

Sec. 19. 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. 20. Minnesota Statutes 1988, section 626.556, subdivision 4, is amended to read:

Subd. 4. [IMMUNITY FROM LIABILITY.] (a) The following persons are immune from any civil or criminal liability that otherwise might result from their actions, if they are acting in good faith:

(1) any person making a voluntary or mandated report under subdivision 3 or assisting in an assessment under this section;

(2) any social worker or supervisor employed by a local welfare agency complying with subdivision 10d; and

(3) any public or private school, facility as defined in subdivision 2, or the employee of any public or private school or facility who permits access by a local welfare agency or local law enforcement agency and assists in an investigation or assessment pursuant to subdivision 10.

(b) A person who is a supervisor or social worker employed by a local welfare agency complying with subdivisions 10 and 11 or any related rule or provision of law is immune from any civil or criminal

liability that might otherwise result from the person's actions, if the person is acting in good faith and exercising due care.

(c) 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.

(d) If a person who makes a voluntary or mandatory report under subdivision 3 and who acts in good faith prevails in a civil action from which the person has been granted immunity under this subdivision, the person may recover attorney fees and costs.

Sec. 21. 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 18.

(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. 22. 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. 23. 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. 24. 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. 25. 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. 26. [ATTORNEY GENERAL DATA PRACTICES STUDY.]

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. 27. [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. 28. [EFFECTIVE DATE.]

Sections 14 to 16 are effective August 1, 1990, and apply to crimes committed on or after that date. Section 20 is effective August 1, 1989, for actions pending or commenced 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; 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; amending Minnesota Statutes 1988, sections 147.09; 259.40, subdivisions 1 and 4; 260.011, subdivision 2; 260.155, subdivision 1; 609.2231, by adding a subdivision; 626.556, subdivisions 1, 3, 4, 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; 260.221, 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; and 245."

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. 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 following amendments:

Page 3, line 3, delete "25" and insert "30"

Page 4, delete section 2.

Page 5, line 25, delete "5" and insert "4"

Renumber the sections in sequence

Correct internal references

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.

Simoneau from the Committee on Appropriations to which was referred:

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.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1989 Supplement, section 148.171, is amended to read:

148.171 [DEFINITIONS.]

Sections 148.171 to 148.285 shall be referred to as the Minnesota nurse practice act.

As used in sections 148.171 to 148.285:

(1) “Board” means the Minnesota board of nursing.

(2) “Registered Nurse,” abbreviated R.N., means an individual licensed by the board to practice professional nursing.

(3) The practice of professional nursing means the performance for compensation or personal profit of the professional interpersonal service of: (a) providing a nursing assessment of the actual or potential health needs of individuals, families, or communities; (b) providing nursing care supportive to or restorative of life by functions such as skilled ministrations of nursing care, supervising and teaching nursing personnel, health teaching and counseling, case finding, and referral to other health resources; and (c) evaluating these actions.

The practice of professional nursing includes both independent nursing functions and delegated medical functions which may be performed in collaboration with other health team members, or may be delegated by the professional nurse to other nursing personnel. Independent nursing function may also be performed autonomously. The practice of professional nursing requires that level of special education, knowledge, and skill ordinarily expected of an individual who has completed an approved professional nursing education program as described in section 148.211, subdivision 1. A registered nurse who has graduated from a program of study designed to prepare registered nurses for advanced practice as nurse-midwives and who is certified through the national professional nursing organization for nurse-midwives may prescribe and administer drugs and therapeutic devices within practice as a nurse-midwife.

(4) “Licensed practical nurse,” abbreviated L.P.N., means an individual licensed by the board to practice practical nursing.

(5) The practice of practical nursing means the performance for compensation or personal profit of any of those services in observing and caring for the ill, injured, or infirm, in applying counsel and procedure to safeguard life and health, in administering medication and treatment prescribed by a licensed health professional, which are commonly performed by licensed practical nurses and which require specialized knowledge and skill such as are taught or

acquired in an approved school of practical nursing, but which do not require the specialized education, knowledge, and skill of a registered nurse.

(6) "Nurse" means registered nurse and licensed practical nurse unless the context clearly refers to only one category.

(7) "Nursing assistant" means an individual providing nursing or nursing-related services that do not require the specialized knowledge and skill of a nurse, at the direction of a nurse, but does not include a licensed health professional or an individual who volunteers to provide such services without monetary compensation.

(8) "Public health nurse" means a registered nurse who meets the voluntary registration requirements established by the board by rule.

Sec. 2. [148.235] [PRESCRIBING DRUGS AND THERAPEUTIC DEVICES.]

Subdivision 1. [NURSE-MIDWIVES.] A registered nurse who has graduated from a program of study designed to prepare registered nurses for advanced practice as nurse-midwives and who is certified through the national professional nursing organization for nurse-midwives may prescribe and administer drugs and therapeutic devices within practice as a nurse-midwife.

Subd. 2. [NURSE PRACTITIONERS.] (a) [PRESCRIBING AUTHORITY.] A registered nurse who (1) has graduated from a program of study designed to prepare registered nurses for advanced practice as nurse practitioners, (2) is certified through a national professional nursing organization which certifies nurse practitioners and is included in the list of professional nursing organizations adopted by the board under section 62A.15, subdivision 3a, and (3) has a written agreement with a physician based on standards established by the Minnesota nurses association and the Minnesota medical association that defines the delegated responsibilities related to the prescription of drugs and therapeutic devices, may prescribe and administer drugs and therapeutic devices within the scope of the written agreement and within practice as a nurse practitioner.

(b) [RULES.] By July 1, 1991, the board shall promulgate rules to provide for the following:

(1) a system of identifying nurse practitioners eligible to prescribe drugs and therapeutic devices;

(2) a method of determining which general categories of prescrip-

tion drugs and therapeutic devices have been delegated to each nurse practitioner;

(3) a system of transmitting to pharmacists information concerning nurse practitioners eligible to prescribe drugs and therapeutic devices and the types of drugs and therapeutic devices they have been delegated the authority to prescribe; and

(4) a fee to the nurse practitioner who seeks prescribing authority in an amount sufficient to cover the board's ongoing costs relating to monitoring and regulating the prescribing authority of nurse practitioners.

(c) [TASK FORCE.] For purposes of adopting rules under this paragraph, the board shall establish and appoint an advisory task force composed of the following nine members:

(1) five nurse practitioners;

(2) two pharmacists; and

(3) two physicians.

Members must be appointed from lists of qualified persons nominated by the appropriate professional associations. The task force shall recommend rules to the board on each of the subjects listed above. No rule relating to the prescribing of drugs and therapeutic devices by nurse practitioners may be proposed by the board unless it was first submitted to the task force for review and comment.

Sec. 3. [INTERIM FILING REQUIREMENT.]

A nurse practitioner may not prescribe or administer drugs or therapeutic devices after August 1, 1990, unless the nurse practitioner satisfies the requirements in section 2, subdivision 2, paragraph (a), and has filed with the board of nursing the nurse practitioner's name, home and business address, home and business telephone number, and other information requested by the board. These filings must be made available to the board of pharmacy for distribution to pharmacies.

Sec. 4. [APPROPRIATION.]

\$23,000 is appropriated from the state special revenue fund to the board of nursing for the fiscal year ending June 30, 1991, to administer sections 1 to 3."

Delete the title and insert:

"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; appropriating money; amending Minnesota Statutes 1989 Supplement, section 148.171; proposing coding for new law in Minnesota Statutes, chapter 148."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

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.

Reported the same back with the following amendments:

Page 2, line 19, after the period insert "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."

Page 4, after line 30, insert:

"Sec. 11, 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. 12. 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.

Sec. 13. [PROFESSIONAL PEACE OFFICER EDUCATION; STUDY REQUIRED.]

The peace officer standards and training board shall study and report on the training and educational requirements, including the need to require a baccalaureate degree, prerequisite to licensure as a peace officer. In conducting this study, the board shall, at a minimum, consult with peace officers, police chiefs, sheriffs, elected officials from municipalities and counties, representatives of the minority communities, each public post-secondary education system, and the higher education coordinating board. A report based on this study shall be submitted to the legislature on or before February 1, 1991.

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.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1843, 2383, 2390 and 2616 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1821 and 2054 were read for the second time.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

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; 299F21, 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Ogren moved that the House refuse to concur in the Senate amendments to H. F. No. 2480, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the 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. 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, rural health care, 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; 123.36, subdivision 10; 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; 125.12, by adding a subdivision; 125.17, 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.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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Nelson, K., moved that the House refuse to concur in the Senate amendments to H. F. No. 2200, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Dicklich, Decker and Dahl.

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

Clark 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. 2299. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2621, A bill for an act relating to the organization and operation of state government; appropriating money for human services and health and other purposes with certain conditions; amending Minnesota Statutes 1988, sections 13.46, subdivision 5; 144A.073, by adding a subdivision; 245A.07, subdivision 3; 245A.08, subdivision 3; 245A.16, subdivision 4; 254B.04, subdivision 1; 254B.08; 256.736, subdivision 3a; 256.936, by adding a subdivision; 256B.04, subdivisions 15 and 16; 256B.055, subdivisions 3, 5, 6, and 12; 256B.056, subdivisions 2 and 7, and by adding a subdivision; 256B.0625, subdivisions 4, 5, 9, and by adding subdivisions; 256B.091, subdivisions 4 and 6; 256B.092, subdivisions 1a and 1b, and by adding subdivisions; 256B.15; 256B.19, by adding a subdivision; 256B.431, subdivision 3e, and by adding subdivisions; 256B.48, subdivision 2, and by adding a subdivision; 256B.49, by adding a subdivision; 256B.50, subdivisions 1 and 1b; 256B.501, subdivision 3e, and by adding a subdivision; 256B.69, subdivision 3; 256D.03, subdivision 7; 256E.06, subdivisions 2 and 7; 256H.01, by adding subdivisions; 518.171, subdivisions 1, 3, 4, and 7; 518.54, by adding subdivisions; 518.551, subdivisions 1 and 5; 518.611, subdivisions 1, 2, 8, and 8a, and by adding a subdivision; 518C.02, by adding subdivisions; 518C.03; 518C.05; 518C.09; 518C.12; and 518C.27, subdivision 1; Minnesota Statutes 1988, section 252.27, as amended by Laws 1989, chapter 282, article 2, section 92; Minnesota Statutes 1989 Supplement, sections 144.50, subdivision 6; 245.470, subdivision 1; 245.488, subdivision 1; 245A.02, subdivision 6a; 245A.03, subdivision 2; 245A.04, subdivisions 3, 3a, and 3b; 245A.12; 245A.13; 245A.16, subdivision 1; 252.46, subdivisions 1, 2, 3, 4, and 12; 254B.03, subdivision 4; 256.736, subdivision 16; 256.74, subdivision 1; 256.936, subdivision 1; 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 and 2, and by adding subdivisions; 256B.0575; 256B.059, subdivisions 4 and 5; 256B.0595, subdivisions 1, 2, and 4; 256B.0625, subdivision 13; 256B.091, subdivision 8; 256B.14; 256B.431, subdivision 2b; 256B.495, subdivision 1; 256B.69, subdivision 16; 256D.03, subdivisions 3, 4, and 6; 256D.425, subdivision 3; 256H.03, subdivisions 2, 2a, and 2b; 256H.05, subdivisions 1b, 1c, 2, and 5; 256H.08; 256H.15, subdivisions 1 and 2; 256L.05, subdivisions 1 and 7; 257.57, subdivision 1; 518.551, subdivision 10; 518.611, subdivision 4; and 518.613, subdivision 2; Laws 1988, chapter 689, article 2, section 256; Laws 1989, chapter 282, article 3, section 98, subdivisions 4 and 5; proposing coding for new law in Minnesota Statutes, chapters 60A; 144; 245A; 252; 254A; 256; and 256B; repealing Minnesota

Statutes 1988, sections 256.736, subdivision 8; 256B.0625, subdivision 2; 256B.431, subdivisions 3, 3b, 3c, and 3d; and 256B.50, subdivision 2; Minnesota Statutes 1989 Supplement, sections 256.736, subdivision 15; 256B.055, subdivision 8; and 256B.431, subdivisions 3a and 3f.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Mr. Samuelson; Meses. Berglin and Piper; Messrs. Knutson and Solon.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVER, Secretary of the Senate

Greenfield moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2621. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2478, 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, Douglas, 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; providing for payment of the greater Minnesota landfill fee; imposing a minimum fee on corporations; pro-

viding 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; 279.06; 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, sections 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 4; 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 115A.922; 115A.923, subdivisions 2, 3, 4, and 5; 115A.924;

115A.925; 115A.927; 115A.928; 290.06, subdivision 1a; and 375.192, subdivision 1; Minnesota Statutes Second 1989 Supplement, 273.1398, subdivision 2b.

The Senate has appointed as such committee:

Messrs. Johnson, D. J.; Novak; Pogemiller; Stumpf and Belanger.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

MOTIONS AND RESOLUTIONS

Solberg moved that the names of Osthoff, Battaglia and Carlson, D., be added as authors on H. F. No. 2419. The motion prevailed.

Winter moved that H. F. No. 1245 be returned to its author. The motion prevailed.

Neuenschwander moved that H. F. No. 1266 be returned to its author. The motion prevailed.

Jaros moved that H. F. No. 1878 be returned to its author. The motion prevailed.

O'Connor moved that H. F. No. 2543 be returned to its author. The motion prevailed.

Johnson, R., moved that H. F. No. 2545 be returned to its author. The motion prevailed.

Milbert moved that H. F. No. 2613 be returned to its author. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 796:

Carlson, D.; Ogren and Rukavina.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1730:

O'Connor, Scheid and Bennett.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2294:

Hausman, Bishop and Wagenius.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2457:

Rest, Ogren and Long.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2474:

Skoglund, Burger and Williams.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2480:

McLaughlin, Ogren, Carruthers, Rest and Pauly.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2299:

Clark, Trimble and Uphus.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2617:

Rice, Sarna, Lieder, Kalis and Seaberg.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2621:

Greenfield, Rodosovich, Murphy, Segal and Gruenes.

Redalen moved that the following statement be printed in the permanent Journal of the House:

"It was my intention to vote in the negative on Friday, March 30, 1990, when the vote was taken on final passage of S. F. No. 2621. In error I pressed the yea button rather than the nay button." The motion prevailed.

Frederick moved that the following statement be printed in the permanent Journal of the House:

"It was my intention to vote in the negative on Friday, March 30, 1990, when the vote was taken on final passage of S. F. No. 2621. In error I pressed the yea button rather than the nay button." The motion prevailed.

Janezich moved that the following statement be printed in the permanent Journal of the House:

"Had I been present when the final vote was taken on S. F. No. 2621 on Friday, March 30, 1990, I would have voted yea." The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 12:00 noon, Tuesday, April 3, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Tuesday, April 3, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION — 1990

EIGHTY-THIRD DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 3, 1990

The House of Representatives convened at 12:00 noon and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Representative Mary Murphy, District 8A, Hermantown, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Beard and McLaughlin 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. 2616, 1843, 2383, 2390 and 2419 and S. F. Nos. 1821 and 2054 have been placed in the members' files.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Runbeck; Morrison; Olsen, S., and Henry introduced:

H. F. No. 2823, 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.

HOUSE ADVISORIES

The following House Advisory was introduced:

Gutknecht, Welle and Sviggum introduced:

H. A. No. 49, A proposal to require the House Health and Human Services Committee to study "Rule 53."

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 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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Johnson, R., moved that the House refuse to concur in the Senate amendments to H. F. No. 2131, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 2489, 1891, 1854 and 2396.

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. 1520, 1799, 2282, 2382 and 1994.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2489, 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; authorizing the sale of certain wildlife land in Washington county to independent school district No. 834.

The bill was read for the first time.

Rukavina moved that S. F. No. 2489 and H. F. No. 2656, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1891, A bill for an act relating to trusts; changing certain trust requirements; amending Minnesota Statutes 1989 Supplement, sections 501A.05; 501B.09, by adding a subdivision; 501B.46; 501B.65, subdivision 2; 501B.67, subdivision 1; 501B.68; 501B.69; and 501B.72, subdivision 2.

The bill was read for the first time.

Pugh moved that S. F. No. 1891 and H. F. No. 2223, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1854, 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.

Pugh moved that S. F. No. 1854 and H. F. No. 1890, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2396, A bill for an act relating to the environment; regulating the disposition of property acquired for response action; appropriating money; 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 Appropriations.

S. F. No. 1520, A bill for an act relating to human services; creating a technology assistance review panel; proposing coding for new law in Minnesota Statutes, chapter 256.

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

S. F. No. 1799, 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 Appropriations.

S. F. No. 2282, 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.

Rice moved that S. F. No. 2282 and H. F. No. 2426, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2382, 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.

S. F. No. 1994, 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; and 136A.35; 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.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the following change in membership of the Conference Committee on H. F. No. 1928:

Delete the name of Beard and add the name of Sarna.

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 for immediate consideration today, Tuesday, April 3, 1990, and that the printed Special Orders pending for today be discontinued.

S. F. Nos. 1848, 1727 and 1971; H. F. No. 1877; S. F. No. 2360; H. F. Nos. 2230 and 1843; S. F. Nos. 2072 and 1743; H. F. No. 2057; S. F. Nos. 1942, 1927, 1752, 2119, 1726, 1980, 2172, 2136, 1879, 1670, 1897, 2046, 2079, 2373, 1873, 2134 and 1794; H. F. Nos. 2656, 2138 and 2148; S. F. No. 2433; H. F. No. 1854; S. F. No. 2089; H. F. No. 2599; S. F. Nos. 1874 and 2130; H. F. No. 2458; S. F. No. 2127; H. F. No. 173; S. F. No. 1920; H. F. No. 1894; S. F. Nos. 1150, 1739, 2213, 1696, 1366, 488, 2061, 2068, 1995, 2431, 1365, 2317, 2108, 1983, 2179, 2090, 2224, 1772, 2207, 2156, 1999 and 1831; H. F. No. 1890; S. F. Nos. 2349, 2181 and 1703; H. F. No. 2678; S. F. Nos. 2208, 1946, 2109, 1820, 354, 1729, 2012, 1827 and 409; H. F. No. 2304; S. F. No. 1777; H. F. No. 2152; S. F. Nos. 2281, 394, 1789 and 1698; H. F. No. 2038; S. F. No. 2026; H. F. No. 2770; S. F. No. 2564; and H. F. No. 693.

SPECIAL ORDERS

S. F. No. 1848 was reported to the House.

O'Connor moved to amend S. F. No. 1848, the first engrossment, as follows:

Page 1, after line 13, insert:

"Section 1. Minnesota Statutes 1988, section 116J.980, is amended by adding a subdivision to read:

Subd. 3. [COORDINATION REQUIRED FOR HOUSING RELATED GRANTS.] The commissioner must coordinate with the commissioner of the Minnesota Housing Finance Agency to ensure that housing related grant applications for the small cities community development block grant program under section 116J.401 are consistent with the agency's most recent housing affordability plan and do not duplicate existing state housing programs."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

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 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	Greenfield	Krueger	Onnen	Schreiber
Anderson, G.	Gruenes	Lasley	Orenstein	Seaberg
Anderson, R.	Gutknecht	Lieder	Osthoff	Segal
Battaglia	Hartle	Limmer	Ostrom	Simoneau
Bauerly	Hasskamp	Long	Otis	Skoglund
Begich	Haukoos	Lynch	Ozment	Solberg
Bennett	Hausman	Macklin	Pappas	Sparby
Bertram	Heap	Marsh	Pauly	Stanius
Bishop	Henry	McDonald	Pellow	Steensma
Blatz	Himle	McEachern	Pelowski	Sviggum
Boo	Hugoson	McGuire	Peterson	Swenson
Brown	Jacobs	McPherson	Poppenhagen	Tjornhom
Burger	Janezich	Milbert	Price	Tompkins
Carlson, D.	Jaros	Miller	Pugh	Trimble
Carlson, L.	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.	Runbeck	Wenzel
Frederick	Kinkel	Olson, E.	Sarna	Williams
Frerichs	Knickerbocker	Olson, K.	Schafer	Winter
Girard	Kostohryz	Omann	Scheid	Spk. Vanasek

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

S. F. No. 1727 was reported to the House.

Rodosovich moved that S. F. No. 1727 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 1971 was reported to the House.

Lasley moved to amend S. F. No. 1971, as follows:

Page 1, line 12, after "driving," insert "courtesy to pedestrians,"

The motion prevailed and the amendment was adopted.

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 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	Krueger	Orenstein	Seaberg
Anderson, G.	Gruenes	Lasley	Osthoff	Segal
Anderson, R.	Gutknecht	Lieder	Ostrom	Simoneau
Battaglia	Hartle	Limmer	Otis	Skoglund
Bauerly	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	Himle	McGuire	Peterson	Swenson
Boo	Hugoson	McPherson	Poppenhagen	Tjornhom
Brown	Jacobs	Milbert	Price	Tompkins
Burger	Janezich	Miller	Pugh	Trimble
Carlson, D.	Jaros	Morrison	Quinn	Tunheim
Carlson, L.	Jefferson	Munger	Redalen	Uphus
Carruthers	Jennings	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
Dorn	Kelly	Olsen, S.	Runbeck	Wenzel
Forsythe	Kelso	Olson, E.	Sarna	Williams
Frederick	Kinkel	Olson, K.	Schafer	Winter
Frerichs	Knickerbocker	Omann	Scheid	Spk. Vanasek
Girard	Kostohryz	Onnen	Schreiber	

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

H. F. No. 1877 was reported to the House.

Schreiber moved that H. F. No. 1877 be continued on Special Orders. 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 third 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	Long	Otis	Skoglund
Begich	Haukoos	Lynch	Ozment	Solberg
Bennett	Hausman	Macklin	Pappas	Sparby
Bertram	Heap	Marsh	Pauly	Stanius
Bishop	Henry	McDonald	Pellow	Steenasma
Blatz	Himle	McEachern	Pelowski	Svigum
Boo	Hugoson	McGuire	Peterson	Swenson
Brown	Jacobs	McPherson	Poppenhagen	Tjornhom
Burger	Janezich	Milbert	Price	Tompkins
Carlson, D.	Jaros	Miller	Pugh	Trimble
Carlson, L.	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.	Runbeck	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. 1727 which was temporarily laid over earlier today was again reported to the House.

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 third 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 10 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Carlson, D.	Gutknecht	Kahn	McDonald	Olson, E.
Ferichs	Hasskamp	Marsh	Miller	Olson, K.

The bill was passed and its title agreed to.

The Speaker called Quinn to the Chair.

H. F. No. 2230 was reported to the House.

Jefferson moved to amend H. F. No. 2230, the first engrossment, as follows:

Pages 26 thru 28, delete section 28

Renumber subsequent sections and correct internal cross-references

Page 29, line 29, delete "9" and insert "8"

Amend the title as follows:

Page 1, line 16, after "16B;" insert "and"

Page 1, line 17, delete "and 473;"

The motion prevailed and the amendment was adopted.

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 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 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 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Henry	Kostohryz	Nelson, C.
Anderson, G.	Dawkins	Himle	Krueger	Nelson, K.
Anderson, R.	Dempsey	Hugoson	Lasley	Neuenschwander
Battaglia	Dille	Jacobs	Lieder	O'Connor
Bauerly	Dorn	Janezich	Limmer	Ogren
Begich	Forsythe	Jaros	Long	Olsen, S.
Bennett	Frederick	Jefferson	Lynch	Olson, E.
Bertram	Frerichs	Jennings	Macklin	Olson, K.
Blatz	Girard	Johnson, A.	Marsh	Omann
Boo	Greenfield	Johnson, R.	McDonald	Onnen
Brown	Gruenes	Johnson, V.	McEachern	Orenstein
Burger	Gutknecht	Kahn	McGuire	Osthoff
Carlson, D.	Hartle	Kalis	McPherson	Ostrom
Carlson, L.	Hasskamp	Kelly	Milbert	Otis
Carruthers	Haukoos	Kelso	Morrison	Ozment
Clark	Hausman	Kinkel	Munger	Pappas
Cooper	Heap	Knickerbocker	Murphy	Pauly

Pellow	Rest	Schreiber	Sviggum	Wagenius
Pelowski	Rice	Seaberg	Swenson	Waltman
Peterson	Richter	Segal	Tjornhom	Weaver
Poppenhagen	Rodosovich	Simoneau	Tompkins	Welle
Price	Rukavina	Skoglund	Trimble	Wenzel
Pugh	Runbeck	Solberg	Tunheim	Williams
Quinn	Sarna	Sparby	Uphus	Winter
Redalen	Schafer	Stanius	Valento	Spk. Vanasek
Reding	Scheid	Steensma	Vellenga	

Those who voted in the negative were:

Miller

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

H. F. No. 1843 was reported to the House.

Kelly moved to amend H. F. No. 1843, the second engrossment, as follows:

Page 48, after line 3, insert:

"Sec. 2. Laws 1989, chapter 290, article 1, section 6, is amended to read:

Sec. 6. COMMISSIONER OF PUBLIC SAFETY	1,169,000	1,610,000
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Of this amount, \$419,000 in 1990 and \$860,000 in 1991 is appropriated to the bureau of criminal apprehension to establish and operate a laboratory to perform DNA analysis and to establish a system for collecting and maintaining DNA analysis data and human biological specimens. The staff complement of the bureau is increased by up to ten positions.

Of this amount, \$100,000 in each year is to be used for grants to establish community crime reduction pilot projects. Any unencumbered balance remaining in this appropriation in the first year does not cancel but is available for the second year of the biennium.

Of this amount, \$125,000 in each year is for community drug prevention and

education grants, and \$25,000 in each year is for multidisciplinary chemical abuse prevention teams. Any unencumbered balance remaining in this appropriation in the first year does not cancel but is available for the second year of the biennium.

Of this amount, \$175,000 in each year is appropriated to the bureau of criminal apprehension for the drug abuse resistance education training program. The staff complement is increased by up to three positions.

Of this amount, \$175,000 in each year is for the office of drug policy and the drug abuse prevention resource council. The staff complement of the office of drug policy is not more than two positions. The staff complement of the council is not more than three positions.

Of this amount, \$150,000 in each year is for the soft body armor reimbursement program.”

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Macklin and Limmer moved to amend H. F. No. 1843, the second engrossment, as amended, as follows:

Page 7, after line 15, insert:

“Sec. 7. [152.0271] [CONTROLLED SUBSTANCE OFFENDERS; DRIVER'S LICENSE SUSPENSION.]

When a person is convicted of a controlled substance offense under this chapter, the court shall forward the offender's driver's license to the commissioner of public safety and direct the commissioner to suspend the offender's driving privileges for a period of not less than 30 days nor more than one year. The commissioner shall suspend the offender's driver's license for the period stated in the court order but may allow the offender driving privileges as necessary to travel to and from work. The penalty in this section is in addition to any other penalty that the court may impose for the offense committed.”

Page 11, after line 12, insert:

“Sec. 15. Minnesota Statutes 1989 Supplement, section 260.185, subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(a) Counsel the child or the parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court including reasonable rules for conduct and the conduct of the child's parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) a child placing agency; or

(2) the county welfare board; or

(3) a reputable individual of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245.781 to 245.812; or

(4) a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the person or property of another, the court may order the child to make reasonable restitution for such damage;

(f) Require the child to pay a fine of up to \$700; the court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) Except as otherwise provided in clause (i), if the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be canceled until the child's 18th birthday, the court may recommend to the commissioner of public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize;

(i) If the court finds that the child committed a violation of chapter 152, the court shall impose one of the following dispositions:

(1) if the child has a driver's license or permit, the court shall forward the license or permit to the commissioner of public safety and order the commissioner to revoke the child's driver's license or permit for a period of one year. The commissioner may issue a work permit to the child as provided under section 171.30;

(2) if the child does not have a driver's license or permit, the court shall prepare an order of denial of driving privileges. The order must provide that the child will not be granted driving privileges until the child reaches the age of 17 years or for a period of one year, whichever is longer. The court shall forward the order to the commissioner of public safety. The commissioner shall deny the child's eligibility for a driver's license under section 171.04, for the period stated in the court order.

If the child is petitioned and found by the court to have committed or attempted to commit an act in violation of section 609.342, 609.343, 609.344, or 609.345, the court shall order an independent professional assessment of the child's need for sex offender treatment. An assessor providing an assessment for the court may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If the assessment indicates that the child is in need of and amenable to sex offender treatment, the court shall include in its disposition order a requirement that the child undergo treatment.

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) why the best interests of the child are served by the disposition ordered; and

(b) what alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

Sec. 16. Minnesota Statutes 1989 Supplement, section 260.195, subdivision 3, is amended to read:

Subd. 3. [DISPOSITIONS.] If the juvenile court finds that a child is a petty offender, the court may:

(a) require the child to pay a fine of up to \$100;

(b) require the child to participate in a community service project;

(c) require the child to participate in a drug awareness program;

(d) place the child on probation for up to six months;

(e) order the child to undergo a chemical dependency evaluation and if warranted by this evaluation, order participation by the child in an inpatient or outpatient chemical dependency treatment program; or

(f) perform any other activities or participate in any other treatment programs deemed appropriate by the court.

In all cases where the juvenile court finds that a child has purchased or attempted to purchase an alcoholic beverage in violation of section 340A.503, if the child has a driver's license or permit to drive, and if the child used a driver's license, permit or Minnesota identification card to purchase or attempt to purchase the alcoholic beverage, the court shall forward its finding in the case and the child's driver's license or permit to the commissioner of public safety. Upon receipt, the commissioner shall suspend the child's license or permit for a period of 90 days.

None of the dispositional alternatives described in clauses (a) to (e) shall be imposed by the court in a manner which would cause an undue hardship upon the child.

Sec. 17. Minnesota Statutes 1989 Supplement, section 260.195, subdivision 3a, is amended to read:

Subd. 3a. [ENHANCED CONTROLLED SUBSTANCE AND ALCOHOL OFFENDERS; DRIVER'S LICENSE DISPOSITIONS.] If the juvenile court finds that a child has committed a second or subsequent juvenile alcohol or controlled substance offense, the

court may impose any of the dispositional alternatives described in paragraphs (a) to (e).

(a) ~~The court may impose~~ shall impose a disposition under this subdivision in addition to any of the dispositional alternatives described in imposed under subdivision 3, clauses (a) to (f):

(b) (a) ~~If the adjudicated petty offender has a driver's license or permit, the court may shall~~ forward the license or permit to the commissioner of public safety. The commissioner shall revoke the petty offender's driver's license or permit ~~until the offender reaches the age of 18 years or for a period of one year, whichever is longer.~~ The commissioner may issue a work permit to the offender as provided in section 171.30.

(c) ~~If the adjudicated petty offender has a driver's license or permit, the court may suspend the driver's license or permit for a period of up to 90 days, but may allow the offender driving privileges as necessary to travel to and from work.~~

(d) (b) ~~If the adjudicated petty offender does not have a driver's license or permit, the court may shall~~ prepare an order of denial of driving privileges. The order must provide that the petty offender will not be granted driving privileges until the offender reaches the age of 18 17 years or for a period of one year, whichever is longer. The court shall forward the order to the commissioner of public safety. The commissioner shall deny the offender's eligibility for a driver's license under section 171.04, for the period stated in the court order."

Page 13, after line 13, insert:

"Sec. 21. [340A.7031] [UNDERAGE ALCOHOL OFFENDERS; DRIVER'S LICENSE SUSPENSION.]

When a person is convicted of violating section 340A.503, subdivision 1, clause (2), subdivision 2, clause (2), or subdivision 3, 4, or 5, the court shall forward the offender's driver's license to the commissioner of public safety and direct the commissioner to suspend the offender's driving privileges for a period of not less than 30 days nor more than one year. The commissioner shall suspend the offender's driver's license for the period stated in the court order but may allow the offender driving privileges as necessary to travel to and from work. The penalty in this section is in addition to any other penalty that the court may impose for the offense committed."

Renumber the sections in sequence

Correct internal cross references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Macklin and Limmer amendment and the roll was called. There were 56 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Kelso	Onnen	Tjornhom
Bertram	Gruenes	Kinkel	Ozment	Tompkins
Blatz	Gutknecht	Knickerbocker	Poppenhagen	Uphus
Boo	Hasskamp	Limmer	Redalen	Valento
Burger	Haukoos	Lynch	Richter	Waltman
Carlson, D.	Heap	Macklin	Runbeck	Weaver
Carruthers	Henry	Marsh	Schafer	Wenzel
Dempsey	Himle	McDonald	Seaberg	Winter
Dille	Hugoson	McPherson	Sparby	
Forsythe	Johnson, R.	Miller	Steenasma	
Frederick	Johnson, V.	Olsen, S.	Sviggum	
Frerichs	Kalis	Omann	Swenson	

Those who voted in the negative were:

Anderson, G.	Hartle	Long	Osthoff	Sarna
Anderson, R.	Hausman	McEachern	Ostrom	Scheid
Battaglia	Jacobs	McGuire	Otis	Schreiber
Bauerly	Janezich	Milbert	Pappas	Segal
Begich	Jaros	Munger	Pellow	Simoneau
Bishop	Jefferson	Murphy	Pelowski	Skoglund
Brown	Jennings	Nelson, C.	Peterson	Solberg
Carlson, L.	Johnson, A.	Nelson, K.	Price	Trimble
Clark	Kahn	Neuenschwander	Pugh	Tunheim
Cooper	Kelly	O'Connor	Quinn	Vellenga
Dauner	Kostohryz	Ogren	Reding	Wagenius
Dawkins	Krueger	Olson, E.	Rest	Welle
Dorn	Lasley	Olson, K.	Rodosovich	Williams
Greenfield	Lieder	Orenstein	Rukavina	Spk. Vanasek

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

Marsh and Limmer offered an amendment to H. F. No. 1843, the second engrossment, as amended.

Seaberg requested a division of the Marsh and Limmer amendment to H. F. No. 1843, the second engrossment, as amended.

The first portion of the Marsh and Limmer amendment to H. F. No. 1843, the second engrossment, as amended, reads as follows:

Page 2, line 36, delete "50" and insert "ten"

Page 3, line 10, strike "100" and insert "ten"

Page 4, line 8, delete "25" and insert "five"

Page 4, line 31, strike "50" and insert "five"

Page 5, line 29, delete "five kilograms" and insert "one kilogram"

Page 6, line 10, after "drug" insert ", marijuana, or Tetrahydrocannabinols"

Page 6, line 13, delete "ten" and insert "five"

Page 6, after line 14, insert:

"Sec. 5. Minnesota Statutes 1989 Supplement, section 152.024, subdivision 1, is amended to read:

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the fourth degree if:

(1) the person unlawfully sells one or more mixtures containing a controlled substance classified in schedule I, II, or III, except a small amount of marijuana or Tetrahydrocannabinols for no remuneration;

(2) the person unlawfully sells one or more mixtures containing marijuana or Tetrahydrocannabinols to a person under the age of 18;

(3) the person conspires with or employs a person under the age of 18 to unlawfully sell one or more mixtures containing marijuana or Tetrahydrocannabinols;

(4) the person unlawfully sells one or more mixtures containing a controlled substance classified in schedule IV or V to a person under the age of 18; or

(5) (3) the person conspires with or employs a person under the age of 18 to unlawfully sell a controlled substance classified in schedule IV or V.

Sec. 6. Minnesota Statutes 1989 Supplement, section 152.024, subdivision 2, is amended to read:

Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the fourth degree if:

(1) the person unlawfully possesses one or more mixtures containing phencyclidine or hallucinogen, it is packaged in dosage units, and equals ten or more dosage units; or

(2) the person unlawfully possesses one or more mixtures containing a controlled substance classified in schedule I, II, or III, with the intent to sell it, except a small amount of marijuana or Tetrahydrocannabinols, with the intent to sell it for no remuneration;

(3) the person unlawfully possesses any amount of a schedule I or II narcotic drug; or

(4) the person possesses one or more mixtures of a total weight of 500 grams or more containing marijuana or Tetrahydrocannabinols.

Sec. 7. Minnesota Statutes 1989 Supplement, section 152.025, subdivision 1, is amended to read:

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the fifth degree if:

(1) the person unlawfully sells one or more mixtures containing marijuana or Tetrahydrocannabinols, except a small amount of marijuana for no remuneration; or

(2) the person unlawfully sells one or more mixtures containing a controlled substance classified in schedule IV."

Renumber the sections in sequence

Correct the internal cross-references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the first portion of the Marsh and Limmer amendment and the roll was called. There were 82 yeas and 41 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Heap	Lynch	O'Connor
Bauerly	Dille	Henry	Macklin	Olsen, S.
Bennett	Dorn	Himle	Marsh	Olson, K.
Bertram	Forsythe	Hugoson	McDonald	Omann
Blatz	Frederick	Johnson, R.	McEachern	Onnen
Boo	Frerichs	Johnson, V.	McGuire	Osthoff
Burger	Girard	Kalis	McPherson	Ozment
Carlson, D.	Gruenes	Kinkel	Milbert	Pauly
Carlson, L.	Gutknecht	Knickerbocker	Miller	Pellow
Carruthers	Hartle	Kostohryz	Morrison	Pelowski
Cooper	Hasskamp	Krueger	Munger	Peterson
Dauner	Haukoos	Limmer	Neuenschwander	Poppenhagen

Pugh	Scheid	Stanius	Tompkins	Wenzel
Redalen	Schreiber	Steensma	Uphus	Winter
Richter	Seaberg	Sviggum	Valento	
Runbeck	Solberg	Swenson	Waltman	
Schafer	Sparby	Tjornhom	Weaver	

Those who voted in the negative were:

Anderson, G.	Hausman	Murphy	Quinn	Vellenga
Anderson, R.	Janezich	Nelson, C.	Reding	Wagenius
Battaglia	Jaros	Nelson, K.	Rukavina	Welle
Begich	Jefferson	Ogren	Sarna	Williams
Bishop	Jennings	Orenstein	Segal	Spk. Vanasek
Brown	Johnson, A.	Ostrom	Simoneau	
Clark	Kahn	Otis	Skoglund	
Dawkins	Kelly	Pappas	Trimble	
Greenfield	Long	Price	Tunheim	

The motion prevailed and the first portion of the Marsh and Limmer amendment was adopted.

The second portion of the Marsh and Limmer amendment to H. F. No. 1843, the second engrossment, as amended, reads as follows:

Page 6, delete lines 15 to 35, and insert:

“Sec. 8. Minnesota Statutes 1989 Supplement, section 152.027, subdivision 4, is amended to read:

Subd. 4. [POSSESSION OR SALE OF SMALL AMOUNTS OF MARIJUANA.] (a) A person who unlawfully sells a small amount of marijuana for no remuneration, or who unlawfully possesses a small amount of marijuana is guilty of a petty misdemeanor punishable by a fine of up to \$200 and participation in a drug education program unless the court enters a written finding that a drug education program is inappropriate. The program must be approved by an area mental health board with a curriculum approved by the state alcohol and drug abuse authority.

(b) A person convicted of an unlawful sale under paragraph (a) who is subsequently convicted of an unlawful sale under paragraph (a) within two years is guilty of a misdemeanor and shall be required to participate in a chemical dependency evaluation and treatment if so indicated by the evaluation.

(c) A person who is convicted of a petty misdemeanor under paragraph (a) who willfully and intentionally fails to comply with the sentence imposed, is guilty of a misdemeanor. Compliance with the terms of the sentence imposed before conviction under this paragraph is an absolute defense.”

Renumber the sections in sequence

Correct the internal cross-references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the second portion of the Marsh and Limmer amendment and the roll was called. There were 98 yeas and 25 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Krueger	Olson, E.	Sarna
Battaglia	Gruenes	Lasley	Olson, K.	Schafer
Bauerly	Gutknecht	Lieder	Omann	Schreiber
Begich	Hartle	Limmer	Onnen	Seaberg
Bennett	Hasskamp	Lynch	Osthoff	Sparby
Bertram	Haukoos	Macklin	Ostrom	Stanius
Blatz	Heap	Marsh	Otis	Steensma
Boo	Henry	McDonald	Ozment	Sviggum
Burger	Himle	McEachern	Pauly	Swenson
Carlson, D.	Hugoson	McGuire	Pellow	Tjornhom
Carlson, L.	Jefferson	McPherson	Pelowski	Tompkins
Carruthers	Jennings	Milbert	Peterson	Uphus
Cooper	Johnson, A.	Miller	Poppenhagen	Valento
Dauner	Johnson, R.	Morrison	Price	Waltman
Dempsey	Johnson, V.	Munger	Pugh	Weaver
Dille	Kalis	Murphy	Redalen	Wenzel
Dorn	Kelso	Nelson, C.	Reding	Williams
Forsythe	Kinkel	Neuenschwander	Richter	Winter
Frederick	Knickerbocker	O'Connor	Rodosovich	
Frerichs	Kostohryz	Olsen, S.	Runbeck	

Those who voted in the negative were:

Anderson, G.	Greenfield	Kelly	Segal	Tunheim
Bishop	Hausman	Orenstein	Simoneau	Vellenga
Brown	Jacobs	Pappas	Skoglund	Wagenius
Clark	Janezich	Quinn	Solberg	Welle
Dawkins	Jaros	Rukavina	Trimble	Spk. Vanasek

The motion prevailed and the second portion of the Marsh and Limmer amendment was adopted.

Runbeck; McDonald; Carlson, D.; Jennings; Henry and Frederick moved to amend H. F. No. 1843, the second engrossment, as amended, as follows:

Page 11, after line 12, insert:

“Sec. 14. [214.075] [CONTROLLED SUBSTANCE CONVICTIONS; LICENSING SANCTION POLICIES.]

A board subject to this chapter shall develop a written policy applicable to licensees and license applicants who have been convicted of controlled substance crimes. These policies shall be submitted to the legislature on or before January 1, 1991, and shall

apply to licensees and applicants who commit controlled substance crimes on or after that date."

Page 13, after line 13, insert:

"Sec. 18. [481:151] [CONTROLLED SUBSTANCE CONVICTIONS; ATTORNEY LICENSING SANCTIONS.]

The supreme court shall develop a written policy applicable to licensed attorneys and attorney license applicants who have been convicted of controlled substance crimes. These policies shall be submitted to the legislature on or before January 1, 1991, and shall apply to licensed attorneys and attorney license applicants who commit controlled substance crimes on or after that date."

Page 15, after line 12, insert:

"Sec. 22. [ADOPTION OF RULES GOVERNING LEGISLATORS CONVICTED OF CONTROLLED SUBSTANCE OFFENSES.]

The rules committee of the house of representatives shall adopt rules providing sanctions for house members who have been convicted of controlled substance crimes. These rules shall be adopted by January 31, 1991, and enforced against house members who commit controlled substance crimes on or after that date."

Renumber the sections in sequence

Correct internal cross references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Rodosovich raised a point of order pursuant to Article IV, section 7, of the Minnesota Constitution relating to the rules of government that page 1, line 24, and section 22 of the Runbeck et al amendment were not in order. Speaker pro tempore Quinn ruled the point of order well taken and those portions of the Runbeck et al amendment out of order.

Bishop moved to amend the remaining portions of the Runbeck et al amendment to H. F. No. 1843, the second engrossment, as amended, as follows:

In the Runbeck amendment, page 1, line 16, delete "shall" and insert "is requested to"

Page 1, line 19, delete "shall" insert "may"

Page 1, line 20, delete "shall" insert "may"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the remaining portions of the Runbeck et al amendment, as amended, and the roll was called. There were 119 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Hausman	Jaros	Rukavina
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The motion prevailed and the amendment, as amended, was adopted.

Speaker pro tempore Quinn called Krueger to the Chair.

Johnson, A., moved to amend H. F. No. 1843, the second engrossment, as amended, as follows:

Page 27, line 24, after "physician" insert "after informing the patient of the testing and the consequences of a positive result,"

A roll call was requested and properly seconded.

The question was taken on the Johnson, A., amendment and the roll was called. There were 11 yeas and 111 nays as follows:

Those who voted in the affirmative were:

Clark	Jefferson	Olson, K.	Trimble
Hausman	Johnson, A.	Rukavina	Williams
Jaros	Munger	Solberg	

Those who voted in the negative were:

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

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

Speaker pro tempore Krueger called Quinn to the Chair.

Wenzel, Omann, Kinkel, McEachern, Bertram, Bauerly, Marsh, O'Connor, Sparby, Hasskamp and Tjornhom moved to amend H. F. No. 1843, the second engrossment, as amended, as follows:

Page 40, after line 7, insert:

"Sec. 2. Minnesota Statutes 1989 Supplement, section 244.05, subdivision 4, is amended to read:

Subd. 4. [MINIMUM IMPRISONMENT, LIFE SENTENCE.] An inmate serving a mandatory life sentence under section 609.185, clause (3), relating to a felony violation of chapter 152 involving the unlawful sale of a controlled substance or 609.184 must not be given supervised release under this section. Subject to the limitation provided by the preceding sentence, an inmate serving a mandatory life sentence for conviction of murder in the first degree under

section 609.185 must not be given supervised release under this section without having served a minimum term of 30 years. An inmate serving a mandatory life sentence under section 609.385 must not be given supervised release under this section without having served a minimum term of imprisonment of 17 years."

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 Wenzel et al amendment and the roll was called. There were 87 yeas and 37 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Krueger	Omann	Schafer
Battaglia	Gruenes	Lieder	Onnen	Scheid
Bauerly	Gutknecht	Limmer	Osthoff	Solberg
Begich	Hartle	Lynch	Ostrom	Sparby
Bennett	Hasskamp	Macklin	Otis	Stanius
Bertram	Heap	Marsh	Ozment	Steensma
Blatz	Henry	McDonald	Pauly	Sviggum
Boo	Himle	McEachern	Pellow	Tjornhom
Burger	Hugoson	McGuire	Pelowski	Tompkins
Carlson, D.	Jacobs	McPherson	Peterson	Tunheim
Carlson, L.	Jefferson	Milbert	Poppenhagen	Uphus
Carruthers	Jennings	Miller	Pugh	Valento
Cooper	Johnson, A.	Murphy	Redalen	Waltman
Dauner	Johnson, R.	Neuenschwander	Reding	Weaver
Dille	Johnson, V.	O'Connor	Richter	Wenzel
Dorn	Kalis	Olsen, S.	Rukavina	
Forsythe	Kinkel	Olson, E.	Runbeck	
Frerichs	Knickerbocker	Olson, K.	Sarna	

Those who voted in the negative were:

Anderson, G.	Greenfield	Long	Rest	Vellenga
Anderson, R.	Haukoos	Munger	Rice	Wagenius
Bishop	Hausman	Nelson, C.	Schreiber	Welle
Brown	Janezich	Ogren	Seaberg	Williams
Clark	Kahn	Orenstein	Segal	Spk. Vanasek
Dawkins	Keily	Pappas	Simoneau	
Dempsey	Kelso	Price	Skoglund	
Frederick	Kostohryz	Quinn	Swenson	

The motion prevailed and the amendment was adopted.

Bishop moved to amend H. F. No. 1843, the second engrossment, as amended, as follows:

Pages 7 and 8, delete section 8

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 1843, 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; providing for the distribution of forfeiture proceeds; 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; 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; 609.135, subdivisions 1, 6, and by adding a subdivision; 609.14; 631.40; and 631.48; Minnesota Statutes 1989 Supplement, sections 145.882, subdivision 7; 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 2; 169.121, subdivision 3b; 169.126, subdivision 4; 244.05, subdivision 4; 260.193, subdivision 8; 299A.34, subdivision 1; 299A.35, subdivision 2; 299C.155, subdivisions 2 and 3; 340A.503, subdivision 2; 609.5315, subdivision 5; 626.556, subdivision 2; 626.5561, subdivisions 1, 3, 4, and by adding a subdivision; and 626.5562, subdivisions 1, 2, and 4; Laws 1989,

chapter 290, article 1, section 6; proposing coding for new law in Minnesota Statutes, chapters 152; 214; 244; 299A; and 481; repealing Minnesota Statutes 1988, sections 169.124, subdivision 3; 169.126, subdivisions 2 and 3; Minnesota Statutes 1989 Supplement, section 169.126, subdivision 4a.

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 2 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
Begich	Hasskamp	Marsh	Pauly	Stanisus
Bennett	Haukoos	McDonald	Pellow	Steensma
Bertram	Heap	McEachern	Pelowski	Sviglum
Bishop	Henry	McGuire	Peterson	Swenson
Blatz	Himle	McPherson	Poppenhagen	Tjornhom
Boo	Hugoson	Milbert	Price	Tompkins
Brown	Jacobs	Miller	Pugh	Trimble
Burger	Janezich	Morrison	Quinn	Tunheim
Carlson, D.	Jefferson	Munger	Redalen	Uphus
Carlson, L.	Jennings	Murphy	Reding	Valento
Carruthers	Johnson, A.	Nelson, C.	Rest	Vellenga
Clark	Johnson, R.	Nelson, K.	Rice	Wagenius
Cooper	Johnson, V.	Neuenschwander	Richter	Waltman
Dauner	Kalis	O'Connor	Rodosovich	Weaver
Dawkins	Kelly	Ogren	Rukavina	Welle
Dempsey	Kelso	Olsen, S.	Runbeck	Wenzel
Dille	Kinkel	Olsen, E.	Sarna	Williams
Dorn	Knickerbocker	Olson, K.	Schafer	Winter
Forsythe	Kostohryz	Omann	Scheid	Spk. Vanasek
Frederick	Krueger	Onnen	Schreiber	
Frerichs	Lasley	Orenstein	Seaberg	

Those who voted in the negative were:

Jaros Kahn

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

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 third 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	Long	Otis	Skoglund
Begich	Haukoos	Lynch	Ozment	Solberg
Bennett	Hausman	Macklin	Pappas	Sparby
Bertram	Heap	Marsh	Pauly	Stanius
Blatz	Henry	McDonald	Pellow	Steensma
Boo	Himle	McEachern	Pelowski	Swiggum
Brown	Hugoson	McGuire	Peterson	Swenson
Burger	Jacobs	McPherson	Poppenhagen	Tjornhom
Carlson, D.	Janezich	Milbert	Price	Tompkins
Carlson, L.	Jaros	Miller	Pugh	Trimble
Carruthers	Jefferson	Morrison	Quinn	Tunheim
Clark	Jennings	Munger	Redalen	Uphus
Cooper	Johnson, A.	Murphy	Reding	Valento
Dauner	Johnson, R.	Nelson, C.	Rest	Vellenga
Dawkins	Johnson, V.	Nelson, K.	Rice	Wagenius
Dempsey	Kahn	Neuenschwander	Richter	Waltman
Dille	Kalis	O'Connor	Rodosovich	Weaver
Dorn	Kelly	Ogren	Rukavina	Welle
Forsythe	Kelso	Olsen, S.	Runbeck	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. 1743 was reported to the House.

Jacobs moved to amend S. F. No. 1743, as follows:

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 55 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 area, 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.

(c) A telephone company that provides local telephone service in an exchange that is included in an extended service area must include the extended area service rate in the basic rate for the purpose of billing customers so that only one line item charge appears on customers bills for both rates.

Subd. 4. [LATA BOUNDARIES.] When the commission has determined that a petition for inclusion of a local exchange in a local calling area should be granted under this section but the inclusion of that local exchange would place a telephone company in violation of the federal prohibition on providing telephone service across a local access and transport area (LATA) line, as defined in section 237.57, subdivision 5, the commission shall order the affected telephone company to seek a waiver of the prohibition on the provision of service across the LATA line to the extent necessary to include the exchange in the appropriate local calling area.

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 be-

tween the Red Wing and Hastings local telephone exchanges to ensure that telephone service subscribers who are located in Dakota County receive local service from the Hastings local telephone exchange. The commission shall follow its existing rules to ensure that the change in boundary required by this section is revenue neutral as between the affected telephone companies.

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."

The motion prevailed and the amendment was adopted.

Stanius moved to amend S. F. No. 1743, as amended, as follows:

Page 5, after line 2, insert:

"Sec. 4. [METROPOLITAN AREA.]

For purposes of Minnesota Statutes, chapter 473, the metropolitan area means the portion of the metropolitan extended telephone service area defined by the public utilities commission that is located in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, including cities and towns located wholly or partially in those counties."

Renumber subsequent sections

Correct internal cross references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Stanius amendment and the roll was called. There were 28 yeas and 98 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Limmer	Pauly	Svigum
Burger	Gutknecht	Lynch	Pellow	Swenson
Dempsey	Heap	Marsh	Poppenhagen	Tjornhom
Forsythe	Henry	McPherson	Runbeck	Valento
Frederick	Hugoson	Miller	Schreiber	
Frerichs	Knickerbocker	Olsen, S.	Stanius	

Those who voted in the negative were:

Anderson, G.	Hartle	Lieder	Osthoff	Simoneau
Anderson, R.	Hasskamp	Long	Ostrom	Skoglund
Battaglia	Haukoos	Macklin	Otis	Solberg
Bauerly	Hausman	McDonald	Ozment	Sparby
Begich	Jacobs	McEachern	Pappas	Steensma
Bennett	Janezich	McGuire	Pelowski	Tompkins
Bertram	Jaros	Milbert	Peterson	Trimble
Bishop	Jefferson	Morrison	Price	Tunheim
Boo	Jennings	Munger	Pugh	Uphus
Brown	Johnson, A.	Murphy	Quinn	Vellenga
Carlson, D.	Johnson, R.	Nelson, C.	Redalen	Wagenius
Carlson, L.	Johnson, V.	Nelson, K.	Reding	Waltman
Carruthers	Kahn	Neuenschwander	Rest	Weaver
Clark	Kalis	O'Connor	Rice	Welle
Cooper	Kelly	Ogren	Rodosovich	Wenzel
Dauner	Kelso	Olson, E.	Rukavina	Williams
Dawkins	Kinkel	Olson, K.	Sarna	Winter
Dille	Kostohryz	Omman	Schafer	Spk. Vanasek
Dorn	Krueger	Onnen	Scheid	
Greenfield	Lasley	Orenstein	Segal	

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

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 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 113 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Johnson, A.	Munger	Peterson
Anderson, R.	Forsythe	Johnson, R.	Murphy	Poppenhagen
Battaglia	Frederick	Johnson, V.	Nelson, C.	Price
Bauerly	Frerichs	Kalis	Nelson, K.	Pugh
Begich	Girard	Kelly	Neuenschwander	Quinn
Bennett	Greenfield	Kelso	O'Connor	Redalen
Bertram	Gruenes	Kinkel	Ogren	Reding
Boo	Gutknecht	Krueger	Olsen, S.	Rest
Brown	Hartle	Lasley	Olson, E.	Rice
Burger	Hasskamp	Lieder	Olson, K.	Richter
Carlson, D.	Haukoos	Limmer	Omman	Rodosovich
Carlson, L.	Hausman	Long	Onnen	Rukavina
Carruthers	Heap	Macklin	Orenstein	Runbeck
Clark	Hugoson	Marsh	Ostrom	Sarna
Cooper	Jacobs	McDonald	Otis	Schreiber
Dauner	Janezich	McEachern	Ozment	Seaberg
Dawkins	Jaros	McGuire	Pappas	Segal
Dempsey	Jefferson	Miller	Pellow	Simoneau
Dille	Jennings	Morrison	Pelowski	Skoglund

Solberg
Sparby
Steensma
Sviggum

Swenson
Tompkins
Trimble
Tunheim

Uphus
Vellenga
Wagenius
Waltman

Weaver
Welle
Wenzel
Williams

Winter
Spk. Vanasek

Those who voted in the negative were:

Abrams
Henry
Kahn

Knickerbocker
Kostohryz
Lynch

McPherson
Osthoff
Schafer

Scheid
Stanius
Tjornhom

Valento

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

Rodosovich moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

The Speaker resumed the Chair.

GENERAL ORDERS

Rodosovich 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

Simoneau from the Committee on Appropriations 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.

The report was adopted.

Simoneau from the Committee on Appropriations 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 is 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 \$5,000. 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. [APPROPRIATION.]

\$5,000 is appropriated from the general fund to the department of public service to be reimbursed from the assessment authorized in section 1, subdivision 8, for the purpose of conducting the study required by section 1. The money is available until February 1, 1995.

Sec. 4. [EFFECTIVE DATES.]

Sections 1 and 3 are effective July 1, 1990. Section 2 is effective the day following final enactment.

Amend the title as follows:

Page 1, line 4, after the semicolon insert "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 1725, A bill for an act relating to the environment; changing the fund balances required to impose the fee and the collection period of the fee; changing the terms for reimbursement of petroleum tank release costs by the petroleum tank release compensation board; providing certain tank facilities and refineries are ineligible for reimbursement; 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.

Reported the same back with the following amendments:

Page 2, after line 24, insert:

"Sec. 5. Minnesota Statutes 1989 Supplement, section 115C.09, subdivision 1, is amended to read:

Subdivision 1. [REIMBURSABLE COSTS.] (a) The board shall provide partial reimbursement to eligible responsible persons for reimbursable costs incurred after June 4, 1987.

(b) The following costs ~~shall be considered~~ are reimbursable for purposes of this section:

(1) corrective action costs incurred by the responsible person, except the costs related to the physical removal of a tank; and

(2) costs that the responsible person is legally obligated to pay as damages to third parties for bodily injury or property damage

caused by a release if the responsible person's liability for the costs has been established by a court order or a consent decree.

(c) A cost for liability to a third party is ~~considered to be~~ incurred by the responsible person when an order or consent decree establishing the liability is entered. Except as provided in this paragraph, reimbursement may not be made for costs of liability to third parties until all eligible corrective action costs have been reimbursed. If a corrective action is expected to continue in operation for more than one year after it has been fully constructed or installed, the board may estimate the future expense of completing the corrective action and, after subtracting this estimate from the total reimbursement available under subdivision 3, reimburse the costs for liability to third parties. The total reimbursement may not exceed the limit set forth in subdivision 3."

Page 3, line 19, before the period insert "and section 5 applies to applications for reimbursement received by the board after that date"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 13, delete "subdivision 3" and insert "subdivisions 1, 3"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 1758, A bill for an act relating to health; requiring the licensing of wholesale drug distributors; regulating the use of biosynthetic bovine somatotropin; providing penalties; amending Minnesota Statutes 1988, sections 151.01, subdivision 28; 151.06, subdivision 1; 151.15, subdivision 3; and 151.25; proposing coding for new law in Minnesota Statutes, chapter 151.

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

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

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.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [PURPOSE.]

The legislature determines that it is in the public interest and an objective of the state that its citizens and the citizens of the world be better informed about the importance of preserving and restoring the large freshwater lakes of the world, including Lake Superior. The legislature determines that an enhanced public awareness of the vital role which the large freshwater lakes play in the ecosystem is an essential element in a wider program to provide for the protection and preservation of these lakes. The legislature also determines that the transfer of data and scientific findings about the large freshwater lakes of the world to the policymakers and citizens of the state, our nation, and the world is essential.

The legislature determines that as the largest surface of fresh water in the world, Lake Superior can function as a focal point for transferring information about these large lakes to the policymakers and the public, and that the establishment of a facility containing appropriate exhibits and other educational features to support these objectives and the establishment of programs related to them near the shore of Lake Superior in Duluth is in the public interest and of advantage and benefit to all of the citizens of the state.

The legislature is aware that Lake Superior Center, a Minnesota nonprofit corporation, is actively engaged in the development of a program and plan to meet these objectives and is actively engaged in assembling the public and private partnership required to secure the resources, international participation, and expertise required to create a freshwater education center.

The legislature finds that objectives of this act can best be accomplished by forming a public corporation to be known as Lake Superior Center Authority and that Lake Superior Center Authority be given the powers, rights, privileges, and immunities provided in this act, including the power to cooperate and contract with Lake Superior Center to the extent and for the purposes provided for in this act.

Sec. 2. [ORGANIZATION.]

Subdivision 1. [ESTABLISHMENT.] The Lake Superior Center Authority is established as a public corporation. The business of the corporation must be conducted under the name "Lake Superior Center Authority."

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. 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. 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.

Subd. 3. [BYLAWS.] The board of directors shall adopt bylaws necessary for the conduct of the business of the corporation, consistent with this act. The corporation must publish the bylaws and amendments to the bylaws in the State Register.

Subd. 4. [PLACE OF BUSINESS.] The board shall locate and maintain the corporation's place of business within the state.

Subd. 5. [CHAIR.] The board shall annually elect from among its members a chair and other officers necessary for the performance of its duties.

Subd. 6. [MEETINGS.] 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.

Subd. 7. [CONFLICT OF INTEREST.] A director, employee, or officer of the corporation may not participate in or vote on a decision of the board relating to an organization in which the director has either a direct or indirect financial interest.

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.

Subd. 9. [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.

Sec. 3. [POWERS.]

Subdivision 1. [GENERAL CORPORATE POWERS.] (a) The corporation has the powers granted to a business corporation by Minnesota Statutes, section 302A.161, subdivisions 3; 4; 5; 7; 8; 9; 11; 12; 13, except that the corporation may not act as a general partner in any partnership; 14; 15; 16; 17; 18; and 22; and the powers necessary or convenient to exercise the enumerated powers.

(b) The state is not liable for the obligations of the corporation.

(c) Minnesota Statutes, section 302A.041 applies to this chapter and the corporation in the same manner that it applies to business corporations established under Minnesota Statutes, chapter 302A.

Subd. 2. [FACILITY DESIGN; DEVELOPMENT AND OPERATION.] The corporation shall enter into management contracts or lease agreements or both with Lake Superior Center, a Minnesota nonprofit corporation, to design, develop, and operate a facility to further the purposes of this act in the city of Duluth, at the site determined by the board and on the terms that the board finds desirable. 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.

Subd. 3. [FUNDS.] The corporation may accept and use gifts, grants, or contributions from any source. Unless otherwise restricted by the terms of a gift or bequest, the board may sell, exchange, or otherwise dispose of, and invest or reinvest the money, securities, or other property given or bequeathed to it. The principal of these funds, the income from them, and all other revenues received by it from any nonstate source must be placed in the depositories the board determines and is subject to expenditure for the board's purposes. Expenditures of \$25,000 or more must be approved by the full board.

Subd. 4. [ANIMALS; REGULATION.] The corporation shall comply with all federal laws and federal rules or regulations relating to the quarantine, transportation, examination, habitation, care, and treatment of wild animals. The department of natural resources may prescribe rules supplemental to federal regulations, relating to the transportation, examination, care, and treatment of wild ani-

mals native to this state held or proposed to be acquired by the board and may inspect them as often and at the times it deems necessary.

Subd. 5. [ANIMALS; SALE.] The board may sell or exchange animals determined by it to be superfluous to operations, subject to state and federal regulations.

Subd. 6. [ADVERTISING.] The board may provide for promotional and advertising programs to be developed and implemented either by its personnel or by contract with outside personnel and paid for out of funds other than bond revenues.

Subd. 7. [ADMISSION FEES.] The board or its agent may establish admission fees and other charges for use of its facilities.

Sec. 4. [EMPLOYEES.]

Persons employed by contractors or lessees are not state employees and may not participate in state retirement, deferred compensation, insurance, or other plans that apply to state employees generally and are not subject to regulation by the state ethical practices board.

Sec. 5. [ACCOUNTS; AUDITS.]

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.

Sec. 6. [ANNUAL REPORT.]

The board shall submit a report to the chairs of the senate economic development and housing and the house economic development committees of the legislature and the governor on the activities of the corporation and its contractors and lessees by February 1 of each year. The report must include at least the following:

(1) a description of each of the programs that the corporation has provided or undertaken at some time during the previous year;

(2) an identification of the sources of funding in the previous year for the corporation and its programs including federal, state and local government, foundations, gifts, donation, fees, and all other sources;

(3) a description of the administrative expenses of the corporation during the previous year;

(4) a listing of the assets and liabilities of the corporation at the end of the previous fiscal year;

(5) a description of any changes made to the operational plan during the previous year; and

(6) a description of any newly adopted or significant changes to bylaws, policies, rules, or programs created or administered by the corporation during the previous year.

Reports must be made to the legislature as required by Minnesota Statutes, section 3.195.

Sec. 7. [PROPERTY TAX EXEMPTION.]

Property of the corporation is exempt from taxation on its value in the same manner as property listed in Minnesota Statutes, section 272.02, subdivision 1."

Delete the title and insert:

"A bill for an act relating to Lake Superior; establishing an information and education authority."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2024 and 2520 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1725, 1758 and 1866 were read for the second time.

MOTIONS AND RESOLUTIONS

Poppenhagen moved that the name of Runbeck be added as an author on H. F. No. 2822. The motion prevailed.

House Concurrent Resolution No. 4 was reported to the House.

HOUSE CONCURRENT RESOLUTION NO. 4

A house concurrent resolution relating to local government packaging ordinances.

Whereas, six Minnesota cities have passed ordinances that seek to ban environmentally unacceptable packaging; and

Whereas, the Legislature preempted the enforcement or further adoption of local packaging and labeling ordinances through June 30, 1990; and

Whereas, additional local government units may undertake to pass packaging or labeling ordinances on July 1, 1990; and

Whereas, the Governor created the Select Committee on Packaging and the Environment in 1989 to study the full environmental context of packaging and propose a coherent, statewide strategy to achieve more environmentally sound packaging; *Now, Therefore*,

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

(1) local government units should not act to adopt any additional packaging or labeling ordinances before the Legislature has had the opportunity to act on recommendations of the Select Committee on Packaging and the Environment in the 1991 Legislative Session.

(2) this resolution is contingent on the ability of the Select Committee on Packaging and the Environment to reach a coherent statewide plan to achieve more environmentally sound packaging and to present that strategy in its final report due in August 1990.

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 as appropriate.

Johnson, R., moved that House Concurrent Resolution No. 4 be now adopted. The motion prevailed and House Concurrent Resolution No. 4 was adopted.

Olson, K., moved that H. F. No. 869 be returned to its author. The motion prevailed.

Rukavina moved that H. F. No. 2444 be returned to its author. The motion prevailed.

O'Connor moved that H. F. No. 2494 be returned to its author. The motion prevailed.

Rice moved that H. F. No. 2806 be returned to its author. The motion prevailed.

ADJOURNMENT

Rodosovich moved that when the House adjourns today it adjourn until 12:00 noon, Wednesday, April 4, 1990. The motion prevailed.

Rodosovich moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Wednesday, April 4, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION — 1990

EIGHTY-FOURTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 4, 1990

The House of Representatives convened at 12:00 noon and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Patty and Jerry Wetterling, St. Joseph, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Beard and McLaughlin were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Simoneau 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. 2024, 2520, 2230 and 1843 and S. F. Nos. 2489, 1891, 1854, 2396, 1520, 1799, 2282, 2382, 1994, 1725 and 1866 have been placed in the members' files.

S. F. No. 1854 and H. F. No. 1890, 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. 1854 be substituted for H. F. No. 1890 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1891 and H. F. No. 2223, 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. 1891 be substituted for H. F. No. 2223 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2282 and H. F. No. 2426, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Rice moved that S. F. No. 2282 be substituted for H. F. No. 2426 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2489 and H. F. No. 2656, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rukavina moved that the rules be so far suspended that S. F. No. 2489 be substituted for H. F. No. 2656 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. 2005, 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 establish incentive plans for state lottery employees; repealing video games of chance regulating provisions on January 1, 1992; 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; 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, subdivision 5; 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.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 297A.01, subdivision 16, is amended to read:

Subd. 16. [CAPITAL EQUIPMENT.] Capital equipment means machinery and equipment and the materials and supplies necessary to construct or install the machinery or equipment. To qualify under this definition the capital equipment must be used by the purchaser or lessee for manufacturing, fabricating, or refining a product to be sold at retail and must be used for the establishment of a new or the physical expansion of an existing manufacturing, fabricating, or refining facility in the state. Capital equipment does not include (1) machinery or equipment purchased or leased to replace machinery or equipment performing substantially the same function in an existing facility, or (2) repair or replacement parts, or (3) ~~machinery or equipment used to extract, receive, or store raw materials.~~

Sec. 2. 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. 3. Minnesota Statutes 1989 Supplement, section 299L.03, is amended by adding a subdivision to read:

Subd. 10. [FINGERPRINTING.] The director may require that any: (1) licensee under sections 349.11 to 349.23, (2) employee of such a licensee, or (3) shareholder or officer of such a licensee be fingerprinted by the director, or otherwise submit to fingerprinting in a form and manner acceptable to the director.

Sec. 4. [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. 5. 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 and video pull-tab device memory chips.

Sec. 6. 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. 7. 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 340.19, 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 organization designed to assist 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 organization designed to assist 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) 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

(10) 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 uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; or (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value; 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. 8. 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. 9. 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, video pull-tab device memory chips, paddle-wheels, and tipboards.

Sec. 10. Minnesota Statutes 1988, section 349.12, subdivision 18, is amended to read:

Subd. 18. [DEAL.] "Deal" means each separate package, or series of packages, consisting of one game of pull-tabs or tipboards with the same serial number. "Deal" also includes a video pull-tab device memory chip.

Sec. 11. 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. 12. 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. 13. 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. 14. 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. 15. 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. 16. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 34. [FLARE.] "Flare" is the posted display, with registration stamp affixed, that sets forth the rules of a particular game of pull-tabs or tipboards, and that is associated with a specific deal of pull-tabs or grouping of tipboards.

Sec. 17. 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. 18. Minnesota Statutes 1989 Supplement, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) 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.

Sec. 19. 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. 20. 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. 21. 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. 22. [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. 23. 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. 24. 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 (1) involved ~~directly~~ in the ~~operation~~ conduct of lawful gambling ~~conducted~~ by an organization; (2) keep or assist in the keeping of an organization's financial records, accounts, and inventories; or (3) prepare or assist in the preparation of tax forms and other reporting forms required to be submitted to the state 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.

(f) No distributor or any representative, agent, affiliate, or employee of a distributor may: (1) recruit a person to become a gambling manager of an organization or identify to an organization a person as a candidate to become gambling manager for the organization; or (2) identify for an organization a potential gambling location.

(g) No distributor may purchase gambling equipment from any person not licensed as a manufacturer under section 349.163.

(h) No distributor may sell gambling equipment to any person in Minnesota other than (i) a licensed organization or organization exempt from licensing, or (ii) the governing body of an Indian tribe.

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, and 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. No person other than an employee of a licensed distributor shall make any sales on behalf of a licensed distributor.

Subd. 9. [LEASES OF VIDEO PULL-TAB DEVICES.] For pur-

poses 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. 25. [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.

A video pull-tab device wholesaler's license may not be issued to any person licensed as a distributor under section 349.161.

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. [REVOCAION; 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. 26. 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) From January 1, 1991, to June 30, 1992, no distributor, organization, or other person may sell a pull-tab which is not clearly marked "For Sale in Minnesota Only."

(c) On and after July 1, 1992, no distributor, organization, or other person may sell a pull-tab which is not clearly marked "Manufactured in Minnesota 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.

Subd. 7. [REMOVAL OF EQUIPMENT FROM INVENTORY.] Authorized employees of the division, the division of gambling enforcement of the department of public safety, and the commissioner of revenue may remove gambling equipment from the inventories of distributors and organizations and test that equipment to determine its compliance with all applicable laws and rules. A distributor or organization may return to the manufacturer thereof any gambling equipment which is determined to be in violation of law or rule. The cost to an organization of gambling equipment removed from inventory under this paragraph and found to be in compliance with all applicable law and rules is an allowable expense under section 349.15.

Sec. 27. 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, 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. 1b. [APPLICATIONS; INFORMATION.] An applicant for a manufacturer's license must list on the license application the names and addresses of all subsidiaries, affiliates, and branches in which the applicant has any form of ownership or control, in whole or in part, without regard to whether the subsidiary, affiliate, or branch does business in Minnesota.

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;

(3) on and after January 1, 1991, sell to any person in Minnesota a pull-tab on which the manufacturer has not clearly printed the words "For Sale in Minnesota Only," or

(4) on and after January 1, 1991, sell to any person inside or outside the state, including the governing body of any Indian tribe, other than a Minnesota licensed distributor, a pull-tab marked "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.

(c) On and after July 1, 1992, all pull-tabs sold by a licensed manufacturer to a person in Minnesota must (1) be manufactured within Minnesota, and (2) be clearly marked with the words "Manufactured in Minnesota For Sale in Minnesota Only." A manufacturer may not place the words required in this paragraph on any pull-tab not manufactured in Minnesota.

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) 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.

(b) The flare of each deal of pull-tabs and tipboards sold by a manufacturer in Minnesota must have the Minnesota gambling stamp affixed. The flare, with the stamp affixed, must be placed inside the wrapping of the deal which the flare describes.

(c) Each pull-tab and tipboard flare must bear the following statement, printed in letters large enough to be clearly legible:

"Pull-tab or tipboard purchasers—This pull-tab or tipboard game is not legal in Minnesota unless:

—a Minnesota gambling stamp is affixed to this sheet, and

—the serial number handwritten on the gambling stamp is the

same as the serial number printed on this sheet, and on the pull-tab ticket or tipboard you have purchased."

(d) The flare of each pull-tab and tipboard game must bear the serial number of the game, printed in numbers at least one-half inch high.

(e) The flare of each pull-tab and tipboard game must be imprinted at the bottom with a bar code which provides:

- (1) the name of the game;
- (2) the serial number of the game;
- (3) the name of the manufacturer;
- (4) the number of tickets or tipboards in the deal;
- (5) the odds of winning each prize in the deal; and
- (6) any other information the board by rule requires.

The serial number included in the bar code must be the same as the serial number of the tickets or tipboards included in the deal. A manufacturer who manufactures a deal of pull-tabs or tipboards must affix to the outside of the box containing that game the same bar code which is imprinted at the bottom of a flare for that deal.

(f) No person may alter the bar code which appears on the outside of a box containing a deal of pull-tabs or tipboards. Possession of a box containing a deal of pull-tabs or tipboards which has a bar code different from the bar code of the deal inside the box is prima facie evidence that the possessor has altered the bar code on the box.

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. 28. 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. [REVOCATION 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. 29. [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.

Subd. 4. [IDENTIFICATION OF PREMISES.] No organization may seek or accept assistance from a manufacturer or distributor, or a representative, agent, affiliate, or employee of a manufacturer or distributor, in identifying potential locations for gambling conducted by the organization.

Sec. 30. [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.

(b) If the organization fails to file a timely report as required by paragraph (a), 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.

(c) Merchandise prizes must be valued at their fair market value.

(d) 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.

(e) 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. 31. [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.

Subd. 7. [RECRUITMENT OF GAMBLING MANAGERS.] No organization may seek or accept assistance from a manufacturer or distributor, or a representative, agent, affiliate, or employee of a manufacturer or distributor, in identifying or recruiting candidates to become a gambling manager for the organization.

Sec. 32. [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. 33. [349.169] [FILING OF PRICES.]

Subdivision 1. [FILING REQUIRED.] All manufacturers and distributors must file with the director, not later than the first day

of each month, the prices at which the manufacturer or distributor will sell all gambling equipment in that month. The filing must be on a form the director prescribes. Prices filed must include all charges the manufacturer or distributor makes for each item of gambling equipment sold, including all volume discounts, exclusive of transportation costs. All filings are effective on the first day of the month for which they are filed, except that a manufacturer or distributor may amend a filed price within five days of filing it.

Subd. 2. [COPIES.] The director shall provide copies of price filings to any person requesting them, and may charge a reasonable fee for the copies. Any person may examine price filings in the division office at no cost, and the director shall make the filings available for that purpose.

Subd. 3. [SALES AT FILED PRICES.] No manufacturer may sell to a distributor, and no distributor may sell to an organization, any gambling equipment for any price other than a price the manufacturer or distributor has filed with the director under subdivision 1, exclusive of transportation costs.

Sec. 34. 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 1½ 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. 35. [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. 36. [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, (1) the price of each chance, (2) the percentage of total chances on the chip that are winning chances, (3) the number of free games or credits awarded for each successful chance, (4) the words "For Sale in Minnesota Only," and (5) the serial number of the memory chip driving the device. 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. 37. [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. 38. [349.175] [PULL-TABS; DEADLINE FOR USE.]

A deal of pull-tabs or tipboards received by an organization before September 1, 1989, must be put into play by that organization before September 1, 1990, unless the deal bears a serial number which allows the deal to be traced back to its manufacturer and to the distributor who sold it to the organization. An organization in possession on and after September 1, 1990, of a deal of pull-tabs or tipboards the organization received before September 1, 1989, may not put such a deal in play but must remove it from the organization's inventory and return it to the manufacturer.

Sec. 39. 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 an~~ 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 civil 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.] (a) An organization may not pay rent to itself or to any of its affiliates for use of space for conducting lawful gambling.

(b) An organization may not pay rent for space for conducting lawful gambling from any account or fund other than the organization's separate gambling account.

Sec. 40. 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 3½ 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 3½ years.

Subd. 11. [INFORMATION MADE PART OF ORGANIZATION MINUTES.] A licensed organization which receives a copy of a written audit under subdivision 9, or an audit or compliance report prepared by an agency of the state, must place the audit report or compliance report in the minutes of the next meeting of the organization following receipt of the report. Copies of such minutes must be made available to all members of the organization.

Sec. 41. 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. 42. 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 distributor to the organization, to a common carrier for delivery to the organization, or when received by the organization's representative at the distributor's place of business, regardless of the distributor'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.

(e) A distributor reporting the sale of any deal of pull-tabs to the commissioner of revenue must include in the report a duplicate bar code for that deal.

Sec. 43. 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. 44. 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. 45. 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 3½ 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 3½ 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. 46. 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. 47. 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. 48. 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. 49. 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. 50. 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. 51. 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. 52. 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. 53. 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. 54. 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. 55. Minnesota Statutes 1988, section 349.35, subdivision 1, is amended to read:

Subdivision 1. [REVOCATION; 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. 56. 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. 57. 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. 58. 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. 59. 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. 60. 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. 61. [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. 62. 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. Subject to the provisions of section 43A.18, subdivision 1, 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. 63. 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 principally 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. 64. 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. 65. [REPORT.]

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. [STEARNS COUNTY; SPECIAL LEVY.]

For taxes levied in 1990, payable in 1991 only, Stearns county may levy a tax in an amount not to exceed \$109,000 to cover the cost of the investigation of criminal activity connected with a kidnaping. The levy under this section is not subject to the limitations of Minnesota Statutes, sections 275.50 to 275.56.

Sec. 67. [MILLE LACS COUNTY; SPECIAL LEVY.]

For taxes levied in 1990, payable in 1991 only, Mille Lacs county may levy an amount equal to the expenditures from reserve funds used in 1990 to pay social service costs. The county must provide evidence to the commissioner of revenue that expenditures from reserve funds were made for this purpose. This levy may not exceed \$694,000. This levy is not subject to the levy limitations in Minnesota Statutes, section 275.50 to 275.56.

Sec. 68. [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.

Sec. 69. [EFFECTIVE DATE.]

Sections 5, 6, 9, 11, 15, 25, 36, 41, 42, 44, 45, 46, and 64 are effective the day following final enactment. Sections 29, 31, 32, 60, 63, and 68, paragraph (b), are effective January 1, 1991."

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 establish incentive plans for state lottery employees; repealing games of chance regulating provisions on January 1, 1992; abolishing lawful gambling on July 1, 1993; amending Minnesota Statutes 1988, sections 297A.01, subdivision 16; 349.12, subdivisions 10, 18, 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 subdivisions; 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; and 349A.02, subdivision 5; 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 349.14; 349.214, subdivisions 1, 1a, 3, and 4; Minnesota Statutes 1989 Supplement, sections 349.151, subdivisions 1, 2, 4, 4a, and 5; 349.152; 349.20; and 349.21; Minnesota Statutes Second 1989 Supplement, section 349.214, subdivision 2."

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. 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; 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.

Reported the same back with the following amendments:

Pages 3 and 4, delete section 4

Page 5, delete section 7

Renumber the sections in sequence

Correct internal references

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 "account;"

Page 1, line 13, delete everything before "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:

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.

Reported the same back with the following amendments:

Page 12, line 21, delete "benefiting" and insert "provided to"

Page 12, delete line 23.

Page 12, line 24, delete the new language

Page 16, after line 22, insert:

"Sec. 13. [BONDS AUTHORIZED.]

Subdivision 1. The governing body of the city of Bemidji or Beltrami county may sell and issue general obligation bonds or revenue bonds of the city or the county, respectively, to finance the construction and betterment of an airport terminal and other air navigation facilities as defined in Minnesota Statutes, section 360.013, or of other related facilities, including hangars, repair shops and other buildings, and equipment needed for the storage, repair, reconstruction, and servicing of aircraft. The bonds may be issued by the city or the county on its own behalf with the consent of both parties, or with the consent of the other on behalf of both of them. The bonds must be issued, sold and secured in accordance with Minnesota Statutes, chapter 475, except as provided in subdivisions 2 and 3. The facilities to be financed by the bonds are a public convenience from which a revenue is derived, and are not indebtedness under chapter 475 or any city charter.

Subd. 2. The aggregate principal amount of all bonds issued by the city or the county under this section which are outstanding and undischarged at any time shall not exceed \$400,000.

Subd. 3. If either the city or the county issues bonds on behalf of both of them, the entity not issuing the bonds may levy ad valorem taxes on all taxable property within its corporate limits to pay the principal of and interest on the bonds as agreed upon before their issuance, and may irrevocably appropriate the collections of the taxes to the sinking fund established by the issuing entity for the payment of the bonds. The entity issuing the bonds may levy ad

valorem taxes on all taxable property within its corporate limits for the years and in the amounts that, together with any taxes levied and appropriated by the nonissuing entity, will meet the requirements of Minnesota Statutes, section 475.61. Neither the taxes nor any additional taxes levied to eliminate any deficiencies in the collection thereof are subject to any limitation established by general or special law or charter as to rate or amount. The taxes may not be considered in determining the amount of any other taxes which may be levied subject to any such limitation.

Subd. 4. (a) After approval of a bond issue under subdivision 1 or the first approval of a tax levy to pay bond obligations under subdivision 3, the governing body of the city for a city action or the county for a county action shall publish notice of the action in its official publication. The bonds may be issued and sold or the tax levied without submitting the question to the voters, unless within 30 days after the date of publication a petition signed by qualified voters equal to five percent of the voters who voted in the last general election in the governmental subdivision is filed with the city or the county.

(b) If a petition is filed that meets the requirements of paragraph (a), the bonds may be issued or the tax levied upon obtaining the approval of a majority of the voters voting on the question at a special or regular election.

Page 16, line 25, after the period insert "Section 13 is effective upon approval by a majority of all members of the Bemidji city council, and by a majority of all members of the Beltrami county board of commissioners, and compliance with Minnesota Statutes, section 645.021."

Renumber the sections in sequence.

Amend the title as follows:

Page 1, line 12, after the semicolon, insert "authorizing the issuance of bonds by the city of Bemidji and Beltrami county,"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2005 and 2283 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1854, 1891, 2282, 2489 and 1822 were read for the second time.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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 Senate has appointed as such committee:

Mrs. Lantry, Mr. Solon and Mrs. McQuaid.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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 Senate has appointed as such committee:

Mr. Vickerman, Ms. Reichgott and Mr. Purfeerst.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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 Senate has appointed as such committee:

Messrs. Brandl, Solon and Frederick.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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 Senate has appointed as such committee:

Messrs. Pogemiller and Johnson, D. J., and Ms. Reichgott.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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 Senate has appointed as such committee:

Messrs. Solon, Metzen and Larson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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, petro-

leum 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 Senate has appointed as such committee:

Messrs. Pogemiller and Johnson, D. J.; Ms. Reichgott; Messrs. Stumpf and Belanger.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

McGuire moved that the House concur in the Senate amendments to H. F. No. 2350 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2350, A bill for an act relating to natural resources; authorizing the commissioner to designate agents to sell state park permits; clarifying requirements for financial assurance to be provided by mining operators; amending Minnesota Statutes 1988, sections 85.053, subdivision 1; and 93.49.

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 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Osthoff	Segal
Anderson, G.	Greenfield	Krueger	Ostrom	Simoneau
Anderson, R.	Gruenes	Lasley	Otis	Skoglund
Battaglia	Gutknecht	Lieder	Ozment	Solberg
Bauerly	Hartle	Limmer	Pappas	Sparby
Begich	Hasskamp	Long	Pauly	Stanius
Bennett	Haukoos	Lynch	Pellow	Steensma
Bertram	Hausman	Macklin	Pelowski	Sviggum
Bishop	Heap	Marsh	Peterson	Swenson
Blatz	Henry	McDonald	Poppenhagen	Tjornhom
Boo	Himle	McGuire	Price	Tompkins
Brown	Jacobs	McPherson	Pugh	Trimble
Burger	Janezich	Milbert	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.	Neuenchwander	Rodosovich	Weaver
Dawkins	Kahn	Ogren	Rukavina	Welle
Dempsey	Kalis	Olsen, S.	Runbeck	Wenzel
Dille	Kelly	Olson, E.	Schafer	Williams
Dorn	Kelso	Olson, K.	Scheid	Winter
Forsythe	Kinkel	Onnen	Schreiber	Spk. Vanasek
Frederick	Knickerbocker	Orenstein	Seaberg	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Tunheim moved that the House refuse to concur in the Senate amendments to H. F. No. 2025, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses.

A roll call was requested and properly seconded.

The question was taken on the Tunheim motion and the roll was called. There were 69 yeas and 55 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams	Frederick	Johnson, V.	Olson, K.	Seaberg
Anderson, R.	Frerichs	Knickerbocker	Omann	Stanius
Bennett	Girard	Lumner	Onnen	Steensma
Bishop	Gruenes	Lynch	Ostrom	Sviggum
Blatz	Gutknecht	Macklin	Ozment	Swenson
Boo	Hartle	Marsh	Fellow	Tjornhom
Burger	Haukoos	McDonald	Redalen	Tompkins
Carlson, D.	Heap	McPherson	Richter	Uphus
Dempsey	Henry	Miller	Runbeck	Valento
Dille	Himle	Morrison	Schafer	Waltman
Forsythe	Hugoson	Olsen, S.	Schreiber	Weaver

The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1847, 2430, 2347 and 1903.

FIRST READING OF SENATE BILLS

S. F. No. 1847, 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 subdivisions; 363.06, subdivision 1, and by adding a subdivision; 363.071, by adding subdivisions; 363.116; Minnesota Statutes 1989 Supplement, sections 363.02, subdivision 1; and 363.03, subdivision 1.

The bill was read for the first time.

Orenstein moved that S. F. No. 1847 and H. F. No. 2038, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2430, 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 holding companies; providing uniformity with federal financial institutions regulatory practices; regulating public disclosure of uniform rating; requiring notice to the commissioner of proposed acquisitions of control; regulating Minnesota transmission facilities; allowing equal access by other transmission facilities; permitting interstate banking with an additional reciprocating state; amending Minnesota Statutes 1988, sections 47.61, by adding a subdivision; 47.65, by adding subdivisions; 48.92, subdivision 7; and 48.93, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 46 and 47.

The bill was read for the first time.

Osthoff moved that S. F. No. 2430 and H. F. No. 2770, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2347, A bill for an act relating to environmental protection; approving state membership in the Great Lakes Protection Fund; proposing coding for new law as Minnesota Statutes, chapter 116Q.

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

S. F. No. 1903, 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; requiring a bone marrow donor drive to encourage state employees to volunteer as bone marrow donors; appropriating money; 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 Appropriations.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON 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.

April 2, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1981, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1981 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 168.09, is amended by adding a subdivision to read:

Subd. 7. [DISPLAY OF TEMPORARY PERMIT; SPECIAL PLATES.] A vehicle that displays a special plate issued under section 168.021; 168.12, subdivision 2, 2a, 2b, or 2c; 168.123; 168.124; 168.125; 168.126; or 168.128 may display a temporary permit in conjunction with expired registration if:

(1) the current registration tax and all other fees have been paid in full; and

(2) the plate requires replacement under section 168.12, subdivision 1, paragraph (3).

The permit is valid for a period of 60 days. The permit must be in a form prescribed by the commissioner of public safety and whenever practicable must be posted upon the driver's side of the rear window on the inside of the vehicle. The permit is valid only for the vehicle for which it was issued to allow a reasonable time for the new license plates to be manufactured and delivered to the applicant.

Sec. 2. Minnesota Statutes 1988, section 168.10, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] Except as provided in subdivisions 1a, 1b, 1c, 1d, 1g, and 1h, every registered owner of any motor vehicle in this state, not exempted by section 168.012 or 168.26, shall as soon as registered ownership of a motor vehicle is acquired and annually thereafter during the period provided in section 168.31, file with the commissioner of public safety on a blank provided by the commissioner a listing for taxation and application for the registration of such vehicle, stating the first, middle and last names, the dates date of birth, and addresses the address of the primary residence of all each registered owners owner thereof who are is a natural persons person or mailing address if the address of the primary residence has been classified as private data under this chapter, the full names name and addresses address of all any other registered owners owner, the name and address of the person from whom purchased, make of motor vehicle, year and number of the model, manufacturer's identification number or serial number, type of body, the weight of the vehicle in pounds, for trailers only, its rated load carrying capacity and for buses only, its seating capacity, and such other information as the commissioner may require. Any false statement willfully and knowingly made in regard thereto shall be deemed perjury and punished accordingly. The listing and application for registration by dealers or manufacturers' agents within the state, of motor vehicles received for sale or use within the state shall be accepted as compliance with the requirements of this chapter, imposed upon the manufacturer.

Registration shall be refused a motor vehicle if the original identification or serial number has been destroyed, removed, altered,

covered, or defaced. However, if the commissioner is satisfied on the sworn statements of the registered owner or registered owners or such other persons as the commissioner may deem advisable that the applicant is the legal owner, a special identification number in the form prescribed by the commissioner shall be assigned to the motor vehicle. When it has been determined that the number had been affixed to such vehicle in a manner prescribed by the commissioner, the vehicle may thereafter be registered in the same manner as other motor vehicles. In the case of a new or rebuilt motor vehicle manufactured or assembled without an identification or serial number, the commissioner may assign an identification number to the motor vehicle in the same manner as prescribed heretofore.

Sec. 3. Minnesota Statutes 1989 Supplement, section 168A.152, subdivision 2, is amended to read:

Subd. 2. [INSPECTION FEE.] A fee of \$20 must be paid to the department before the department ~~conducts an inspection under~~ issues a certificate of title for a vehicle that has been inspected and for which a certificate of inspection has been issued pursuant to subdivision 1. The only additional fee that may be assessed for issuing the certificate of title is the filing fee imposed under section 168.33, subdivision 7.

Fees collected by the department under this subdivision, for conducting inspections under subdivision 1, must be deposited in the general fund.

Sec. 4. Minnesota Statutes 1988, section 325E.0951, subdivision 3a, is amended to read:

Subd. 3a. [DISCLOSURE.] No person may transfer a motor vehicle that was required to be manufactured with an air pollution control system without certifying in writing to the transferee that to the best of the person's knowledge, the air pollution control systems, including the restricted gasoline fill pipe, have not been removed, altered, or rendered inoperative. The registrar of motor vehicles shall prescribe the manner and form in which this written disclosure must be made. No transferor may knowingly give a false statement to a transferee in making a disclosure required by this subdivision.

Sec. 5. [U.S. OPEN LICENSE PLATES.]

Subdivision 1. [DEFINITIONS.] (a) "Committee" means the 1991 U.S. Open Committee.

(b) "Registrar" means the registrar of motor vehicles.

Subd. 2. [ISSUANCE AND DESIGN.] Upon the request of the committee, the registrar shall issue to the committee special license

plates for use in connection with the 1991 United States Golf Association Open Championship. The special plates must be of a design approved by the registrar after consultation with the committee. The plates may be displayed on a passenger vehicle the use of which has been donated for the open championship by the vehicle manufacturer. The plates are valid for a period of 14 days after issuance.

Subd. 3. [FEES.] The registrar shall collect a fee of \$10 for each pair of special plates issued under this section. The minimum number of special plates the registrar may issue to the committee under this section is 50 pairs.

Subd. 4. [APPLICATION.] In requesting special plates under this section, the committee shall provide the following information to the registrar at least 120 days before the start of the period for which the plates are requested:

- (1) the dates of the period for which the plates are requested;
- (2) the name, address, and telephone number of an authorized representative of the committee;
- (3) the quantity of plates requested; and
- (4) a certification that the insurance required under Minnesota Statutes, section 65B.49, subdivision 3, will be provided for each vehicle for which special plates are provided under this section.

Subd. 5. [LIABILITY.] If a parking violation citation is issued for a violation committed by a driver of a vehicle displaying special plates issued under this section, the committee is liable for the amount of fine, penalty assessment, late payment penalty, or cost of warrants issued in connection with the violation unless, within 15 days after receiving knowledge of the violation, the committee provides to the issuing authority the following information to the extent available: the driver's full name, home address, local address, if any, license number, and employer's name and address. If the committee is relieved of liability under this subdivision, the person who committed the violation remains liable for the violation.

Sec. 6. [EFFECTIVE DATE.]

Sections 3 and 4 are effective the day following final enactment."

Delete the title and insert:

"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; clarifying when inspection fee must be paid to receive certificate of inspection for salvage vehicle; clarifying disclosure requirements for motor vehicle pollution control system; providing for special U.S. Open license plates; 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."

We request adoption of this report and repassage of the bill.

House Conferees: ALICE M. JOHNSON, CHUCK BROWN AND ARTHUR W. SEABERG.

Senate Conferees: LEROY A. STUMPF, WILLIAM V. BELANGER, JR AND KEITH LANGSETH.

Johnson, A., moved that the report of the Conference Committee on H. F. No. 1981 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, 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	Begich	Boo	Carruthers	Dempsey
Anderson, G.	Bennett	Brown	Clark	Dille
Anderson, R.	Bertram	Burger	Cooper	Dorn
Battaglia	Bishop	Carlson, D.	Dauner	Forsythe
Bauerly	Blatz	Carlson, L.	Dawkins	Frederick

Frerichs	Kalis	Murphy	Price	Stanius
Girard	Kelly	Nelson, C.	Pugh	Steensma
Greenfield	Kelso	Nelson, K.	Quinn	Sviggum
Gruenes	Kinkel	Neuenschwander	Redalen	Swenson
Gutknecht	Knickerbocker	O'Connor	Reding	Tjornhom
Hartle	Kostohryz	Ogren	Rest	Tompkins
Hasskamp	Krueger	Olsen, S.	Rice	Trimble
Haukoos	Lasley	Olson, 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	Scheid	Weaver
Janezich	McDonald	Ozment	Schreiber	Welle
Jefferson	McEachern	Pappas	Seaberg	Wenzel
Jennings	McGuire	Pauly	Segal	Williams
Johnson, A.	McPherson	Pellow	Simoneau	Winter
Johnson, R.	Milbert	Pelowski	Skoglund	Spk. Vanasek
Johnson, V.	Morrison	Peterson	Solberg	
Kahn	Munger	Poppenhagen	Sparby	

The bill was repassed, as amended by Conference, 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 bill as a Special Order to be acted upon immediately preceding Special Orders pending for today, Wednesday, April 4, 1990:

H. F. No. 2390.

SPECIAL ORDERS

The Speaker called Quinn to the Chair.

H. F. No. 2390 was reported to the House.

Blatz moved to amend H. F. No. 2390, the third engrossment, as follows:

Page 3, after line 25, insert:

"Sec. 3. Minnesota Statutes 1989 Supplement, section 179A.03, subdivision 7, is amended to read:

Subd. 7. [ESSENTIAL EMPLOYEE.] "Essential employee" means

firefighters, peace officers subject to licensure under sections 626.84 to 626.855, guards at correctional facilities, child protection workers, confidential employees, supervisory employees, principals, and assistant principals. However, for state employees, "essential employee" means all employees in law enforcement, health care professionals, correctional guards, professional engineering, and supervisory collective bargaining units, irrespective of severance, and no other employees. For University of Minnesota employees, "essential employee" means all employees in law enforcement, nursing professional and supervisory units, irrespective of severance, and no other employees. "Firefighters" means salaried employees of a fire department whose duties include, directly or indirectly, controlling, extinguishing, preventing, detecting, or investigating fires."

Renumber the sections in sequence

Correct the internal cross references

Page 29, line 3, after the period insert:

"Section 3 is effective July 1, 1991."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

O'Connor moved to amend H. F. No. 2390, the third engrossment, as amended, as follows:

Page 1, after line 27, insert:

"Section 1: [120.161] [MISSING CHILD; FLAG STUDENT RECORDS.]

(a) The superintendent of a school district or a designee shall flag the record of a child who is currently or was previously enrolled in a school of that district if a law enforcement agency notifies the district of the child's disappearance. The flag must be made so that when a copy of or information regarding the record is requested, school personnel are alerted to the fact that the record is that of a missing child.

(b) Before providing a copy of the school record or other information concerning the child whose record is flagged, the superintendent or designee shall notify the agency that requested the record to be flagged of every inquiry concerning the record, and shall provide a copy to the agency of a written request for information concerning the record.

(c) When a child transfers from one school to another, the receiving school shall, within 30 days of the child's enrollment, obtain the child's record from the school from which the child is transferring. If the child's parent, custodian, or guardian provides a copy of the child's record from the school from which the child is transferring, the receiving school shall, within 30 days of the child's enrollment, request written verification of the school record by contacting the school named on the transferring child's record.

(d) Information received indicating that the transferring child is a missing child must be reported to the bureau of criminal apprehension in the department of public safety."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

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; 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; amending Minnesota Statutes 1988, sections 147.09; 259.40, subdivisions 1 and 4; 260.011, subdivision 2; 260.155, subdivision 1; 609.2231, by adding a subdivision; 626.556, subdivisions 1, 3, 4, and by adding a subdivision; 626.559, subdivision 2; Minnesota Statutes 1989 Supplement, sections 179A.03, subdivision 7; 245A.04, subdivision 3; 260.015, subdivision 2a; 260.161, subdivision 2; 260.171, subdivision 4; 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 120; 144; and 245.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Speaker pro tempore Quinn called Burger to the Chair.

H. F. No. 1877 was reported to the House.

Schreiber moved that H. F. No. 1877 be continued on Special Orders. The motion prevailed.

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 third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 87 yeas and 41 nays as follows:

Those who voted in the affirmative were:

Abrams	Begich	Carlson, D.	Dauner	Hartle
Anderson, G.	Bertram	Carlson, L.	Dawkins	Hasskamp
Anderson, R.	Bishop	Carruthers	Dille	Hausman
Battaglia	Brown	Clark	Dorn	Himle
Bauerly	Burger	Cooper	Greenfield	Jacobs

Janezich	Lasley	Olsen, S.	Reding	Steensma
Jaros	Lieder	Olson, E.	Rest	Trimble
Jefferson	Long	Olson, K.	Rice	Tunheim
Jennings	McGuire	Orenstein	Rodosovich	Vellenga
Johnson, A.	Milbert	Osthoff	Rukavina	Wagenius
Johnson, R.	Miller	Ostrom	Runbeck	Welle
Kahn	Munger	Otis	Sarna	Wenzel
Kalis	Murphy	Pappas	Scheid	Williams
Kelly	Nelson, C.	Pelowski	Segal	Winter
Kelso	Nelson, K.	Peterson	Simoneau	Spk. Vanasek
Kinkel	Neuenschwander	Price	Skoglund	
Kostohryz	O'Connor	Pugh	Solberg	
Krueger	Ogren	Quinn	Sparby	

Those who voted in the negative were:

Bennett	Gutknecht	Marsh	Pellow	Tjornhom
Blatz	Haukoos	McDonald	Poppenhagen	Tompkins
Boo	Heap	McEachern	Redalen	Valento
Dempsey	Henry	McPherson	Richter	Waltman
Forsythe	Hugoson	Morrison	Schafer	Weaver
Frederick	Johnson, V.	Omann	Schreiber	
Frerichs	Limmer	Onnen	Seaberg	
Girard	Lynch	Ozment	Sviggun	
Gruenes	Macklin	Pauly	Swenson	

The bill was passed and its title agreed to.

Speaker pro tempore Burger called Quinn to the Chair.

S. F. No. 1942 was reported to the House.

Winter moved to amend S. F. No. 1942, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [65B.526] [NO-FAULT INSURANCE; CLAIM DENIAL.]

Subdivision 1. [ADVERSE MEDICAL EVALUATION.] No insurer shall deny a claim by an insured under no-fault coverage on the basis of a medical evaluation by the insurer's health care provider unless: (1) the insurer allows the insured the option of obtaining a medical evaluation by a neutral health care provider from the roster established pursuant to subdivision 2; and (2) this medical evaluation is consistent with the insurer's initial evaluation. The cost of this evaluation must be borne by the insurer.

Subd. 2. [NEUTRAL HEALTH CARE PROVIDER ROSTER.] The commissioner of commerce shall develop and maintain a roster of neutral health care providers. The commissioner shall, by rule, establish criteria for identifying neutral health care providers and establish standards to ensure that no provider on the roster is an

insurance company health care provider and that no provider receives a disproportionately large number of requests for medical evaluation. The rules also shall require that the neutral provider is randomly assigned to examine the claimant. The state boards, or other officers whose duty it is to license or register a system or branch of healing, must provide the information the commissioner requires to develop and maintain the roster, and must provide any other assistance the commissioner requires.

Subd. 3. [NONAPPLICATION.] This section does not apply:

(1) to denials of workers' compensation claims; or

(2) if the insurer's initial medical evaluation is performed by a neutral health care provider from the roster established pursuant to subdivision 2.

Sec. 2. Minnesota Statutes 1988, section 72A.201, subdivision 8, is amended to read:

Subd. 8. [STANDARDS FOR CLAIM DENIAL.] The following acts by an insurer, adjuster, or self-insured, or self-insurance administrator constitute unfair settlement practices:

(1) denying a claim or any element of a claim on the grounds of a specific policy provision, condition, or exclusion, without informing the insured of the policy provision, condition, or exclusion on which the denial is based;

(2) denying a claim without having made a reasonable investigation of the claim;

(3) denying a liability claim because the insured has requested that the claim be denied;

(4) denying a liability claim because the insured has failed or refused to report the claim, unless an independent evaluation of available information indicates there is no liability;

(5) denying a claim without including the following information:

(i) the basis for the denial;

(ii) the name, address, and telephone number of the insurer's claim service office or the claim representative of the insurer to whom the insured or claimant may take any questions or complaints about the denial; and

(iii) the claim number and the policy number of the insured;

(6) denying a claim because the insured or claimant failed to exhibit the damaged property unless:

(i) the insurer, within a reasonable time period, made a written demand upon the insured or claimant to exhibit the property; and

(ii) the demand was reasonable under the circumstances in which it was made;

(7) failing to comply with section 65B.526."

Delete the title and insert:

"A bill for an act relating to insurance; regulating no-fault insurance claim denials; amending Minnesota Statutes 1988, section 72A.201, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 65B."

The motion prevailed and the amendment was adopted.

Winter moved to amend S. F. No. 1942, as amended, as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 65B.525, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise provided in section 72A.327, The supreme court and the several courts of general trial jurisdiction of this state shall by rules of court or other constitutionally allowable device, provide for the mandatory submission to binding arbitration of all cases at issue where the claim at the commencement of arbitration is in an amount of \$5,000 or less against any insured's reparation obligor for no-fault benefits or comprehensive or collision damage coverage."

Page 1, line 7, delete "Section 1" and insert "Sec. 2"

Page 1, lines 10 and 11, delete "the insurer's health care provider" and insert "a health professional selected by the insurer"

Page 1, line 16, after "insurer" insert "at a rate at least equal to the rate the insurer has customarily paid for similar medical evaluations. The medical evaluation required in this subdivision must be performed by a health professional, as defined in section 72A.491, subdivision 9, having the same licensure and specialty designation as the health professional who is treating the insured or other eligible claimant"

Page 1, delete lines 18 to 25 and insert “commissioner of commerce shall make any necessary rules to carry out the purposes of this section, including but not limited to establishing criteria for identifying neutral health professionals and maintaining a roster. Health professionals on the roster must agree not to treat the insured or claimant after the evaluation for the injury that is the subject of the claim. The commissioner shall select the person from the roster who is to provide the medical examination. This assignment shall be made by a random procedure, to be established by rule, based upon sub-pools within the roster. The sub-pools must be based upon geographic location of the health professional’s office or offices and upon the licensure or designated specialty of the health professional.”

Page 2, line 10, before the period insert “and selected by the commissioner using the procedure set forth in subdivision 2”

Page 2, line 11, delete “Sec. 2.” and insert “Sec. 3.”

Page 3, after line 8, insert:

“Sec. 4. [REPEALER.]

Minnesota Statutes 1989 Supplement, section 72A.327 is repealed.

Sec. 5. [EFFECTIVE DATE.]

Sections 2 and 3 are effective January 1, 1991, except that the permanent rulemaking authority granted in section 2 is effective the day following final enactment. Sections 1 and 4 are effective the day following final enactment.”

Amend the title as follows:

Page 1, line 4, delete “section” and insert “sections 65B.525, subdivision 1, and”

Page 1, line 5, after “65B” insert “; repealing Minnesota Statutes 1989 Supplement, section 72A.327”

A roll call was requested and properly seconded.

The question was taken on the Winter amendment and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the amendment was adopted.

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 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 113 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Abrams	Clark	Janezich	Lieder	Neuenschwander
Anderson, G.	Cooper	Jaros	Limmer	O'Connor
Anderson, R.	Dauner	Jefferson	Long	Ogren
Battaglia	Dawkins	Jennings	Lynch	Olsen, S.
Bauerly	Dempsey	Johnson, A.	Macklin	Olson, E.
Begich	Dille	Johnson, R.	Marsh	Olson, K.
Bennett	Dorn	Kahn	McDonald	Omann
Bertram	Forsythe	Kalis	McEachern	Onnen
Bishop	Frederick	Kelly	McGuire	Orenstein
Blatz	Greenfield	Kelso	Milbert	Osthoff
Brown	Hasskamp	Kinkel	Morrison	Ostrom
Burger	Haukoos	Knickerbocker	Munger	Otis
Carlson, D.	Hausman	Kostohryz	Murphy	Ozment
Carlson, L.	Henry	Krueger	Nelson, C.	Pappas
Carruthers	Jacobs	Lasley	Nelson, K.	Pellow

Pelowski	Rest	Seaberg	Swenson	Weaver
Peterson	Rice	Segal	Tjornhom	Welle
Poppenhagen	Rodosovich	Simoneau	Trimble	Wenzel
Price	Rukavina	Skoglund	Tunheim	Williams
Pugh	Runbeck	Solberg	Uphus	Winter
Quinn	Sarna	Sparby	Vellenga	Spk. Vanasek
Redalen	Scheid	Steensma	Wagenius	
Reding	Schreiber	Svigum	Waltman	

Those who voted in the negative were:

Boo	Gruenes	Hugoson	Miller	Stanius
Frerichs	Gutknecht	Johnson, V.	Richter	Tompkins
Girard	Hartle	McPherson	Schafer	Valento

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

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

The bill was passed and its title agreed to.

S. F. No. 1752 was reported to the House.

Brown moved that S. F. No. 1752 be continued on Special Orders. The motion prevailed.

S. F. No. 2119 was reported to the House.

Dille moved to amend S. F. No. 2119, as follows:

Page 2, delete lines 16 to 23 and insert "not be implemented unless first submitted to and approved by a majority of the voters voting on the question at a regular or special election."

A roll call was requested and properly seconded.

The question was taken on the Dille amendment and the roll was called. There were 24 yeas and 101 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Hasskamp	Macklin	Onnen	Tompkins
Bertram	Jennings	Marsh	Poppenhagen	Uphus
Dauner	Kelso	McPherson	Richter	Waltman
Dille	Krueger	Nelson, C.	Schafer	Wenzel
Frerichs	Limmer	Olsen, S.	Seaberg	

Those who voted in the negative were:

Abrams	Girard	Kostohryz	Osthoff	Skoglund
Anderson, G.	Greenfield	Lasley	Ostrom	Solberg
Battaglia	Gruenes	Lieder	Otis	Sparby
Bauerly	Gutknecht	Long	Ozment	Stanius
Begich	Hartle	Lynch	Pappas	Steensma
Bennett	Haukoos	McDonald	Pellow	Sviggum
Bishop	Hausman	McEachern	Pelowski	Swenson
Blatz	Henry	McGuire	Peterson	Tjornhom
Boo	Himle	Milbert	Price	Trimble
Brown	Hugoson	Miller	Quinn	Tunheim
Burger	Jacobs	Morrison	Redalen	Vellenga
Carlson, D.	Janezich	Munger	Reding	Wagenius
Carlson, L.	Jaros	Murphy	Rest	Weaver
Carruthers	Jefferson	Nelson, K.	Rodosovich	Welle
Clark	Johnson, A.	Neuenschwander	Rukavina	Williams
Cooper	Johnson, R.	O'Connor	Runbeck	Winter
Dawkins	Johnson, V.	Ogren	Sarna	Spk. Vanasek
Dempsey	Kahn	Olson, E.	Scheid	
Dorn	Kalis	Olson, K.	Schreiber	
Forsythe	Kelly	Omann	Segal	
Frederick	Kinkel	Orenstein	Simoneau	

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

Frerichs moved to amend S. F. No. 2119, as follows:

Page 2, line 19, delete "at least ten percent" and insert "a qualifying number".

Page 2, line 20, after the period insert "For purposes of this subdivision, a qualifying number of voters means a number equal to the greater of: (1) five percent of the voters who voted in the last general election; or (2) the lesser of (i) 200 voters or (ii) 50 percent of the registered voters in the county."

A roll call was requested and properly seconded.

The question was taken on the Frerichs amendment and the roll was called. There were 47 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frerichs	Kelso	Pellow	Tompkins
Bauerly	Girard	Krueger	Poppenhagen	Uphus
Bennett	Hartle	Limmer	Richter	Valento
Bertram	Hasskamp	Macklin	Schafer	Waltman
Blatz	Haukoos	McDonald	Seaberg	Weaver
Dauner	Heap	McPherson	Sparby	Wenzel
Dempsey	Henry	Miller	Stanius	Winter
Dille	Hugoson	Nelson, C.	Steensma	
Forsythe	Jaros	Olsen, S.	Svigum	
Frederick	Jennings	Omann	Tjornhom	

Those who voted in the negative were:

Abrams	Gutknecht	Long	Otis	Schreiber
Anderson, G.	Hausman	McEachern	Ozment	Segal
Battaglia	Himle	McGuire	Pappas	Simoneau
Begich	Jacobs	Milbert	Pelowski	Skoglund
Bishop	Janezich	Munger	Peterson	Solberg
Boo	Jefferson	Murphy	Price	Swenson
Brown	Johnson, A.	Nelson, K.	Quinn	Trimble
Burger	Johnson, R.	Neuenschwander	Redalen	Tunheim
Carlson, L.	Johnson, V.	O'Connor	Reding	Vellenga
Carruthers	Kahn	Ogren	Rest	Wagenius
Clark	Kalis	Olson, E.	Rice	Welle
Cooper	Kelly	Olson, K.	Rodosovich	Williams
Dawkins	Kinkel	Onnen	Rukavina	Spk. Vanasek
Dorn	Kostohryz	Orenstein	Runbeck	
Greenfield	Lasley	Osthoff	Sarna	
Gruenes	Lieder	Ostrom	Scheid	

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

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 third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 95 yeas and 31 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Onnen	Sarna
Anderson, G.	Girard	Kostohryz	Orenstein	Scheid
Anderson, R.	Greenfield	Lasley	Osthoff	Schreiber
Battaglia	Gutknecht	Lieder	Ostrom	Segal
Bauerly	Hausman	Long	Otis	Simoneau
Begich	Heap	Lynch	Pappas	Skoglund
Bennett	Henry	Macklin	Pellow	Stanisus
Bishop	Himle	McDonald	Peterson	Swenson
Blatz	Hugoson	McEachern	Poppenhagen	Tjornhom
Boo	Jacobs	McGuire	Price	Trimble
Burger	Janezich	Milbert	Pugh	Tunheim
Carlson, L.	Jaros	Morrison	Quinn	Vellenga
Carruthers	Jefferson	Munger	Redalen	Wagenius
Clark	Johnson, A.	Murphy	Reding	Waltman
Cooper	Johnson, V.	Nelson, K.	Rest	Weaver
Dawkins	Kahn	Neuenschwander	Rice	Welle
Dempsey	Kalis	O'Connor	Rodosovitch	Williams
Dorn	Kelly	Ogren	Rukavina	Winter
Forsythe	Kelso	Olson, E.	Runbeck	Spk. Vanasek

Those who voted in the negative were:

Bertram	Hasskamp	Marsh	Schafer	Uphus
Brown	Haukoos	McPherson	Seaberg	Valento
Dauner	Jennings	Miller	Solberg	Wenzel
Dille	Johnson, R.	Nelson, C.	Sparby	
Frerichs	Kinkel	Omann	Steenasma	
Gruenes	Krueger	Pelowski	Sviggum	
Hartle	Limmer	Richter	Tompkins	

The bill was passed and its title agreed to.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2025:

Tunheim, Bauerly and Lieder.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2131:

Johnson, R.; Kelly; Bishop; Ozment and Rukavina.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2200:

Nelson, K.; McEachern; Ozment; Bauerly and Kelso.

SPECIAL ORDERS, Continued

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

The bill was passed and its title agreed to.

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

The bill was passed and its title agreed to.

There being no objection, S. F. No. 1752 which was continued earlier today was again reported to the House.

Brown moved to amend S. F. No. 1752, as follows:

Page 1, line 15, delete "may grant" and insert "shall consider, if submitted, whether"

Page 1, line 16, delete "approval if it finds that"

Page 1, line 17, after "not" insert "substantially"

Page 2, line 11, delete "may approve the" and insert "shall consider, if submitted, whether"

Page 2, delete line 12

Page 2, line 13, delete "if the board finds that" and after "not" insert "substantially"

The motion prevailed and the amendment was adopted.

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 third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Speaker pro tempore Quinn called Rodosovich to the Chair.

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

The bill was passed and its title agreed to.

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 third 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	Carruthers	Hartle	Johnson, V.	Marsh
Anderson, G.	Clark	Hasskamp	Kahn	McDonald
Anderson, R.	Cooper	Haukoos	Kalis	McEachern
Battaglia	Dauner	Hausman	Kelly	McGuire
Bauerly	Dawkins	Heap	Kelso	McPherson
Begich	Dempsey	Henry	Kinkel	Milbert
Bennett	Dille	Himle	Knickerbocker	Miller
Bertram	Dorn	Hugoson	Kostohryz	Morrison
Bishop	Forsythe	Jacobs	Krueger	Munger
Blatz	Frederick	Janezich	Lasley	Murphy
Boo	Frerichs	Jaros	Lieder	Nelson, C.
Brown	Girard	Jefferson	Limmer	Nelson, K.
Burger	Greenfield	Jennings	Long	Neuenschwander
Carlson, D.	Gruenes	Johnson, A.	Lynch	O'Connor
Carlson, L.	Gutknecht	Johnson, R.	Macklin	Ogren

Olsen, S.	Pellow	Rodosovich	Sparby	Wagenius
Olson, E.	Pelowski	Rukavina	Stanius	Waltman
Olson, K.	Peterson	Runbeck	Steenasma	Weaver
Omamm	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.

S. F. No. 1879 was reported to the House.

Kinkel moved to amend S. F. No. 1879, as follows:

Page 1, line 22, after the period insert "In adjoining counties, sales may not be held less than two hours apart."

The motion prevailed and the amendment was adopted.

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 third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Jacobs	Long	Olson, E.
Anderson, G.	Dempsey	Janezich	Lynch	Olson, K.
Anderson, R.	Dille	Jaros	Macklin	Omamm
Battaglia	Dorn	Jefferson	Marsh	Onnen
Bauerly	Forsythe	Jennings	McDonald	Orenstein
Begich	Frederick	Johnson, A.	McEachern	Osthoff
Bennett	Frerichs	Johnson, R.	McGuire	Ostrom
Bertram	Girard	Johnson, V.	McPherson	Otis
Bishop	Greenfield	Kahn	Milbert	Ozment
Blatz	Gruenes	Kalis	Miller	Pappas
Boo	Gutknecht	Kelly	Morrison	Pauly
Brown	Hartle	Kelso	Munger	Pellow
Burger	Hasskamp	Kinkel	Murphy	Pelowski
Carlson, D.	Haukoos	Knickerbocker	Nelson, C.	Peterson
Carlson, L.	Hausman	Kostohryz	Nelson, K.	Poppenhagen
Carruthers	Heap	Krueger	Neuenschwander	Price
Clark	Henry	Lasley	O'Connor	Pugh
Cooper	Himle	Lieder	Ogren	Quinn
Dauner	Hugoson	Limmer	Olsen, S.	Redalen

Reding	Schafer	Sparby	Tunheim	Wenzel
Rest	Scheid	Stanius	Uphus	Williams
Rice	Schreiber	Steensma	Valento	Winter
Richter	Seaberg	Sviggum	Vellenga	Spk. Vanasek
Rodosovich	Segal	Swenson	Wagenius	
Rukavina	Simoneau	Tjornhom	Waltman	
Runbeck	Skoglund	Tompkins	Weaver	
Sarna	Solberg	Trimble	Welle	

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

Speaker pro tempore Rodosovich called Quinn to the Chair.

S. F. No. 1670 was reported to the House.

Skoglund moved to amend S. F. No. 1670, as follows:

Page 1, line 13, before "on" insert "or other aquatic vegetation,"

Page 1, line 14, after the period insert "Eurasian water milfoil, myriophyllum spicatum, or other aquatic vegetation, must be removed from a watercraft before the watercraft is transported away from the water."

Page 1, line 16, after the second comma insert "or other aquatic vegetation"

Page 1, line 20, after "milfoil" insert "or other aquatic vegetation"

Page 1, line 22, after "milfoil" insert "or other aquatic vegetation"

Page 2, line 10, after the second comma insert "or other aquatic vegetation"

The motion prevailed and the amendment was adopted.

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 third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

S. F. No. 1897 was reported to the House.

Swenson and Bauerly moved to amend S. F. No. 1897, as follows:

Page 1, lines 17 and 18, restore the stricken language and delete the new language

Page 1, line 19, after the period insert "A town or statutory city assessor who is an employee may be dismissed by the appointing authority for cause."

The motion prevailed and the amendment was adopted.

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

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

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 third 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	Carruthers	Hartle	Johnson, V.	Marsh
Anderson, G.	Clark	Hasskamp	Kahn	McDonald
Anderson, R.	Cooper	Haukoos	Kalis	McEachern
Battaglia	Dauner	Hausman	Kelly	McGuire
Bauerly	Dawkins	Heap	Kelso	McPherson
Begich	Dempsey	Henry	Kinkel	Milbert
Bennett	Dille	Himle	Knickerbocker	Miller
Bertram	Dorn	Hugoson	Kostohryz	Morrison
Bishop	Forsythe	Jacobs	Krueger	Munger
Blatz	Frederick	Janezich	Lasley	Murphy
Boo	Frerichs	Jaros	Lieder	Nelson, C.
Brown	Girard	Jefferson	Limmer	Nelson, K.
Burger	Greenfield	Jennings	Long	Neuenschwander
Carlson, D.	Greenfield	Johnson, A.	Lynch	O'Connor
Carlson, L.	Gutknecht	Johnson, R.	Macklin	Ogren

Olsen, S.	Pellow	Rodosovich	Sparby	Wagenius
Olson, E.	Pelowski	Rukavina	Stanius	Waltman
Olson, K.	Peterson	Runbeck	Steenasma	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.

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 third 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	Long	Otis	Skoglund
Begich	Haukoos	Lynch	Ozment	Solberg
Bennett	Hausman	Macklin	Pappas	Sparby
Bertram	Heap	Marsh	Pauly	Stanius
Blatz	Henry	McDonald	Pellow	Steenasma
Boo	Himle	McEachern	Pelowski	Sviggum
Brown	Hugoson	McGuire	Peterson	Swenson
Burger	Jacobs	McPherson	Poppenhagen	Tjornhom
Carlson, D.	Janezich	Milbert	Price	Tompkins
Carlson, L.	Jaros	Miller	Pugh	Trimble
Carruthers	Jefferson	Morrison	Quinn	Tunheim
Clark	Jennings	Munger	Redalen	Uphus
Cooper	Johnson, A.	Murphy	Reding	Valento
Dauner	Johnson, R.	Nelson, C.	Rest	Vellenga
Dawkins	Johnson, V.	Nelson, K.	Rice	Wagenius
Dempsey	Kahn	Neuenschwander	Richter	Waltman
Dille	Kalis	O'Connor	Rodosovich	Weaver
Dorn	Kelly	Ogren	Rukavina	Welle
Forsythe	Kelso	Olsen, S.	Runbeck	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.

The Speaker resumed the Chair.

S. F. No. 2373 was reported to the House.

Frerichs moved to amend S. F. No. 2373, as follows:

Page 2, line 3, delete everything after the comma and insert "signed by voters equal in number to five percent of the persons voting at the last previous election for the office of governor"

Page 2, line 4, delete everything before the comma

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

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 third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 100 yeas and 28 nays as follows:

Those who voted in the affirmative were:

Abrams	Forsythe	Kelso	Ogren	Rukavina
Anderson, G.	Frederick	Knickerbocker	Olsen, S.	Runbeck
Anderson, R.	Girard	Kostohryz	Olson, E.	Sarna
Battaglia	Greenfield	Lasley	Olson, K.	Scheid
Bauerly	Gutknecht	Lieder	Orenstein	Schreiber
Begich	Haukoos	Long	Osthoff	Segal
Bennett	Hausman	Lynch	Ostrom	Simoneau
Bertram	Heap	Macklin	Otis	Skoglund
Bishop	Henry	Marsh	Pappas	Stanisus
Blatz	Himle	McDonald	Pellow	Sviggum
Boo	Hugoson	McEachern	Peterson	Swenson
Burger	Jacobs	McPherson	Poppenhagen	Tjornhom
Carlson, L.	Janezich	Milbert	Price	Trimble
Carruthers	Jaros	Miller	Pugh	Uphus
Clark	Jefferson	Morrison	Quinn	Vellenga
Cooper	Johnson, A.	Munger	Redalen	Wagenius
Dauner	Johnson, V.	Murphy	Reding	Weaver
Dawkins	Kahn	Nelson, K.	Rest	Welle
Dempsey	Kalis	Neuenschwander	Rice	Williams
Dorn	Kelly	O'Connor	Rodosovich	Spk. Vanasek

Those who voted in the negative were:

Brown	Jennings	Omann	Seaberg	Valento
Dille	Johnson, R.	Onnen	Solberg	Waltman
Frerichs	Kinkel	Pauly	Sparby	Wenzel
Gruenes	Krueger	Pelowski	Steenasma	Winter
Hartle	Limmer	Richter	Tompkins	
Hasskamp	Nelson, C.	Schafer	Tunheim	

The bill was passed and its title agreed to.

S. F. No. 1873 was reported to the House.

Seaberg moved to amend S. F. No. 1873, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 13.84, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC BENEFIT DATA.] (a) The responsible authority or its designee of a parole or probation authority or correctional agency may release private or confidential court services data related to: (1) criminal acts to any law enforcement agency, if necessary for law enforcement purposes; and (2) criminal acts or delinquent acts to the victims of criminal or delinquent acts to the extent that the data are necessary for the victim to assert the victim's legal right to restitution. In the case of delinquent acts, the data that may be released include only the juvenile's name, address, date of birth, and place of employment; the name and address of the juvenile's parents or guardians; and the factual part of police reports related to the investigation of the delinquent act.

(b) The responsible entity or its designee of a juvenile correctional agency may release private or confidential court services data to a victim of a delinquent act to the extent the data are necessary to enable the victim to assert the victim's right to request notice of release under section 611A.06. The data that may be released include only the name, home address, and placement site of a juvenile who has been placed in a juvenile correctional facility under a disposition order for a delinquent act.

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.

Sec. 3. [611A.021] [RIGHT TO REQUEST WITHHOLDING OF CERTAIN PUBLIC DATA.]

A victim has a right under section 13.82, subdivision 10, clause (d), to request a law enforcement agency to withhold public access to data revealing the victim's identity.

Sec. 4. Minnesota Statutes 1989 Supplement, section 611A.04, subdivision 2, is amended to read:

Subd. 2. [PROCEDURES.] The offender shall make restitution payments to the court administrator of the county, municipal, or district court of the county in which the restitution is to be paid. The court administrator shall disburse restitution in incremental payments and may not keep a restitution payment for longer than 30 days; except that the court administrator is not required to disburse a restitution payment that is under \$10 unless the payment would fulfill the offender's restitution obligation. The court administrator shall keep records of the amount of restitution ordered in each case, any change made to the restitution order, and the amount of restitution actually paid by the offender. The court administrator shall forward the data collected to the state court administrator who shall compile the data and make it available to the supreme court and the legislature upon request.

Sec. 5. Minnesota Statutes 1989 Supplement, section 611A.06, is amended to read:

611A.06 [RIGHT TO NOTICE OF RELEASE.]

The commissioner of corrections or other custodial authority shall

make a good faith effort to notify the victim that the offender is to be released from imprisonment or incarceration, including release on extended furlough and for work release; released from a juvenile correctional facility if the offender was placed there under a disposition order; or released from a facility in which the offender was confined due to incompetency, mental illness, or mental deficiency, or commitment under section 253B.18, prior to the release if the victim has mailed to the commissioner of corrections or to the head of the facility in which the offender is confined a written request for this notice. The notice given to a victim of a crime against a person must include the conditions governing the offender's release, and either the identity of the corrections agent who will be supervising the offender's release or a means to identify the court services agency that will be supervising the offender's release. The commissioner or other custodial authority complies with this section upon mailing the notice of impending release to the victim at the address which the victim has most recently provided to the commissioner or authority in writing. All identifying information regarding the victim, including the victim's request and the notice provided by the commissioner or custodial authority, is classified as private data on individuals as defined in section 13.02, subdivision 12, and is accessible only to the victim.

As used in this section, "crime against the person" means a crime listed in section 611A.031.

Sec. 6. Minnesota Statutes 1989 Supplement, section 611A.52, subdivision 8, is amended to read:

Subd. 8. [ECONOMIC LOSS.] "Economic loss" means actual economic detriment incurred as a direct result of injury or death.

(a) In the case of injury the term is limited to:

(1) reasonable expenses incurred for necessary medical, chiropractic, hospital, rehabilitative, and dental products, services, or accommodations, including ambulance services, drugs, appliances, and prosthetic devices;

(2) reasonable expenses incurred for psychological or psychiatric products, services, or accommodations where the nature of the injury or the circumstances of the crime are such that the treatment is necessary to the rehabilitation of the victim, subject to the following limitations:

(i) if treatment is likely to continue longer than six months after the date the claim is filed and the cost of the additional treatment will exceed \$1,500, or if the total cost of treatment in any case will exceed \$4,000, the provider shall first submit to the board a plan which includes the measurable treatment goals, the estimated cost of the treatment, and the estimated date of completion of the

treatment. Claims submitted for treatment that was provided more than 30 days after the estimated date of completion may be paid only after advance approval by the board of an extension of treatment; and

(ii) the board may, in its discretion, elect to pay claims under this clause on a quarterly basis;

(3) loss of income greater than \$50 that the victim would have earned had the victim not been injured;

(4) reasonable expenses incurred for substitute child care or household services to replace those the victim would have performed had the victim not been injured. As used in this clause, "child care services" means services provided by facilities licensed under and in compliance with either Minnesota Rules, parts 9502.0315 to 9502.0445, or 9545.0510 to 9545.0670, or exempted from licensing requirements pursuant to section 245A.03. Licensed facilities must be paid at a rate not to exceed their standard rate of payment. Facilities exempted from licensing requirements must be paid at a rate not to exceed \$3 an hour per child for daytime child care or \$4 an hour per child for evening child care; and

(5) reasonable expenses actually incurred to return a child who was a victim of a crime under section 609.25 or 609.26 to the child's parents or lawful custodian. These expenses are limited to transportation costs, meals, and lodging from the time the child was located until the child was returned home.

(b) In the case of death the term is limited to:

(1) reasonable expenses actually incurred for funeral, burial, or cremation, not to exceed an amount to be determined by the board on the first day of each fiscal year;

(2) reasonable expenses for medical, chiropractic, hospital, rehabilitative, psychological and psychiatric services, products or accommodations which were incurred prior to the victim's death and for which the victim's survivors or estate are liable;

(3) loss of support, including contributions of money, products or goods, but excluding services which the victim would have supplied to dependents if the victim had lived; and

(4) reasonable expenses incurred for substitute child care and household services to replace those which the victim would have performed for the benefit of dependents if the victim had lived.

Claims for loss of support for minor children made under clause (3) must be paid for three years or until the child reaches 18 years old,

whichever is the shorter period. After three years, if the child is less than 18 years old a claim for loss of support may be resubmitted to the board, and the board shall evaluate the claim giving consideration to the child's financial need and to the availability of funds to the board.

Claims for substitute child care services made under clause (4) must be limited to the actual care that the deceased victim would have provided to enable surviving family members to pursue economic, educational, and other activities other than recreational activities.

Sec. 7. Minnesota Statutes 1988, section 611A.53, subdivision 2, is amended to read:

Subd. 2. No reparations shall be awarded to a claimant otherwise eligible if:

(a) the crime was not reported to the police within five days of its occurrence or, if it could not reasonably have been reported within that period, within five days of the time when a report could reasonably have been made. A victim of criminal sexual conduct in the first, second, third, or fourth degree who does not report the crime within five days of its occurrence is deemed to have been unable to have reported it within that period;

(b) the victim or claimant failed or refused to cooperate fully with the police and other law enforcement officials;

(c) the victim or claimant was the offender or an accomplice of the offender or an award to the claimant would unjustly benefit the offender or an accomplice;

(d) the victim or claimant was in the act of committing a crime at the time the injury occurred;

(e) no claim was filed with the board within one year of victim's injury or death; except that (1) if the claimant was unable to file a claim within that period, then the claim can be made within one year of the time when a claim could have been filed; and (2) if the victim's injury or death was not reasonably discoverable within one year of the injury or death, then the claim can be made within one year of the time when the injury or death is reasonably discoverable. The following circumstances do not render a claimant unable to file a claim for the purposes of this clause: (1) lack of knowledge of the existence of the Minnesota crime victims reparations act, (2) the failure of a law enforcement agency to provide information or assistance to a potential claimant under section 611A.66, (3) the incompetency of the claimant if the claimant's affairs were being managed during that period by a guardian, guardian ad litem,

conservator, authorized agent, or parent, or (4) the fact that the claimant is not of the age of majority; or

(f) the claim is less than ~~\$100~~ \$50.

The limitations contained in clauses (a) and (e) do not apply to victims of domestic child abuse as defined in section 260.015, subdivision 24. In those cases the one year limitation period commences running with the report of the crime to the police; provided that no claim as a result of loss due to domestic child abuse may be paid when the claimant is ~~19~~ 21 years of age or older at the time the claim is filed.

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.

Sec. 9. Minnesota Statutes 1989 Supplement, section 629.73, is amended to read:

629.73 [NOTICE TO SEXUAL ASSAULT VICTIM REGARDING RELEASE OF ARRESTED OR DETAINED PERSON.]

Subdivision 1. [ORAL NOTICE.] When a person arrested or a juvenile detained for criminal sexual conduct or attempted criminal sexual conduct is about to be released from pretrial detention, the agency having custody of the arrested or detained person or its designee shall make a reasonable and good faith effort before release to inform orally the victim or, if the victim is incapacitated, the same or next of kin, or if the victim is a minor, the victim's parent or guardian of the following matters:

(1) the conditions of release, if any;

(2) the time of release;

(3) the time, date, and place of the next scheduled court appearance of the arrested or detained person and, where applicable, the victim's right to be present at the court appearance; and

(4) the location and telephone number of the area sexual assault program as designated by the commissioner of corrections.

Subd. 2. [WRITTEN NOTICE.] As soon as practicable after the arrested or detained person is released, the agency having custody of the arrested or detained person or its designee must personally deliver or mail to the alleged victim written notice of the information contained in subdivision 1, clauses (2) and (3)."

Delete the title and insert:

"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; clarifying the duty of court administrators to disburse restitution payments; making certain changes to the crime victims reparations act; amending Minnesota Statutes 1988, sections 611A.53, subdivision 2; 611A.57, subdivision 6; Minnesota Statutes 1989 Supplement, sections 13.84, subdivision 5a; 260.161, subdivision 2; 611A.04, subdivision 2; 611A.06; 611A.52, subdivision 8; and 629.73; proposing coding for new law in Minnesota Statutes, chapter 611A."

The motion prevailed and the amendment was adopted.

Seaberg moved to amend S. F. No. 1873, as amended, as follows:

Page 8, after line 32, insert:

"Sec. 10. [EFFECTIVE DATE.]

Sections 6 to 8 are effective June 30, 1990."

The motion prevailed and the amendment was adopted.

S. F. No. 1873, 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, sections 611A.53, subdivision 2; and 611A.57, subdivision 6; Minnesota Statutes 1989 Supplement, sections 13.84, subdivision 5a; 260.161, subdivision 2; 611A.04, subdivision 2; 611A.06; 611A.52, subdivi-

sion 8; and 629.73; proposing coding for new law in Minnesota Statutes, chapter 611A.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

S. F. No. 2134, A bill for an act relating to crime; imposing penalties on persons who commit a gross misdemeanor or felony while wearing or possessing a bullet-resistant vest; permitting summary forfeiture of weapons used to commit a controlled substance offense; permitting summary forfeiture of bullet-resistant vests worn or possessed during the commission of a crime; increasing the penalty for furnishing firearms to a minor, intentionally discharging a firearm under circumstances that endanger another, and selling a firearm with a silencer; clarifying that ammunition manufacturers and federally licensed dealers may sell to government agencies; amending Minnesota Statutes 1988, sections 609.5316, subdivision 3; 609.66, subdivision 1, and by adding a subdivision; and 609.67, subdivision 3; 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1794 was reported to the House.

Rice moved to amend S. F. No. 1794, as follows:

Page 1, after line 21, insert:

“Sec. 2. Minnesota Statutes 1988, section 197.75, subdivision 2, is amended to read:

Subd. 2. [LIMITATIONS.] ~~None of The provisions of benefits in subdivision 1 shall be made are not available to any a veteran who is entitled to the same or similar benefits under any a law or regulation of the United States now in force or hereafter created, unless the, with the exceptions in paragraphs (a) and (b).~~

(a) A veteran shall have who has been eligible for and exhausted has used up the benefits the veteran is entitled to under the laws of

the United States; through use thereof, in which event the veteran shall be is entitled to the benefits provided for by subdivision 1.

(b) A veteran who has had less than ten years of eligibility for educational assistance under federal law because of the December 31, 1989, delimiting date and who has lost more than four months of that eligibility is entitled to the benefits provided for by subdivision 1."

Amend the title as follows:

Page 1, line 2, after "veteran"; insert "setting criteria for educational assistance;"

Page 1, line 3, delete everything after "1988," and insert "sections 197.447; and 197.75, subdivision 2."

The motion prevailed and the amendment was adopted.

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 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	Dille	Jennings	McGuire	Ozment
Anderson, G.	Dorn	Johnson, A.	McPherson	Pappas
Anderson, R.	Forsythe	Johnson, R.	Milbert	Pauly
Battaglia	Frederick	Johnson, V.	Miller	Pellow
Bauerly	Frerichs	Kahn	Morrison	Pelowski
Begich	Girard	Kalis	Munger	Peterson
Bennett	Greenfield	Kelly	Murphy	Poppenhagen
Bertram	Gruenes	Kelso	Nelson, C.	Price
Bishop	Gutknecht	Kinkel	Nelson, K.	Pugh
Blatz	Hartle	Knickerbocker	Neuenschwander	Quinn
Boo	Hasskamp	Kostohryz	O'Connor	Redalen
Brown	Haukoos	Krueger	Ogren	Reding
Burger	Hausman	Lasley	Olsen, S.	Rest
Carlson, D.	Heap	Lieder	Olson, E.	Rice
Carlson, L.	Henry	Limmer	Olson, K.	Richter
Carruthers	Himle	Long	Omann	Rodosovich
Clark	Hugoson	Lynch	Onnen	Rukavina
Cooper	Jacobs	Macklin	Orenstein	Runbeck
Dauner	Janezich	Marsh	Osthoff	Sarna
Dawkins	Jaros	McDonald	Ostrom	Schafer
Dempsey	Jefferson	McEachern	Otis	Scheid

Schreiber	Solberg	Tjornhom	Valento	Welle
Seaberg	Sparby	Tompkins	Vellenga	Wenzel
Segal	Stanius	Trimble	Wagenius	Williams
Simoneau	Steensma	Tunheim	Waltman	Winter
Skoglund	Sviggum	Uphus	Weaver	Spk. Vanasek

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

The Speaker called Rodosovich to the Chair.

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 third 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	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
Begich	Hasskamp	Long	Otis	Sparby
Bennett	Haukoos	Lynch	Ozment	Stanius
Bertram	Hausman	Macklin	Pauly	Steensma
Bishop	Heap	Marsh	Pellow	Sviggum
Blatz	Henry	McDonald	Pelowski	Swenson
Boo	Himle	McEachern	Peterson	Tjornhom
Brown	Hugoson	McGuire	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
Cooper	Johnson, A.	Murphy	Rest	Wagenius
Dauner	Johnson, R.	Nelson, C.	Rice	Waltman
Dawkins	Johnson, V.	Nelson, K.	Richter	Weaver
Dempsey	Kahn	Neuenschwander	Rodosovich	Welle
Dille	Kalis	O'Connor	Rukavina	Wenzel
Dorn	Kelly	Ogren	Runbeck	Williams
Forsythe	Kelso	Olsen, S.	Schafer	Winter
Frederick	Kinkel	Olson, E.	Scheid	Spk. Vanasek
Frerichs	Knickerbocker	Olson, K.	Schreiber	

The bill was passed and its title agreed to.

H. F. No. 2148 was reported to the House.

Johnson, R., moved to amend H. F. No. 2148, the first engrossment, as follows:

Page 2, delete line 12 and insert "Section 1 is effective January 1, 1989."

The motion prevailed and the amendment was adopted.

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 third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

S. F. No. 2433, A bill for an act relating to metropolitan government; authorizing certain investments by the metropolitan airports commission; authorizing the metropolitan council to review and approve changes in certain land uses relating to metropolitan airport development; amending Minnesota Statutes 1988, section 473.606, subdivision 3; 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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
Begich	Hasskamp	Lynch	Ozment	Solberg
Bennett	Haukoos	Macklin	Pappas	Sparby
Bertram	Hausman	Marsh	Pauly	Stanisus
Bishop	Henry	McDonald	Pellow	Steensma
Blatz	Himle	McEachern	Pelowski	Sviggum
Boo	Hugoson	McGuire	Peterson	Swenson
Brown	Jacobs	McPherson	Poppenhagen	Tjornhom
Burger	Janezich	Milbert	Price	Tompkins
Carlson, D.	Jaros	Miller	Pugh	Trimble
Carlson, L.	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
Dille	Kelly	Ogren	Rukavina	Welle
Dorn	Kelso	Olsen, S.	Runbeck	Wenzel
Forsythe	Kinkel	Olson, E.	Sarna	Williams
Frederick	Knickerbocker	Olson, K.	Schafer	Winter
Ferichs	Kostohryz	Omann	Scheid	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1854 was reported to the House.

Pugh moved that H. F. No. 1854 be continued on Special Orders. The motion prevailed.

S. F. No. 2089 was reported to the House.

Schreiber and Nelson, K., moved to amend S. F. No. 2089, as follows:

Page 1, after line 5, insert:

“Section 1. Minnesota Statutes 1988, section 609.2231, subdivision 3, is amended to read:

Subd. 3. [CORRECTIONAL EMPLOYEES.] Whoever assaults an employee of a correctional facility as defined in section 241.021, subdivision 1, clause (5), while the employee 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 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. As used in this subdivision, “correctional facility” has the meaning given it in section 241.021, subdivision 1, paragraph (5), and includes local jails, lockups, and other detention facilities.”

Page 1, line 16, delete “Section 1 is” and insert “Sections 1 and 2 are” and delete “applies” and insert “apply”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2089, A bill for an act relating to crime; clarifying that terroristic threats include those made indirectly; amending Minnesota Statutes 1988, section 609.713, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Burger	Frederick	Himle	Kelly
Anderson, G.	Carlson, D.	Frerichs	Hugoson	Kelso
Anderson, R.	Carlson, L.	Girard	Jacobs	Kinkel
Battaglia	Carruthers	Greenfield	Janezich	Knickerbocker
Bauerly	Clark	Gruenes	Jaros	Kostohryz
Begich	Cooper	Gutknecht	Jefferson	Krueger
Bennett	Dauner	Hartle	Jennings	Lasley
Bertram	Dawkins	Hasskamp	Johnson, A.	Lieder
Bishop	Dempsey	Haukoos	Johnson, R.	Limmer
Blatz	Dille	Hausman	Johnson, V.	Long
Boo	Dorn	Heap	Kahn	Lynch
Brown	Forsythe	Henry	Kalis	Macklin

Marsh	Ogren	Pelowski	Sarna	Tompkins
McDonald	Olsen, S.	Peterson	Schafer	Trimble
McEachern	Olson, E.	Poppenhagen	Scheid	Tunheim
McGuire	Olson, K.	Price	Schreiber	Uphus
McPherson	Omman	Pugh	Seaberg	Valento
Milbert	Onnen	Quinn	Segal	Vellenga
Miller	Orenstein	Redalen	Simoneau	Wagenius
Morrison	Osthoff	Reding	Skoglund	Waltman
Munger	Ostrom	Rest	Solberg	Weaver
Murphy	Otis	Rice	Stanius	Welle
Nelson, C.	Ozment	Richter	Steensma	Wenzel
Nelson, K.	Pappas	Rodosovich	Sviggum	Williams
Neuenschwander	Pauly	Rukavina	Swenson	Winter
O'Connor	Pellow	Runbeck	Tjornhom	Spk. Vanasek

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

H. F. No. 2599 was reported to the House.

Simoneau moved that H. F. No. 2599 be continued on Special Orders. The motion prevailed.

S. F. No. 1874 was reported to the House.

Carruthers moved that S. F. No. 1874 be continued on Special Orders. The motion prevailed.

S. F. No. 2130 was reported to the House.

Skoglund moved to amend S. F. No. 2130, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 72B.135, is amended by adding a subdivision to read:

Subd. 4. [PROHIBITED PRACTICES.] No public adjuster shall:

(1) pay money or give anything of value to a person in consideration of a direct or indirect referral of a client or potential client;

(2) pay money or give anything of value to a person as an inducement to refer business or clients;

(3) rebate to a client a part of a fee specified in an employment contract;

(4) initiate contact with a prospective client between the hours of 8 p.m. and 8 a.m.;

(5) split the fee received or pay money to a person for services rendered to a client unless the other person is also licensed as a public adjuster;

(6) have an interest directly or indirectly in a construction firm, salvage firm, or appraisal firm. "Firm" includes a corporation, partnership, association, or individual firm;

(7) solicit employment of a client in connection with a loss that is the subject of an employment contract with another public adjuster;

(8) represent both an insurer and insured simultaneously; or

(9) advance money to a client pending the settlement of a loss where the amount would be included in a final settlement.

Sec. 2. Minnesota Statutes 1988, section 72B.135, is amended by adding a subdivision to read:

Subd. 5. [DISCLOSURES.] (a) A public adjuster shall disclose in writing to the client any interest the public adjuster has in loss proceeds other than those acquired by the public adjuster's employment contract.

(b) A public adjuster in soliciting a client for employment shall display a license and immediately inform the client that the adjuster does not represent an insurance company or insurance company adjusting firm. The adjuster shall inform the client that services are available for a fee to be paid by the client, and shall give the client a card identifying the public adjuster and specifying the fee charged by the public adjuster.

Sec. 3. Minnesota Statutes 1988, section 72B.135, is amended by adding a subdivision to read:

Subd. 6. [RECORDS; CONTRACTS.] (a) A public adjuster shall maintain an office that contains the records of all documents pertaining to the settlement of the claim and files of all clients. The records must be available for inspection by an authorized examiner or employee of the commerce department. The records will be kept by the public adjuster for at least five years after the end of the contracted employment period.

(b) An employment contract used by a public adjuster is valid only if signed by an insured and the property owner of the property involved, or an authorized agent or representative."

The motion prevailed and the amendment was adopted.

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

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

H. F. No. 2458 was reported to the House.

Rukavina, Milbert, Pugh and Ozment offered an amendment to H. F. No. 2458, the first engrossment.

POINT OF ORDER

Reding raised a point of order pursuant to rule 3.9 that the Rukavina et al amendment was not in order. Speaker pro tempore Rodosovich ruled the point of order well taken and the amendment out of order.

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 task force.

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

The bill was passed and its title agreed to.

S. F. No. 2127 was reported to the House.

Lasley moved to amend S. F. No. 2127, as follows:

Page 2, line 10, after "commissioner" insert "of agriculture"

Page 2, line 18, delete "place of" and insert "conjunction with"

Page 2, line 19, after "walls" insert "along urban freeways"

The motion prevailed and the amendment was adopted.

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

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

The Speaker resumed the Chair.

H. F. No. 173 was reported to the House.

Sviggum moved that H. F. No. 173 be re-referred to the Committee on Appropriations.

A roll call was requested and properly seconded.

The question was taken on the Sviggum motion and the roll was called. There were 55 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Johnson, V.	Olsen, S.	Schreiber
Bennett	Girard	Knickerbocker	Omann	Seaberg
Bishop	Gruenes	Limmer	Onnen	Stanius
Blatz	Gutknecht	Lynch	Ozment	Sviggum
Boo	Hartle	Macklin	Pellow	Swenson
Burger	Haukoos	Marsh	Poppenhagen	Tjornhom
Carlson, D.	Heap	McDonald	Redalen	Tompkins
Dempsey	Henry	McPherson	Richter	Uphus
Dille	Himle	Miller	Runbeck	Valento
Forsythe	Hugoson	Morrison	Schafer	Waltman
Frederick	Jennings	Neuenschwander		Weaver

Those who voted in the negative were:

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

The motion did not prevail.

Sviggum moved to amend H. F. No. 173, the second engrossment, as follows:

Page 1, line 14, delete "or"

Page 1, line 16, after "cheese" insert "2 or

(3) inform a customer, upon request, which foods served by the restaurant or retailer contain artificial cheese"

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 56 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Johnson, V.	Omann	Stanius
Anderson, G.	Frerichs	Knickerbocker	Onnen	Svigguum
Bennett	Girard	Limmer	Ozment	Swenson
Bishop	Gruenes	Lynch	Pauly	Tjornhom
Blatz	Gutknecht	Macklin	Fellow	Tompkins
Boo	Hartle	Marsh	Poppenhagen	Uphus
Burger	Haukoos	McDonald	Redalen	Waltman
Carlson, D.	Heap	McPherson	Richter	Weaver
Dempey	Henry	Miller	Rumbeck	
Dille	Himle	Morrison	Schafer	
Dorn	Hugoson	Neuenschwander	Schreiber	
Forsythe	Jennings	Olsen, S.	Seaberg	

Those who voted in the negative were:

Anderson, R.	Hausman	McEachern	Peterson	Sparby
Battaglia	Jacobs	McGuire	Price	Steensma
Bauerly	Janezich	Munger	Pugh	Trimble
Begich	Jaros	Murphy	Quinn	Tunheim
Bertram	Jefferson	Nelson, C.	Reding	Vellenga
Brown	Johnson, A.	O'Connor	Rest	Wagenius
Carlson, L.	Kahn	Ogren	Rice	Welle
Carruthers	Kalis	Olson, E.	Rodosovich	Wenzel
Clark	Kelly	Olson, K.	Rukavina	Williams
Cooper	Kelso	Orenstein	Sarna	Winter
Dauner	Kinkel	Ostrom	Segal	Spk. Vanasek
Dawkins	Kostohryz	Otis	Simoneau	
Greenfield	Krueger	Pappas	Skoglund	
Hasskamp	Lieder	Pelowski	Solberg	

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

H. F. No. 173, 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.

The bill was read for the third 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 48 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dawkins	Kahn	Murphy	Pappas
Anderson, R.	Dille	Kalis	Nelson, C.	Pelowski
Battaglia	Greenfield	Kelly	Nelson, K.	Peterson
Bauerly	Gruenes	Kelso	O'Connor	Price
Begich	Hasskamp	Kinkel	Ogren	Pugh
Bertram	Hausman	Kostohryz	Olson, E.	Quinn
Brown	Jacobs	Krueger	Olson, K.	Reding
Carlson, D.	Janezich	Lieder	Omann	Rest
Carlson, L.	Jaros	Long	Orenstein	Rice
Carruthers	Jefferson	McEachern	Osthoff	Rodosovich
Clark	Johnson, A.	McGuire	Ostrom	Rukavina
Cooper	Johnson, R.	Milbert	Otis	Sarna
Dauner	Johnson, V.	Munger	Ozment	Schafer

Scheid	Solberg	Trimble	Wagenius	Winter
Segal	Sparby	Tunheim	Welle	Spk. Vanasek
Simoneau	Steensma	Uphus	Wenzel	
Skoglund	Tompkins	Vellenga	Williams	

Those who voted in the negative were:

Abrams	Frerichs	Knickerbocker	Neuenschwander	Seaberg
Bennett	Girard	Lasley	Olsen, S.	Stanius
Bishop	Gutknecht	Limmer	Onnen	Sviggum
Blatz	Hartle	Lynch	Pauly	Swenson
Boo	Haukoos	Macklin	Pellow	Tjornhom
Burger	Heap	Marsh	Poppenhagen	Valento
Dempsey	Henry	McDonald	Redalen	Waltman
Dorn	Himle	McPherson	Richter	Weaver
Forsythe	Hugoson	Miller	Runbeck	
Frederick	Jennings	Morrison	Schreiber	

The bill was passed and its title agreed to.

Krueger moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Krueger moved that the bills on General Orders for today be continued. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2421:

Scheid, Otis and Abrams.

MOTIONS AND RESOLUTIONS

Osthoff moved that the name of Quinn be stricken and the names of Scheid, Milbert, Jacobs and Abrams be added as authors on H. F. No. 2770. The motion prevailed.

Kahn moved that H. F. No. 2338 be returned to its author. The motion prevailed.

ADJOURNMENT

Krueger moved that when the House adjourns today it adjourn until 1:00 p.m., Thursday, April 5, 1990. The motion prevailed.

Krueger moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Thursday, April 5, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

EIGHTY-FIFTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 5, 1990

The House of Representatives convened at 1:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Minister Benjamin F. Timm, Sr., Assembly of God Church, Cottage Grove, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Beard and McLaughlin were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Skoglund 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. 2005, 2283, 2148 and 2390 and S. F. Nos. 1903, 2347, 1847, 2430 and 1822 have been placed in the members' files.

S. F. No. 1847 and H. F. No. 2038, 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. 1847 be substituted for H. F. No. 2038 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2430 and H. F. No. 2770, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Osthoff moved that the rules be so far suspended that S. F. No. 2430 be substituted for H. F. No. 2770 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1453, A bill for an act relating to public safety; creating the Minnesota advisory council on fire protection systems; requiring licensing and certifying of the fire protection industry; providing for rules and an exemption; creating fire protection systems account; providing for fees and a surcharge; imposing a penalty; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 299K.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
FIRE PROTECTION

Section 1. [299M.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of this chapter the following terms have the meanings given them in this section.

Subd. 2. [APPRENTICE SPRINKLER FITTER.] "Apprentice sprinkler fitter" means a person, other than a fire protection contractor or journeyman sprinkler fitter, who is regularly engaged in learning the trade under the direct supervision of a licensed fire protection contractor or journeyman sprinkler fitter. Apprentices must be registered with the division of apprenticeship of the department of labor and industry in accordance with chapter 178.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of public safety.

Subd. 4. [COUNCIL.] "Council" means the Minnesota advisory council on fire protection systems.

Subd. 5. [DEPARTMENT.] "Department" means the department of public safety.

Subd. 6. [FIRE PROTECTION CONTRACTOR.] "Fire protection contractor" means a person who contracts to sell, design, install, modify, alter, or inspect a fire protection system or its parts or related equipment.

Subd. 7. [FIRE PROTECTION SYSTEM.] "Fire protection system" means a sprinkler, standpipe, hose system, or other special hazard system for fire protection purposes only, that is composed of an integrated system of underground and overhead piping. "Fire protection system" does not include the water service piping to a city water main or piping used for potable water purposes or piping used for heating or cooling purposes. Openings from potable water piping for fire protection systems must be made by persons properly licensed under section 326.40. A person licensed under section 326.40 may also sell, design, install, modify, or inspect a standpipe or hose system.

Subd. 8. [JOURNEYMAN SPRINKLER FITTER.] "Journeyman sprinkler fitter" means a person who is certified as competent to engage in installing, connecting, altering, repairing, or adding to a fire protection system for and under the supervision of a fire protection contractor.

Subd. 9. [MUNICIPALITY.] "Municipality" means a town or statutory or home rule charter city.

Sec. 2. [299M.02] [ADVISORY COUNCIL.]

Subdivision 1. [CREATION; COMPENSATION, REMOVAL, EXPIRATION.] The Minnesota advisory council on fire protection systems is created. The compensation and removal of council members is governed by section 15.059. The council does not expire, section 15.059, subdivision 5, to the contrary notwithstanding.

Subd. 2. [MEMBERSHIP] The council consists of nine members, each appointed for a term of three years by the governor. Two members must be licensed fire protection contractors or full-time, managing employees actively engaged in a licensed fire protection contractor business. Two members must be journeyman sprinkler fitters certified as competent under this chapter. One member of the council must be an active member of the Minnesota State Fire Chiefs Association. One member must be an active member of the Fire Marshals Association of Minnesota. One member must be a member of the general public. The commissioner or designee is an ex officio, nonvoting member. The commissioner of labor and industry or designee is an ex officio nonvoting member.

Subd. 3. [DUTIES.] The council shall advise the commissioners of public safety and labor and industry on matters within the council's expertise or under the regulation of the commissioners.

Sec. 3. [299M.03] [LICENSE OR CERTIFICATE REQUIRED.]

Subdivision 1. [CONTRACTOR LICENSE.] A person may not sell, design, install, modify, or inspect a fire protection system, its parts, or related equipment or offer to do so, unless annually licensed to perform these duties as a fire protection contractor.

Subd. 2. [JOURNEYMAN CERTIFICATE.] A person may not install, connect, alter, repair, or add to a fire protection system, under the supervision of a fire protection contractor, unless annually certified to perform those duties as a journeyman sprinkler fitter or as a registered apprentice sprinkler fitter.

Sec. 4. [299M.04] [RULES; SETTING FEES.]

The commissioner shall adopt permanent rules for operation of the council; regulation by municipalities; permit, filing, inspection, certificate, and license fees; qualifications, examination, and licensing of fire protection contractors; certification of journeyman sprinkler fitters; registration of apprentices; and the administration and enforcement of this chapter. The commissioner may also adopt

emergency rules. Fees must be set under section 16A.128. Permit fees must be a percentage of the total cost of the fire protection work.

Sec. 5. [299M.05] [EXEMPTION FROM EXAMINATION.]

A person who submits satisfactory proof to the commissioner of actively engaging in full-time fire protection systems installation either as a fire protection contractor or journeyman sprinkler fitter for a period of five years before the effective date of this section, and who applies for a license or certificate within 60 days after the effective date of this section, is exempt from examination. A person who is exempt from examination, fulfills all other requirements under this chapter and under rules adopted under section 4, and pays the required annual fee, must be granted the appropriate license or certificate.

Sec. 6. [299M.06] [REVOCAION, SUSPENSION, REFUSAL.]

The commissioner may revoke, suspend, or refuse to issue or renew a license or certificate issued under this chapter.

Sec. 7. [299M.07] [MUNICIPAL REGULATION.]

A municipality by ordinance may require payment of permit fees and competent inspection of fire protection system materials and construction.

A municipality enacting an ordinance after the effective date of this section shall notify the commissioner of public safety.

A municipality may not require licensing, bonding, certification, registration, or insurance that is in addition to the state requirements outlined under this chapter.

Sec. 8. [299M.08] [CRIMES.]

It is a misdemeanor to knowingly and willfully commit or order, instruct, or direct another to commit any of the following acts:

(1) to make a false statement in a license or certificate application, request for inspection, or other form or statement authorized or required under this chapter;

(2) to perform fire protection system work without a proper permit, when required, and without a license or certificate for that work;

(3) to fail to file a request for inspection as required;

(4) to interfere with, or refuse entry to, a fire or building inspector engaged in the performance of lawful duties; or

(5) to violate a statute, rule, or municipal ordinance that pertains to powers given to municipalities under section 7.

Sec. 9. [299M.09] [CONTRACT WITH LABOR AND INDUSTRY.]

The commissioner may contract for services with the commissioner of labor and industry.

Sec. 10. [299M.10] [FIRE PROTECTION SYSTEMS ACCOUNT.]

The fire protection systems account is established as a special account in the state treasury. The fees and penalties collected under this chapter must be deposited in the state treasury and credited to the account.

Sec. 11. [299M.11] [FEES.]

Subdivision 1. [LICENSING FEE.] A person required to be licensed under section 3, subdivision 1, shall, before receipt of the license and before causing fire protection related work to be performed, pay the commissioner an annual license fee.

Subd. 2. [CERTIFICATION FEE.] Employees required to be certified under section 3, subdivision 2, shall, before performing fire protection related work, pay the commissioner an annual certification fee.

Subd. 3. [REGISTRATION FEE.] Employees required to be registered under section 1, subdivision 2, shall, before performing fire protection related work, pay the commissioner an annual registration fee.

Subd. 4. [PERMIT FEE.] Before beginning fire protection related work, a fire protection contractor shall pay a project permit fee to the commissioner based on a percentage of the total costs of the fire protection related work.

Subd. 5. [DEPOSIT OF FEES.] Fees collected under this section shall be deposited in the fire protection systems account created by section 10.

Sec. 12. [299M.12] [CONFLICTS OF LAWS.]

This chapter is not intended to conflict with and does not supersede the Minnesota state building code, the Minnesota uniform fire code, or other state law.

Sec. 13. [APPROPRIATION; COMPLEMENT.]

\$95,000 is appropriated for fiscal year ending June 30, 1991, from the general fund to the department of public safety for the purposes of sections 1 to 12.

The complement of the department of public safety is increased by two positions for the purposes of sections 1 to 11.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 3, 6, and 8 are effective January 1, 1990. Section 4 is effective the day after final enactment.

ARTICLE 2

ACTUARIAL SERVICES

Section 1. Minnesota Statutes 1988, section 3.85, subdivision 10, is amended to read:

Subd. 10. [STANDARDS FOR PENSION VALUATIONS AND COST ESTIMATES.] The commission shall adopt standards prescribing specific detailed methods to calculate, evaluate, and display current and proposed law liabilities, costs, and actuarial equivalents of all public employee pension retirement plans in Minnesota. These Standards shall be consistent with chapter 356 and must be developed and updated annually by the commission using an approved actuary as defined in section 356.215, subdivision 1, paragraph (2), retained by the commission. Standards must not be designed to limit the commission in its selection of an approved actuary, to any one actuary or actuarial consulting firm.

Sec. 2. Minnesota Statutes 1988, section 3.85, subdivision 11, is amended to read:

Subd. 11. [VALUATIONS AND REPORTS TO LEGISLATURE.]
(a) The commission shall contract with an established actuarial consulting firm to ~~conduct~~ evaluate, audit, and verify the results of annual actuarial valuations and financial adequacy, biennial experience studies for, and cost analyses of benefit and funding proposals prepared by the actuaries retained by the governing boards of the retirement plans systems named in paragraph (b). The contract ~~shall include provisions for performing cost analyses of proposals for changes in benefit and funding policies.~~

The governing boards of the retirement systems, through their retained actuaries, must act jointly in developing cost analyses of benefit and funding proposals when these proposals would affect multiple systems. The commission's actuarial contract must require

that the commission-retained actuary construct and maintain a data base using the same information contained in the data bases constructed and maintained by the retirement system actuaries. The contract must also provide for ongoing review of commission-approved actuarial standards and recommendations for changes in those standards. The commission-retained actuary may convene the retirement system actuaries when appropriate to discuss differences of opinion about study results, data, recommended changes in actuarial specifications, standards, assumptions, tables, or any other related actuarial matters.

(b) The contract for actuarial valuation and analysis shall include the following retirement plans systems referred to in paragraph (a) are:

- (1) the Statewide Teachers Retirement Association;
- (2) the General Plan, Minnesota State Retirement System;
- (3) the Correctional Plan, Minnesota State Public Employees Retirement System Association;
- (4) the State Patrol Plan, Minnesota State Retirement System;
- (5) the Judges Plan, Minnesota State Retirement System;
- (6) the Minneapolis Employees Retirement Fund;
- (7) the General Plan, Public Employees Retirement Association;
- (8) the Police and Fire Plan, Public Employees Retirement Association;
- (9) (5) the Duluth Teachers Retirement Fund Association;
- (10) (6) the Minneapolis Teachers Retirement Fund Association; and
- (11) (7) the St. Paul Teachers Retirement Association;
- (12) the Legislator's Retirement Plan, Minnesota State Retirement System; and
- (13) the Elective State Officers Retirement Plan, Minnesota State Retirement System.

(c) Every year the contract shall specify completion of standard actuarial valuations for the fiscal year with contents as described in

section 356.215, subdivisions 4 to 4k, and cash flow forecasts through the amortization target date.

For every plan year the contract shall specify preparation of an exhibit on the experience of the fund for inclusion in the annual actuarial valuation and completion of a periodic experience study as provided for in the standards adopted by the commission. The experience study shall evaluate the appropriateness of continuing to use for future valuations the assumptions relating to: individual salary progression; rate of return on investments; payroll growth; mortality; withdrawal; disability; retirement; and any other experience related factor that could impact the future financial condition of the retirement funds.

(d) (c) The commission commission-retained actuary shall annually prepare a report to the legislature commission summarizing the results of the annual actuarial valuations and cash flow projections. It shall include with its report recommendations concerning the appropriateness of the support rates prepared by the retirement system actuaries. This report must also include the results of the commission-retained actuary's verification and audit and identify points of disagreement and recommendations for changes in contribution rates to achieve proper funding of the retirement funds objectives by the required funding dates. The commission-retained actuary shall, within two four months of the completion of the periodic biennial experience studies by the retirement system actuaries, prepare a report to the commission summarizing the results of the experience studies prepared by the retirement system actuaries and the results of the commission-retained actuary's audit and verification. This report must also identify recommendations for changes in assumptions or actuarial tables. After reviewing the results of the annual valuations or biennial experience studies, the commission shall issue its own report to the legislature on the appropriateness of the valuation assumptions required for evaluation in the periodic experience study.

(e) (d) The commission shall assess each retirement plan specified in paragraph (b), other than clauses (12) and (13), for the cost of its actuarial valuations and experience studies. The assessment shall be that part of the amount of contract compensation for the actuarial consulting firm retained by the commission for those functions that bears the same relationship that the total active, deferred, inactive, and benefit recipient membership of the retirement plan bears to the total active, deferred, inactive, and benefit recipient membership of all retirement plans specified in paragraph (b). The assessment shall be made upon the completion of the actuarial valuations and the experience studies. The amount of the assessment is appropriated from the retirement fund applicable to the retirement plan. Receipts from assessments shall be deposited in the state treasury and credited to the general fund pay for the services of its actuary from funds appropriated to it.

(e) The commission shall direct the commission-retained actuary with respect to discretionary tasks provided for under terms of the actuarial contract.

Sec. 3. Minnesota Statutes 1988, section 3A.11, subdivision 1, is amended to read:

Subdivision 1. [TRANSFER OF RESERVES.] The reserves necessary to fund the retirement allowance granted pursuant to section 3A.02 to a former legislator upon retirement shall be appropriated from the general fund to the director and shall be transferred by the director to the Minnesota postretirement investment fund as of the last business day of the month in which the retirement allowance begins to accrue in accord with section 11A.18. The amount of the transfer shall be determined by or determined ~~under a procedure specified by the actuary retained by the legislative commission on pensions and retirement,~~ in accord with the appropriate mortality table adopted by the board of directors of the Minnesota state retirement system based on the experience of the plan as recommended by the ~~commission-retained actuary~~ and the interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 4. [3A.13] [APPROPRIATION.]

The amounts required to pay benefits authorized by this chapter and to pay any necessary and reasonable administrative expenses are appropriated annually to the director from the general fund.

Sec. 5. Minnesota Statutes 1989 Supplement, section 11A.18, subdivision 9, is amended to read:

Subd. 9. [CALCULATION OF POSTRETIREMENT ADJUSTMENT.] Annually, following June 30, the state board shall determine whether a postretirement adjustment is payable and shall determine the amount of any postretirement adjustment that is payable.

(1) The state board shall determine whether a postretirement adjustment is payable using the following procedure:

(a) The state board shall determine the amount of dividends, interest, accruals and realized capital gains or losses applicable to the most recent fiscal year ending June 30;

(b) The amount of reserves required for the annuity or benefit payable to an annuitant and benefit recipient of the participating public pension plans or funds shall be determined by the ~~commission-retained actuary~~ actuaries retained by the Minnesota state retirement system, the public employees retirement association, and the teachers retirement association as of the current June 30.

An annuitant or benefit recipient who has been receiving an annuity or benefit for at least 12 full months as of the current June 30 is eligible to receive a full postretirement adjustment. An annuitant or benefit recipient who has been receiving an annuity or benefit for at least one full month, but less than 12 full months as of the current June 30, is eligible to receive a partial postretirement adjustment. Each fund shall report separately the amount of the reserves for those annuitants and benefit recipients who are eligible to receive a full postretirement benefit adjustment. This amount is known as "eligible reserves." Each fund shall also report separately the amount of the reserves for those annuitants and benefit recipients who are not eligible to receive a postretirement adjustment. This amount is known as "noneligible reserves." For an annuitant or benefit recipient who is eligible to receive a partial postretirement adjustment, each fund shall report separately as additional "eligible reserves" an amount that bears the same ratio to the total reserves required for the annuitant or benefit recipient as the number of full months of annuity or benefit receipt as of the current June 30 bears to 12 full months. The remainder of the annuitant's or benefit recipient's reserves shall be separately reported as additional "noneligible reserves." The amount of "eligible" and "noneligible" required reserves shall be certified to the board by the ~~commission-retained~~ actuary actuaries retained by the Minnesota state retirement system, public employees retirement association, and teachers retirement association as soon as is practical following the current June 30;

(c) The state board shall determine the amount of investment income required to equal five percent of the total amount of the required reserves as of the preceding June 30 adjusted by five percent of each transfer in or transfer out multiplied by the fraction of a year from the date of transfer to the current June 30. This amount of required investment income shall be subtracted from the actual amount of investment income determined according to clause (1)(a), to determine the amount of excess investment income. If this amount is positive, then a postretirement adjustment may be paid.

(2) The state board shall determine the amount of any postretirement adjustment which is payable using the following procedure:

(a) The state board shall determine the amount of excess investment income by the method indicated in clause (1);

(b) The total "eligible" required reserves as of the first of January next following the end of the fiscal year for the annuitants and benefit recipients eligible to receive a full or partial postretirement adjustment as determined by clause (1)(b) shall be certified to the state board by the ~~commission-retained~~ actuary actuaries retained by the Minnesota state retirement system, the public employees retirement association, and the teachers retirement association. The total "eligible" required reserves shall be determined by the com-

~~mission-retained actuary~~ on the assumption that all annuitants and benefit recipients eligible to receive a full or partial postretirement adjustment will be alive on the January 1 in question;

(c) If the state board determines that the book value of the assets of the fund is less than an amount equal to the total amount of the current June 30 required reserves, with the book value and required reserves to be determined after the adjustments provided for in subdivision 11, then the state board shall allocate five percent of the excess investment income as an asset of the fund. The excess investment income allocated as an asset of the fund shall not exceed the difference between book value and required reserves. The remaining amount shall be termed available for distribution. The book value of assets on any given date shall be the net assets at cost less the excess investment income determined pursuant to clause (1)(c);

(d) The resulting total amount available for distribution shall be increased by 2½ percent, and the result shall be stated as a percentage of the total amount of the required reserves pursuant to clause (2)(b), and if the percentage is equal to or greater than one percent, the amount shall be certified to each participating public pension fund or plan as the full postretirement adjustment amount. If the percentage is less than one percent, no postretirement adjustment shall be payable in that year and the amount otherwise available for distribution shall be credited to a separate reserve established for this purpose. The reserve shall be invested in the same manner as all other assets of the fund and shall be credited with any investment income as specified in clause (1)(a). Amounts credited to the reserve shall be utilized in determining a postretirement adjustment in the subsequent year. The amount of any full postretirement adjustment certified by the state board as payable to the participating public pension plans or funds shall be carried to five decimal places and stated as a percentage.

(e) A retirement annuity payable in the event of retirement before becoming eligible for social security benefits as provided in section 352.116, subdivision 3; 353.29, subdivision 6; or 354.35 must be treated as the sum of a period certain retirement annuity and a life retirement annuity for the purposes of any postretirement adjustment. The period certain retirement annuity plus the life retirement annuity shall be the annuity amount payable until age 62 or 65, whichever applies. A postretirement adjustment granted on the period certain retirement annuity must terminate when the period certain retirement annuity terminates.

Sec. 6. Minnesota Statutes 1988, section 11A.18, subdivision 11, is amended to read:

Subd. 11. [ADJUSTMENT FOR MORTALITY GAINS AND LOSSES.] Annually as of June 30 ~~annually~~, the ~~commission re-~~

retained actuary actuaries retained by the Minnesota state retirement system, public employees retirement association, and teachers retirement association shall calculate the amount of required reserves representing any mortality gains and any mortality losses incurred by each participating public pension fund or plan during the fiscal year and report the results of those calculations to the applicable participating public pension fund or plan. The actuary shall report separately the amount of the reserves for annuitants and benefit recipients who are eligible for a postretirement benefit adjustment and the amount of reserves for annuitants and benefit recipients who are not eligible for a postretirement benefit adjustment. If the net amount of required reserves represents a mortality gain, the participating public pension fund or plan shall certify that amount to the state board, which shall sell sufficient securities or transfer sufficient available cash to equal the amount of money certified. If the amount of required reserves represents a mortality loss, the participating public pension fund or plan shall transfer to the state board an amount equal to the amount of the net mortality loss. The amount of the transfers shall be determined before any postretirement benefit adjustments have been made. All transfers resulting from mortality adjustments shall be completed annually by December 31 for the preceding June 30. Interest shall be charged or credited on any transfers after December 31 based upon the average short-term rate earned by the postretirement investment fund. Book values of the assets of the fund for the purposes of subdivision 9 shall be determined only after all adjustments for mortality gains and losses for the fiscal year have been made.

Sec. 7. Minnesota Statutes 1989 Supplement, section 136.82, subdivision 2, is amended to read:

Subd. 2. [REDEMPTION OF SHARES AS AN ANNUITY.] A person who has shares to the credit of the employee's share account record, who is 55 years of age or older and who is no longer employed by the state university board or the state board for community colleges or who is totally and permanently disabled pursuant to subdivision 1, paragraph (c), or who has the status of a surviving spouse of a person who has shares to the credit of the employee's share account pursuant to subdivision 1, paragraph (d), may redeem all or part of the shares to purchase an annuity by depositing the cash realized upon redemption with the executive director of the teachers retirement fund and receive in exchange an annuity for life or an optional annuity as hereinafter provided. The election to purchase an annuity may be made only once by any individual. If an election is made before the date on which the person is entitled to request redemption, the redemption shall not be made prior to the date upon which the person would be entitled to make the request. The annuity purchase rates shall be based on the annuity table of mortality adopted by the board of trustees of the teachers retirement fund for the fund as provided in section 354.07, subdivision 1, using the interest assumption specified in section 356.215, subdivision 4d.

The amount of the annuity for life shall be that amount which has a present value equal to the cash realized on the redemption of the shares as of the first day of the month next following the date of the election to purchase an annuity. The board of trustees of the teachers retirement fund shall establish an optional joint and survivor annuity, an optional annuity payable for a period certain and for life thereafter, and an optional guaranteed refund annuity paying the annuitant a fixed amount for life with the guarantee that in the event of death the balance of the cash realized from the redemption of shares is payable to the designated beneficiary. The optional forms of annuity shall be actuarially equivalent to the single life annuity as defined in section 354.05, subdivision 7. ~~In establishing these optional forms, the board of trustees shall obtain the written recommendation of the actuary retained by the legislative commission on pensions and retirement, and these recommendations shall be a part of the permanent records of the board of trustees.~~

Sec. 8. Minnesota Statutes 1988, section 352.01, subdivision 12, is amended to read:

Subd. 12. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date at a specified age with each actuarial present value based on the appropriate mortality table adopted by the board of directors based on the experience of the fund as ~~recommended by the actuary retained by the legislative commission on pensions and retirement~~ and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 9. Minnesota Statutes 1988, section 352.03, subdivision 6, is amended to read:

Subd. 6. [DUTIES AND POWERS OF EXECUTIVE DIRECTOR.] The management of the system is vested in the director, who is the executive and administrative head of the system. The director shall be advisor to the board on matters pertaining to the system and shall also act as the secretary of the board. The director shall:

- (1) attend meetings of the board;
- (2) prepare and recommend to the board appropriate rules to carry out this chapter;
- (3) establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;
- (4) designate an assistant director with the approval of the board;

(5) appoint any employees, both permanent and temporary, that are necessary to carry out the provisions of this chapter;

(6) organize the work of the system as the director deems necessary to fulfill the functions of the system, and define the duties of its employees and delegate to them any powers or duties, subject to the control of the director and under conditions the director may prescribe. Appointments to exercise delegated power must be by written order and shall be filed with the secretary of state;

(7) with the advice and consent of the board, contract for the services of an approved actuary, professional management services, and any other consulting services as necessary and fix the compensation for those services. The contracts are not subject to competitive bidding under chapter 16B. Any approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director, and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. ~~Any supplemental~~ Actuarial valuations or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement. Professional management services may not be contracted for more often than once in six years. Copies of professional management survey reports must be transmitted to the secretary of the senate, the chief clerk of the house of representatives, and the legislative reference library as provided by section 3.195, to the executive director of the commission and to the legislative auditor at the time as reports are furnished to the board. Only management firms experienced in conducting management surveys of federal, state, or local public retirement systems are qualified to contract with the director;

(8) with the advice and consent of the board provide in-service training for the employees of the system;

(9) make refunds of accumulated contributions to former state employees and to the designated beneficiary, surviving spouse, legal representative, or next of kin of deceased state employees or deceased former state employees, as provided in this chapter;

(10) determine the amount of the annuities and disability benefits of employees covered by the system and authorize payment of the annuities and benefits beginning as of the dates on which the annuities and benefits begin to accrue, in accordance with the provisions of this chapter;

(11) pay annuities, refunds, survivor benefits, salaries, and necessary operating expenses of the system;

(12) certify funds available for investment to the state board of investment;

(13) with the advice and approval of the board request the state board of investment to sell securities when the director determines that funds are needed for the system;

(14) prepare and submit to the board and the legislature an annual financial report covering the operation of the system, as required by section 356.20;

(15) prepare and submit biennial and quarterly budgets to the board and with the approval of the board submit the budgets to the department of finance; and

(16) with the approval of the board, perform other duties required to administer the retirement and other provisions of this chapter and to do its business.

Sec. 10. Minnesota Statutes 1988, section 352.119, subdivision 2, is amended to read:

Subd. 2. [VALUATION OF ASSETS; ADJUSTMENT OF BENEFITS.] (a) The required reserves for retirement annuities or disability benefits under this chapter as determined in accordance with the appropriate mortality table adopted by the board of directors based on experience of the fund as recommended by the ~~commission-retained actuary~~ and using the interest assumption specified in section 356.215, subdivision 4d must be transferred to the Minnesota postretirement investment fund as of the last business day of the month in which the retirement annuity or disability benefit begins.

(b) Annuity and benefit payments must be adjusted in accordance with section 11A.18.

Sec. 11. Minnesota Statutes 1988, section 352.85, subdivision 6, is amended to read:

Subd. 6. [ACTUARIAL VALUATION EXHIBIT.] Each valuation of the system prepared by the ~~commission-retained actuary~~ under section 356.215 shall include an exhibit pertaining to this special retirement program which shall set forth the normal cost of the special program.

Sec. 12. Minnesota Statutes 1988, section 352.86, subdivision 4, is amended to read:

Subd. 4. [ACTUARIAL VALUATION EXHIBIT.] Each valuation of the system prepared by the ~~commission-retained actuary~~ under section 356.215 shall include an exhibit pertaining to this special retirement program which shall set forth the normal cost of the special program.

Sec. 13. Minnesota Statutes 1988, section 352B.02, subdivision 1e, is amended to read:

Subd. 1e. [AUDIT; ACTUARIAL VALUATION.] The legislative auditor shall audit the fund. ~~Any actuarial valuation of the fund required under section 356.215 shall be prepared by the actuary retained by the legislative commission on pensions and retirement. Any approved actuary retained by the executive director under section 352.03, subdivision 6, may perform actuarial valuations required under section 356.215 and experience studies to supplement those performed by the commission-retained actuary. Any supplemental actuarial valuation or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement.~~

Sec. 14. Minnesota Statutes 1989 Supplement, section 352B.08, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL ANNUITY FORMS.] In lieu of the single life annuity provided in subdivision 2, the member or former member with five years or more of service may elect an optional annuity form. The board of the Minnesota state retirement system shall establish a joint and survivor annuity, payable to a designated beneficiary for life, adjusted to the actuarial equivalent value of the single life annuity. The board shall also establish an additional optional annuity with an actuarial equivalent value of the single life annuity in the form of a joint and survivor annuity which provides that the elected annuity be reinstated to the single life annuity provided in subdivision 2, if after commencing the elected joint and survivor annuity, the designated beneficiary dies before the member, which reinstatement is not retroactive but takes effect for the first full month occurring after the death of the designated beneficiary. The board may also establish other actuarial equivalent value optional annuity forms. In establishing actuarial equivalent value optional annuity forms, each optional annuity form shall have the same present value as a regular single life annuity using the mortality table adopted by the board and the interest assumption specified in section 356.215, subdivision 4d; ~~and the board shall obtain the written recommendation of the commission-retained actuary. These recommendations shall be a part of the permanent records of the board.~~

Sec. 15. Minnesota Statutes 1988, section 352B.26, subdivision 3, is amended to read:

Subd. 3. [VALUATION OF ASSETS; ADJUSTMENT OF BENEFITS.] (a) For former members beginning receipt of annuities and qualified recipients of joint and survivor annuities and surviving spouse benefits, the required reserves must be determined in accordance with the appropriate mortality table adopted by the board of directors of the Minnesota state retirement system based on the

experience of the fund as recommended by the ~~commission-retained actuary~~ and using the interest assumption specified in section 356.215, subdivision 4d. Assets representing the required reserves for these annuities must be transferred to the Minnesota postretirement investment fund as of the last business day of the month in which the retirement annuity begins as specified in section 11A.18.

(b) Annuity payments must be adjusted in accordance with section 11A.18.

(c) Notwithstanding section 356.18, an increase in annuity payments under this section must be made automatically unless written notice is filed by the annuitant with the executive director of the Minnesota state retirement system requesting that the increase not be made.

Sec. 16. [352C.11] [APPROPRIATION.]

The amounts required to pay benefits authorized by this chapter and to pay any necessary and reasonable administrative expenses are appropriated annually to the director from the general fund.

Sec. 17. Minnesota Statutes 1988, section 353.01, subdivision 14, is amended to read:

Subd. 14. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the board of trustees based on the experience of the fund as recommended by the ~~actuary retained by the legislative commission on pensions and retirement~~ and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 18. Minnesota Statutes 1988, section 353.03, subdivision 3a, is amended to read:

Subd. 3a. [EXECUTIVE DIRECTOR.] (a) [APPOINTMENT.] The board shall appoint, with the advice and consent of the senate, an executive director on the basis of education, experience in the retirement field, and leadership ability. The executive director shall have had at least five years' experience in an executive level management position, which has included responsibility for pensions, deferred compensation, or employee benefits. The executive director serves at the pleasure of the board. The salary of the executive director is as provided by section 15A.081, subdivision 1.

(b) [DUTIES.] The management of the association is vested in the executive director who shall be the executive and administrative

head of the association. The executive director shall act as adviser to the board on all matters pertaining to the association and shall also act as the secretary of the board. The executive director shall:

- (1) attend all meetings of the board;
- (2) prepare and recommend to the board appropriate rules to carry out the provisions of this chapter;
- (3) establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;
- (4) designate an assistant director, with the approval of the board, who shall serve in the unclassified service and whose salary is set in accordance with section 43A.18, subdivision 3, appoint a confidential secretary in the unclassified service, and appoint employees to carry out this chapter, who are subject to chapters 43A and 179A in the same manner as are executive branch employees;
- (5) organize the work of the association as the director deems necessary to fulfill the functions of the association, and define the duties of its employees and delegate to them any powers or duties, subject to the control of, and under such conditions as, the executive director may prescribe;
- (6) with the approval of the board, contract for the services of an approved actuary, professional management services, and any other consulting services as necessary to fulfill the purposes of this chapter. All contracts are subject to chapter 16B. The commissioner of administration shall not approve, and the association shall not enter into, any contract to provide lobbying services or legislative advocacy of any kind. Any approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director and may perform actuarial valuations under section 356.215 and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental actuarial valuations or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement. Copies of professional management survey reports shall be transmitted to the secretary of the senate, the chief clerk of the house of representatives, and the legislative reference library as provided by section 3.195, to the executive director of the commission and to the legislative auditor at the same time as reports are furnished to the board. Only management firms experienced in conducting management surveys of federal, state, or local public retirement systems shall be qualified to contract with the director hereunder;
- (7) with the approval of the board provide in-service training for the employees of the association;

(8) make refunds of accumulated contributions to former members and to the designated beneficiary, surviving spouse, legal representative or next of kin of deceased members or deceased former members, as provided in this chapter;

(9) determine the amount of the annuities and disability benefits of members covered by the association and authorize payment of the annuities and benefits beginning as of the dates on which the annuities and benefits begin to accrue, in accordance with the provisions of this chapter;

(10) pay annuities, refunds, survivor benefits, salaries, and necessary operating expenses of the association;

(11) prepare and submit to the board and the legislature an annual financial report covering the operation of the association, as required by section 356.20;

(12) prepare and submit biennial and annual budgets to the board for its approval and submit the approved budgets to the department of finance for approval by the commissioner; and

(13) with the approval of the board, perform such other duties as may be required for the administration of the association and the other provisions of this chapter and for the transaction of its business.

Sec. 19. Minnesota Statutes 1988, section 353.271, subdivision 2, is amended to read:

Subd. 2. [VALUATION OF ASSETS; ADJUSTMENT OF BENEFITS.] (1) The required reserves for retirement annuities payable as provided in this chapter other than those payable from the various local relief association consolidation accounts, as determined in accordance with the appropriate mortality table adopted by the board of trustees based on the experience of the fund as recommended by the actuary retained by the legislative commission on pensions and retirement, and using the postretirement interest assumption specified in section 356.215, subdivision 4d, shall be transferred to the Minnesota postretirement investment fund as of the last business day of the month in which the retirement annuity begins.

(2) Annuity payments other than those payable from the various local relief association consolidation accounts shall be adjusted in accordance with the provisions of section 11A.18.

(3) Notwithstanding section 356.18, increases in payments pursuant to this section or from the various local relief association consolidation accounts, if applicable, will be made automatically

unless the intended recipient files written notice with the executive director of the public employees retirement association requesting that the increase shall not be made.

Sec. 20. Minnesota Statutes 1988, section 353.29, subdivision 6, is amended to read:

Subd. 6. [RETIREMENT BEFORE ELIGIBILITY FOR SOCIAL SECURITY BENEFITS.] A member or former member who retires before becoming eligible for social security retirement benefits may elect to receive an optional retirement annuity from the association that provides for different annuity amounts over different periods of retirement. The election of this optional retirement annuity must be exercised by making application to the board of trustees. The optional annuity must take the form of an annuity payable for the period before the annuitant becomes eligible for social security old age retirement benefits in a greater amount than the amount of the annuity calculated under subdivisions 2 and 3 on the basis of the age of the annuitant at retirement. The optional annuity must be the actuarial equivalent of the normal retirement annuity computed on the basis of age at retirement. This greater amount must be paid until the annuitant reaches age 62, at which time the payment from the association must be reduced. The board of trustees shall establish the method of computing the optional retirement annuity under this subdivision. ~~In establishing the method of computing the optional retirement annuity, the board of trustees shall obtain the written approval of the commission-retained actuary. The recommendations must be a part of the permanent records of the board of trustees.~~

Sec. 21. Minnesota Statutes 1989 Supplement, section 353.30, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL RETIREMENT ANNUITY FORMS.] The board of trustees shall establish optional annuities which shall take the form of a joint and survivor annuity. Except as provided in subdivision 3a, the optional annuity forms shall be actuarially equivalent to the forms provided in section 353.29 and subdivisions 1, 1a, 1b, 1c, and 5. ~~In establishing these optional forms, the board shall obtain the written recommendation of the commission-retained actuary. The recommendations shall be a part of the permanent records of board.~~ A member or former member may select an optional form of annuity in lieu of accepting any other form of annuity which might otherwise be available.

Sec. 22. Minnesota Statutes 1988, section 354.05, subdivision 7, is amended to read:

Subd. 7. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as

of a given date with each actuarial present value based on the appropriate mortality table adopted by the board of trustees based on the experience of the fund as recommended by the actuary retained by the legislative commission on pensions and retirement and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 23. Minnesota Statutes 1988, section 354.06, subdivision 2a, is amended to read:

Subd. 2a. [DUTIES OF EXECUTIVE DIRECTOR.] The management of the association is vested in the executive director who shall be the executive and administrative head of the association. The executive director shall act as advisor to the board on all matters pertaining to the association and shall also act as the secretary of the board. The executive director shall:

- (1) attend all meetings of the board;
- (2) prepare and recommend to the board appropriate rules to carry out the provisions of this chapter;
- (3) establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;
- (4) designate an assistant executive director in the unclassified service and two assistant executive directors in the classified service with the approval of the board, and appoint such employees, both permanent and temporary, as are necessary to carry out the provisions of said chapter;
- (5) organize the work of the association as the director deems necessary to fulfill the functions of the association, and define the duties of its employees and delegate to them any powers or duties, subject to the director's control and under such conditions as the director may prescribe;
- (6) with the approval of the board, contract for the services of an approved actuary, professional management services, and any other consulting services as may be necessary and fix the compensation therefor. Such contracts shall not be subject to the competitive bidding procedure prescribed by chapter 16B. Professional management services may not be contracted for more often than once in every six years. Any approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director and may perform actuarial valuations under section 356.215 and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental actuarial valuations or experience studies shall be filed with the executive director of the

legislative commission on pensions and retirement. Copies of professional management survey reports shall be transmitted to the secretary of the senate, the chief clerk of the house of representatives, and the legislative reference library as provided by section 3.195, to the executive director of the commission and to the legislative auditor at the same time as reports are furnished to the board. Only management firms experienced in conducting management surveys of federal, state, or local public retirement systems shall be qualified to contract with the director hereunder;

(7) with the approval of the board, provide in-service training for the employees of the association;

(8) make refunds of accumulated contributions to former members and to the designated beneficiary, surviving spouse, legal representative, or next of kin of deceased members or deceased former members, as provided in this chapter;

(9) determine the amount of the annuities and disability benefits of members covered by the association and authorize payment of the annuities and benefits beginning as of the dates on which the annuities and benefits begin to accrue, in accordance with the provisions of this chapter;

(10) pay annuities, refunds, survivor benefits, salaries, and necessary operating expenses of the association;

(11) prepare and submit to the board and the legislature an annual financial report covering the operation of the association, as required by section 356.20;

(12) certify funds available for investment to the state board of investment;

(13) with the advice and approval of the board, request the state board of investment to sell securities on determining that funds are needed for the purposes of the association;

(14) prepare and submit biennial and annual budgets to the board and with the approval of the board submit those budgets to the department of finance; and

(15) with the approval of the board, perform such other duties as may be required for the administration of the association and the other provisions of this chapter and for the transaction of its business.

Sec. 24. Minnesota Statutes 1988, section 354.07, subdivision 1, is amended to read:

Subdivision 1. [GENERAL POWERS OF THE BOARD.] The board has the power to frame bylaws for its own government and for the management of the fund not inconsistent with the laws of the state and to modify them at its pleasure; to adopt, alter, and enforce reasonable rules not inconsistent with the laws of the state for the administration and management of the fund, for the payment and collection of payments from members, and for the payment of withdrawals and benefits; to pass upon and allow or disallow applications for membership in the fund and for credit for teaching service; to pass upon and allow or disallow claims for withdrawals, pensions, or benefits payable from the fund; to adopt an appropriate mortality table based on experience of the fund as recommended by the commission-retained actuary and using the applicable post-retirement interest assumption specified in section 356.215, subdivision 4d; to provide for the payment out of the fund of necessary expenses for the administration of the fund and of claims for withdrawals, pensions, or benefits allowed.

Sec. 25. Minnesota Statutes 1989 Supplement, section 354.35, is amended to read:

354.35 [OPTIONAL ACCELERATED RETIREMENT ANNUITY BEFORE AGE 65.]

Any coordinated member who retires before age 65 may elect to receive an optional accelerated retirement annuity from the association which provides for different annuity amounts over different periods of retirement. The election of this optional accelerated retirement annuity shall be exercised by making an application to the board on a form provided by the board. The optional accelerated retirement annuity shall take the form of an annuity payable for the period before the member attains normal retirement age in a greater amount than the amount of the annuity calculated under section 354.44 on the basis of the age of the member at retirement, but the optional accelerated retirement annuity must be the actuarial equivalent of the member's annuity computed on the basis of the member's age at retirement. The greater amount must be paid until the retiree reaches normal retirement age and at that time the payment from the association must be reduced. For each year the retiree is under age 65, up to five percent of the total life annuity required reserves may be used to accelerate the optional retirement annuity under this section. The method of computing the optional accelerated retirement annuity provided in this section shall be established by the board of trustees. In establishing the method of computing the optional accelerated retirement annuity, the board of trustees must obtain the written approval of the commission-retained actuary. The written approval must be a part of the permanent records of the board of trustees.

Sec. 26. Minnesota Statutes 1988, section 354.42, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL EMPLOYER CONTRIBUTION.] To amortize the unfunded actuarial accrued liability computed under the entry age actuarial cost method and disclosed under the annual actuarial valuations prepared by the commission-retained actuary under section 356.215, an additional employer contribution shall be made in the amount of 4.48 percent of the salary of each member. This contribution shall be made in the manner provided in section 354.43.

Sec. 27. Minnesota Statutes 1988, section 354A.011, subdivision 3a, is amended to read:

Subd. 3a. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the appropriate board of trustees based on the experience of that retirement fund association as recommended by the actuary retained by the legislative commission on pensions and retirement and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 28. Minnesota Statutes 1988, section 354A.021, subdivision 7, is amended to read:

Subd. 7. [ACTUARIAL CONSULTANT.] The board of trustees or directors of each teachers retirement fund association may contract for the services of an approved actuary and fix the reasonable compensation for those services. Any approved actuary retained by the board shall function as the actuarial advisor to the board and may perform actuarial valuations under section 356.215 and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental actuarial valuations or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement.

Sec. 29. Minnesota Statutes 1989 Supplement, section 354A.32, subdivision 1, is amended to read:

Subdivision 1. [OPTIONAL FORMS GENERALLY.] The boards of the Minneapolis and the St. Paul teachers retirement fund associations shall each establish for the coordinated program and the board of the Duluth teachers retirement fund association shall establish for the new law coordinated program an optional retirement annuity which shall take the form of a joint and survivor annuity. Each board may also in its discretion establish an optional annuity which shall take the form of an annuity payable for a period certain and for life thereafter. Except as provided in subdivision 1a, optional annuity forms shall be the actuarial equivalent of the normal forms provided

in section 354A.31. In establishing these optional annuity forms, the board shall obtain the written recommendation of the commission-retained actuary. The recommendation shall be a part of the permanent records of the board.

Sec. 30. Minnesota Statutes 1988, section 354A.33, is amended to read:

354A.33 [SOCIAL SECURITY LEVELING ADJUSTMENT OPTION.]

Any coordinated member who retires prior to the time the member becomes eligible for social security old age retirement benefits shall be entitled to elect to receive a social security leveling adjustment optional annuity from the teachers retirement fund association. The social security leveling adjustment optional annuity shall be established by the board of the teachers retirement fund association. It shall take the form of an annuity payable for the period prior to the member's becoming eligible for social security old age retirement benefits in an amount greater than the amount of the member's annuity calculated pursuant to section 354A.31 on the basis of the age of the member at retirement but equal insofar as possible to the social security old age retirement benefit and the adjusted retirement annuity amounts payable immediately subsequent to becoming eligible for social security old age retirement benefits in an amount less than the amount of the member's annuity calculated pursuant to section 354A.31 on the basis of the age of the member at retirement. The optional form shall be the actuarial equivalent to the normal forms provided in section 354A.31. In establishing the optional form, the board shall obtain the written recommendation of the commission-retained actuary and the recommendation shall be a part of the permanent records of the board.

Sec. 31. Minnesota Statutes 1988, section 354A.41, subdivision 2, is amended to read:

Subd. 2. [ACTUARIAL VALUATIONS.] In any actuarial valuation of the Minneapolis teachers retirement fund association, the St. Paul teachers retirement fund association, or the Duluth teachers retirement fund association under section 356.215 prepared by the commission-retained actuary or supplemental actuarial valuation prepared by an approved actuary retained by the teachers retirement fund association, there shall be included a finding of the condition of the fund showing separately the basic and coordinated programs or the old law coordinated and new law coordinated programs, as appropriate. The finding shall include the level normal cost and the applicable employee and employer contribution rates for each program.

Sec. 32. Minnesota Statutes 1988, section 356.20, subdivision 3, is amended to read:

Subd. 3. [FILING REQUIREMENT.] The financial report is a public record. A copy of the report or a synopsis of the report containing the information required by this section shall be distributed annually to each member of the fund and to the governing body of each governmental subdivision of the state which makes employers contributions thereto or in whose behalf taxes are levied for the employers' contribution. A signed copy of the report shall be delivered to the executive director of the legislative commission on pensions and retirement and to the legislative reference library not later than six months after the close of each fiscal year or one month following the completion and delivery to the retirement fund of the actuarial valuation report of the fund by the actuary retained by the legislative commission on pensions and retirement fund, if applicable, whichever is later.

Sec. 33. Minnesota Statutes 1988, section 356.20, subdivision 4, is amended to read:

Subd. 4. [CONTENTS OF FINANCIAL REPORT.] The financial report required by this section shall include:

(1) An exhibit based on the actuarial valuation prepared by the ~~commission retained actuary~~ according to applicable actuarial requirements enumerated in section 356.215, and specified in standards adopted by the legislative commission on pensions and retirement. The exhibit shall show the accrued assets of the fund, the accrued liabilities, including accrued reserves, and the unfunded actuarial accrued liability of the fund. The exhibit shall contain the certificate of the actuary retained by the legislative commission on pensions and retirement fund specifying that the required reserves for any retirement, disability, or survivor benefits provided under a benefit formula are computed in accordance with the entry age actuarial cost method and any applicable standards adopted by the legislative commission on pensions and retirement.

(a) Assets shown in the exhibit shall include the following items of actual assets:

Cash in office

Deposits in banks

Accounts receivable:

Accrued members' contributions

Accrued employer contributions

Other

- Accrued interest on investments
- Dividends on stocks, declared but not yet received
- Investment in bonds at cost
- Investment in stocks at cost
- Investment in real estate
- Equipment at cost, less depreciation
- Other
- Total assets

(b) The exhibit shall include a statement of the actuarial value of current assets as specified in section 356.215, subdivision 4, including:

- Cash, cash equivalents, and short-term securities
- Fixed income investments
- Equity investments
- Real estate investments
- Equity in the Minnesota postretirement investment fund
- Other

(c) The exhibit shall include a statement of the unfunded actuarial accrued liability of the fund which shall include the following measures of unfunded actuarial accrued liability, using the actuarial value of current assets as specified in section 356.215, subdivision 1:

- (i) unfunded actuarial accrued liability, which shall be determined by subtracting the current assets and the present value of future normal costs from the total current and expected future benefit obligations; and
- (ii) current unfunded actuarial liability, which is the total current benefit obligations less the total current assets; and
- (iii) current and future unfunded actuarial liability, which is the total current and expected future benefit obligations less the total current and expected future assets.

If the assets of the fund exceed the actuarial liabilities, the excess shall be listed as a surplus and indicated in the exhibit following the itemization of benefit obligations.

(d) The exhibit shall include a footnote showing accumulated member contributions without interest.

(e) Current liabilities shown in the exhibit shall include the following items:

Current:

Accounts payable

Retirement annuity payments

Disability benefit payments

Survivor benefit payments

Refund to members

Accrued expenses

Suspense items

Total current liabilities

(f) The exhibit shall include a schedule which shall be listed as the "current and expected future benefit obligations." The schedule shall contain the following information on the benefit obligations:

1. Current benefit obligations, which shall be the actuarial value of benefit obligations on account of service rendered to date, separately identified as follows

(a) For annuitants

Retirement annuities

Disability benefits

Surviving spouse and child benefits

(b) For former members without vested rights

(c) For deferred annuitants' benefits, including

any augmentation

(d) For active employees

Retirement annuities

Disability benefits

Refund liability due to death or withdrawal

Survivors' benefits

Total current benefits obligations

2. Expected future benefit obligations, which shall be the actuarial value of benefit obligations on account of future service for active employees

3. Total current and expected future benefit obligations

4. In addition to the foregoing, if there are additional benefits not appropriately covered by the foregoing three items of benefit obligations, they shall be listed separately.

(2) An income statement prepared on an accrual basis showing all income and all deductions from income for the fiscal year. The statement shall show separate items for employee contributions, employer regular contributions, employer additional contributions if provided by law, investment income, profit on the sale of investments, and other income, if any.

(3) A statement of deductions from income, which shall include separate items for the payment of retirement annuities, disability benefits, surviving spouse benefits, surviving children's benefits, refunds to members terminating employment, refunds due to death of members and due to death of annuitants, the increase in total reserves required, general administrative expense incurred, loss on sale of investments, and any other deductions.

(4) A statement showing appropriate statistics concerning the membership and beneficiaries of the fund, with indications of changes in the statistical data which may result from the current year's operation.

(5) Any additional statements or exhibits which will enable the management of the fund to portray a true interpretation of the fund's financial condition, except that the term "surplus" or the term "excess of assets" shall not be used except as otherwise specifically provided for in this section, nor shall any representation of assets and liabilities other than as provided for in this section be included in the additional statements or exhibits.

(6) A more detailed or subdivided itemization of any of the items required by this section, if the management of the fund so desires.

Sec. 34. Minnesota Statutes 1988, section 356.215, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS.] It is the policy of the legislature that it is necessary and appropriate to determine annually the financial status of tax supported retirement and pension plans for public employees. To achieve this goal, the legislative commission on

pensions and retirement governing boards of the retirement systems in section 3.85, subdivision 11, paragraph (b), shall have prepared annual actuarial valuations and periodic biennial experience studies of the public pension and retirement plans enumerated in section 3.85, subdivision 12, clause (b), and the governing that cover five-year periods prepared by the approved actuaries they retain. The approved actuary retained by the legislative commission on pensions and retirement shall audit and verify the valuation and experience study results and perform other duties specified in the contract described in section 3.85, subdivision 11. The governing or managing board or administrative officials of each public pension and retirement fund or plan enumerated in section 356.20, subdivision 2, clauses (9), (10), and (12) shall also have prepared annual actuarial valuations and periodic experience studies of their respective funds as provided in this section. This requirement shall also apply to any fund which may be a successor to any organization enumerated in section 356.20, subdivision 2, or to the governing or managing board or administrative officials of any newly formed retirement fund or association operating under the control or supervision of any public employee group, governmental unit, or institution receiving a portion of its support through legislative appropriations, and any local police or fire fund coming within the provisions of section 356.216.

Sec. 35. Minnesota Statutes 1988, section 356.215, subdivision 3, is amended to read:

Subd. 3. [REPORTS.] The actuarial valuations required annually under subdivision 2 shall be made as of the beginning of each fiscal year by the retirement system actuaries. Two copies of the valuation shall be delivered to the executive director of the legislative commission on pensions and retirement, to the actuary retained by the commission, the commissioner of finance, and to the legislative reference library, not later than the first day of the sixth month occurring after the end of the previous fiscal year. Two copies of any the experience study prepared periodically as provided for in the standards adopted by the commission studies required under subdivision 2 shall also be filed with the executive director of the legislative commission on pensions and retirement, with the actuary retained by the commission, the commissioner of finance, and with the legislative reference library, not later than the first last day of the 11th ninth month occurring after the end of the last fiscal year of the five-year period which the experience study covers. For actuarial valuations and experience studies prepared at the direction of the legislative commission on pensions and retirement, two copies of the document shall be delivered to the governing or managing board or administrative officials of the applicable public pension and retirement fund or plan.

Sec. 36. Minnesota Statutes 1988, section 356.215, subdivision 5, is amended to read:

Subd. 5. [EXPERIENCE STUDY; CONTENTS.] Each experience study required under subdivision 2 shall contain an actuarial analysis of the five-year experience of the fund or association and a comparison of the experience with the actuarial assumptions on which the most recent actuarial valuation of the retirement fund or relief association was based, and shall also contain a statement of the average ages at which service retirements have taken place.

Sec. 37. Minnesota Statutes 1988, section 356.215, subdivision 6, is amended to read:

Subd. 6. [APPROVED ACTUARIES.] Each actuarial valuation or experience study shall be made and any actuarial consulting services for a retirement fund or plan shall be provided by an approved actuary. The actuarial valuation or valuations and experience study studies required under subdivision 2 shall include a certification that it has been prepared in accordance with the provisions of sections 356.20 to 356.23 and the standards for actuarial work adopted by the legislative commission on pensions and retirement.

Sec. 38. Minnesota Statutes 1988, section 356.215, subdivision 7, is amended to read:

Subd. 7. [ESTABLISHMENT OF ACTUARIAL ASSUMPTIONS.] Actuarial assumptions used for actuarial valuations under this section that are other than those set forth in this section may be changed only with the approval of the legislative commission on pensions and retirement. A change in the applicable actuarial assumptions may be proposed by the governing board of the applicable pension fund or relief association, by the actuary retained by the legislative commission on pensions and retirement, by the actuarial advisor retained by a pension fund governed by chapter 352, 353, 354, or 354A, or by the actuary retained by a local police or firefighters relief association governed by sections 69.77 or 69.771 to 69.776.

Sec. 39. Minnesota Statutes 1988, section 422A.01, subdivision 6, is amended to read:

Subd. 6. [PRESENT VALUE.] "Present worth" or "present value" means that the present amount of money if increased at the applicable postretirement or preretirement interest rate assumption specified in section 356.215, subdivision 4d, and based on the mortality table adopted by the board of trustees based on the experience of the fund as recommended by the actuary retained by the legislative commission on pensions and retirement will at retirement equal the actuarial accrued liability of the annuity already earned.

Sec. 40. Minnesota Statutes 1988, section 422A.04, subdivision 3, is amended to read:

Subd. 3. [EXPERIENCE DATA AND MORTALITY TABLES.] The board shall prepare and keep any needful tables, records, and accounts required for carrying out the provisions of sections 422A.01 to 422A.25, including data showing the mortality and disability experience of the officers and employees of the service and the date of withdrawal from service, and any other information that may serve as a guide for future actuarial valuations and adjustments in the actuarial assumptions for the retirement fund. Mortality tables shall be adopted and may be modified from time to time by the board based on the experience of the fund as recommended by the actuary retained by the legislative commission on pensions and retirement as a basis of calculation for retirement allowances, with any recommendation by the actuary retained as a part of the permanent records of the board.

Sec. 41. Minnesota Statutes 1988, section 422A.06, subdivision 2, is amended to read:

Subd. 2. [ACTUARIAL VALUATION REQUIRED.] As of July 1 of each year, an actuarial valuation of the retirement fund shall be prepared by the ~~commission retained~~ approved actuary retained by the board and filed in conformance with the provisions and requirements of sections 356.215 to 356.23. Experience studies shall be prepared at those times required by statute, required by the standards for actuarial work adopted by the legislative commission on pensions and retirement or ordered by the board.

The board may shall contract for the services of an approved actuary and fix the reasonable compensation for those services. Any The approved actuary retained by the board shall function as the actuarial advisor to the board and may shall perform actuarial valuations and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental actuarial valuations or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement.

Sec. 42. Minnesota Statutes 1988, section 422A.06, subdivision 5, is amended to read:

Subd. 5. [TRANSFER OF RESERVES TO RETIREMENT BENEFIT FUND; ADJUSTMENTS OF ANNUITIES AND BENEFITS.] (a) Assets equal to the required reserves for retirement annuities as determined in accordance with the appropriate mortality table adopted by the board of trustees based on the experience of the fund as recommended by the ~~commission retained~~ actuary and using the postretirement interest assumption specified in section 356.215, subdivision 4d, shall be transferred to the disability benefit fund as

provided in subdivision 7, or the retirement benefit fund, except for any amounts payable from the survivor benefit fund, as of date of retirement.

(b) Annuity payments shall be adjusted in accordance with this chapter, except that no minimum retirement payments described in this chapter shall include any amounts payable from the survivors' benefit fund or disability benefit fund and supplemented benefits specifically financed by statute.

(c) Notwithstanding the provisions of section 356.18, increases in annuity payments pursuant to this section shall be made automatically unless written notice on a form prescribed by the board is filed with the retirement board requesting that the increase not be made.

(d) Any additional annuity which began to accrue on July 1, 1973, or which began to accrue on January 1, 1974, pursuant to Laws 1973, chapter 770, section 1, shall be considered as part of the base amount to be used in determining any postretirement adjustments payable pursuant to the provisions of subdivision 8.

Sec. 43. Minnesota Statutes 1988, section 422A.06, subdivision 8, is amended to read:

Subd. 8. [RETIREMENT BENEFIT FUND.] The retirement benefit fund shall consist of amounts held for payment of retirement allowances for members retired pursuant to this chapter. Assets equal to the required reserves for retirement allowances pursuant to this chapter determined in accordance with the appropriate mortality table adopted by the board of trustees based on the experience of the fund as recommended by the ~~commission retained~~ actuary shall be transferred from the deposit accumulation fund to the retirement benefit fund as of the last business day of the month in which the retirement allowance begins. The income from investments of these assets shall be allocated to this fund. There shall be paid from this fund the retirement annuities authorized by law. A required reserve calculation for the retirement benefit fund must be made by the actuary retained by the ~~legislative commission on pensions and retirement and must be certified to the retirement board by the commission retained~~ actuary. The retirement benefit fund shall be governed by the applicable laws governing the accounting and audit procedures, investment, actuarial requirements, calculation and payment of postretirement benefit adjustments, discharge of any deficiency in the assets of the fund when compared to the actuarially determined required reserves, and other applicable operations and procedures regarding the Minnesota postretirement investment fund established pursuant to section 11A.18, and any legal or administrative interpretations of those laws of the state board of investment, the legal advisor to the board of investment and the executive director of the state board of investment. If a deferred yield adjustment account is established for the Minnesota postretirement

investment fund under section 11A.18, subdivision 5, the retirement board shall also establish and maintain a deferred yield adjustment account within this fund.

Annually, following the calculation of any postretirement adjustment payable from the retirement benefit fund, the board of trustees shall submit a report to the executive director of the legislative commission on pensions and retirement and to the commissioner of finance indicating the amount of any postretirement adjustment and the underlying calculations on which that postretirement adjustment amount is based, including the amount of dividends, the amount of interest, and the amount of net realized capital gains or losses utilized in the calculations.

Sec. 44. Minnesota Statutes 1988, section 422A.101, as amended by Laws 1989, chapter 329, article 9; section 28, is amended to read:

422A.101 [PREPARATION OF FINANCIAL REQUIREMENTS OF FUND; EMPLOYER CONTRIBUTIONS.]

Subdivision 1. [FINANCIAL REQUIREMENTS OF FUND.] Prior to August 31 annually, the retirement board, ~~in consultation with the commission-retained actuary,~~ shall prepare an itemized statement of the financial requirements of the fund for the succeeding fiscal year. A copy of the statement shall be submitted to the city council, the board of estimate and taxation of the city, the managing board or chief administrative officer of each city owned public utility, improvement project or municipal activity supported in whole or in part by revenues other than real estate taxes, public corporation, or unit of metropolitan government employing members of the fund, the board of special school district No. 1, and the state commissioner of finance prior to September 15 annually. The statement shall be itemized and shall include the following:

(1) an estimate of the administrative expenses of the fund for the following year, which shall be determined by multiplying the figure for administrative expenses as reported in the most recent actuarial valuation prepared by the ~~commission-retained~~ board's actuary by the factor of 1.035;

(2) an estimate of the normal cost of the fund expressed as a dollar amount, which shall be determined by applying the normal cost of the fund as reported in the most recent actuarial valuation prepared by the ~~commission-retained~~ board's actuary and expressed as a percentage of covered payroll ~~to the estimated total covered payroll~~ of all employees covered by the fund for the following year;

(3) an estimate of the contribution required to amortize on a level annual dollar basis the unfunded actuarial accrued liability of the fund by June 30, 2017, using an interest rate of five percent compounded annually as reported in the most recent actuarial

valuation, prepared by the ~~commission-retained~~ board's actuary expressed as a dollar amount. In determining the amount of the unfunded actuarial accrued liability of the fund, all assets other than the assets of the retirement benefit fund shall be valued as current assets as defined under section 356.215, subdivision 1, clause (5), and the assets of the retirement benefit fund shall be valued equal to the actuarially determined required reserves for benefits payable from that fund;

(4) the amount of any deficiency in the actual amount of any employer contribution provided for in this section when compared to the required contribution amount certified for the previous year, plus interest on the amount at the rate of six percent per annum.

Subd. 1a. [CITY CONTRIBUTIONS.] Prior to August 31 of each year, the retirement board shall prepare an itemized statement of the financial requirements of the fund payable by the city for the succeeding fiscal year, and a copy of the statement shall be submitted to the board of estimate and taxation and to the city council by September 15. The financial requirements of the fund payable by the city shall be calculated as follows:

(a) a regular employer contribution of an amount equal to the percentage rounded to the nearest two decimal places of the salaries and wages of all employees covered by the retirement fund which equals the difference between the level normal cost plus administrative cost as reported in the annual actuarial valuation prepared by the ~~commission-retained~~ board's actuary and the employee contributions provided for in section 422A.10 less any amounts contributed toward the payment of the balance of the normal cost not paid by employee contributions by any city owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than real estate taxes, any public corporation, any employing unit of metropolitan government, or by special school district No. 1 pursuant to subdivision 2;

(b) an additional employer contribution of an amount equal to the percent specified in section 353.27, subdivision 3a, clause (a), multiplied by the salaries and wages of all employees covered by the retirement fund less any amounts contributed toward amortization of the unfunded actuarial accrued liability by June 30, 2017, attributable to their respective covered employees by any city owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than real estate taxes, any public corporation, any employing unit of metropolitan government, or by special school district No. 1 pursuant to subdivision 2; and

(c) a proportional share of an additional employer amortization contribution of an amount equal to \$3,900,000 annually until June 30, 2017, based upon the share of the fund's unfunded actuarial

accrued liability attributed to the city as disclosed in the annual actuarial valuation prepared by the ~~commission-retained~~ board's actuary.

The city council shall, in addition to other taxes levied by the city, annually levy a tax equal to the amount of the financial requirements of the fund which are payable by the city. The tax, when levied, shall be extended upon the county lists and shall be collected and enforced in the same manner as other taxes levied by the city. If the city does not levy a tax sufficient to meet the requirements of this subdivision, the retirement board shall submit the tax levy statement directly to the county auditor, who shall levy the tax. The tax, when levied, shall be extended upon the county lists and shall be collected and paid into the city treasury to the credit of the retirement fund. Any amount to the credit of the retirement fund shall constitute a special fund and shall be used only for the payment of obligations authorized pursuant to this chapter.

Subd. 2. [CONTRIBUTIONS BY OR FOR CITY-OWNED PUBLIC UTILITIES, IMPROVEMENTS, OR MUNICIPAL ACTIVITIES.] Contributions by or for any city-owned public utility, improvement project, and other municipal activities supported in whole or in part by revenues other than real estate taxes, any public corporation, any employing unit of metropolitan government, special school district No. 1, or Hennepin county, on account of any employee covered by the fund, shall be calculated as follows:

(a) a regular employer contribution of an amount equal to the percentage rounded to the nearest two decimal places of the salaries and wages of all employees of the employing unit covered by the retirement fund which equals the difference between the level normal cost plus administrative cost reported in the annual actuarial valuation prepared by the ~~commission-retained~~ board's actuary and the employee contributions provided for in section 422A.10;

(b) an additional employer contribution of an amount equal to the percent specified in section 353.27, subdivision 3a, clause (a), multiplied by the salaries and wages of all employees of the employing unit covered by the retirement fund;

(c) a proportional share of an additional employer amortization contribution of an amount equal to \$3,900,000 annually until June 30, 2017, based upon the share of the fund's unfunded actuarial accrued liability attributed to the employer as disclosed in the annual actuarial valuation prepared by the ~~commission-retained~~ board's actuary.

The city council or any board or commission may, by proper action, provide for the inclusion of the cost of the retirement contributions for employees of any city-owned public utility or for persons employed in any improvement project or other municipal activity

supported in whole or in part by revenues other than taxes who are covered by the retirement fund in the cost of operating the utility, improvement project, or municipal activity. The cost of retirement contributions for these employees shall be determined by the retirement board and the respective governing bodies having jurisdiction over the financing of these operating costs.

The cost of the employer contributions on behalf of employees of special school district No. 1 who are covered by the retirement fund shall be the obligation of the school district. Contributions by the school district to the retirement fund or any other public pension or retirement fund of which its employees are members must be remitted to the fund each month. An amount due and not transmitted begins to accrue interest at the rate of six percent compounded annually 15 days after the date due. The retirement board shall prepare an itemized statement of the financial requirements of the fund payable by the school district, which shall be submitted prior to September 15. Contributions by the school district shall be made at times designated by the retirement board. The school district may levy for its contribution to the retirement fund only to the extent permitted pursuant to section 275.125, subdivision 6a.

The cost of the employer contributions on behalf of elective officers or other employees of Hennepin county who are covered by the retirement fund pursuant to section 422A.09, subdivision 3, clause (2), 422A.22, subdivision 2, or 488A.115, or Laws 1973, chapter 380, section 3, Laws 1975, chapter 402, section 2, or any other applicable law shall be the obligation of Hennepin county. The retirement board shall prepare an itemized statement of the financial requirements of the fund payable by Hennepin county, which shall be submitted prior to September 15. Contributions by Hennepin county shall be made at times designated by the retirement board. Hennepin county may levy for its contribution to the retirement fund.

Subd. 2a. [CONTRIBUTIONS BY METROPOLITAN AIRPORT COMMISSION AND METROPOLITAN WASTE CONTROL COMMISSION.] The metropolitan airport commission and the waste control commission shall pay to the Minneapolis employees retirement fund annually in installments as specified in subdivision 3 the share of the additional support rate required for full amortization of the unfunded actuarial accrued liabilities by June 30, 2017, that is attributable to airport commission or waste control commission employees who are members of the fund. The amount of the payment shall be determined utilizing the most recent actuarial valuation prepared by the actuary retained by the ~~legislative commission on pensions and retirement board~~.

Subd. 3. [STATE CONTRIBUTIONS.] The state shall pay to the Minneapolis employees retirement fund annually an amount equal to the financial requirements of the Minneapolis employees retirement fund reported in the actuarial valuation of the fund prepared

by the ~~commission retained~~ board's actuary pursuant to section 356.215 for the most recent year but based on a target date for full amortization of the unfunded actuarial accrued liabilities by June 30, 2017, less the amount of employee contributions required pursuant to section 422A.10, and the amount of employer contributions required pursuant to subdivisions 1a, 2, and 2a. Payments shall be made in four equal installments, occurring on March 15, July 15, September 15, and November 15 annually.

Sec. 45. Minnesota Statutes 1988, section 422A.15, subdivision 2, is amended to read:

Subd. 2. [WITHDRAWAL OF VOLUNTARY CONTRIBUTIONS.] Voluntary additions to the employee's deposits made by the employee under section 422A.10 may be withdrawn by the retiring employee or, with the approval of the retirement board, applied to the purchase of an additional annuity computed and determined under a procedure specified by the actuary retained by the ~~legislative commission on pensions and retirement~~ board utilizing the appropriate mortality table established by the board of trustees based on the experience of the fund as ~~recommended by the commission-retained actuary~~ and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 46. Minnesota Statutes 1988, section 422A.15, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL DEFINED CONTRIBUTION ANNUITY.] In lieu of the formula pension and annuity, a person who was a contributing member on April 28, 1973, who is eligible to retire and who ceases to be employed and who qualifies for retirement shall have the option of electing to receive a retirement allowance known as "the \$2 bill and annuity."

If a member of the contributing class makes the election provided for in this section, the member shall receive a minimum pension of \$2 per month for each year of service. The pension shall be the actuarial equivalent of the accumulated amounts of the annual installments as may be fixed and designated by law throughout the period of service of the retiring employee, not to exceed 25 years, accumulated to the date of retirement at six percent compound interest, and such extra credit to be provided by the city as will produce the minimum pension of \$2 per month for each year of service. The pension shall be in addition to the annuity. The annuity shall be in the actuarial equivalent of the net accumulated contributions to the credit of the retiring employee, calculated at the date of retirement. For the purposes of this chapter, the "service allowance" for members of the contributing class shall consist of an "annuity" and a "pension."

The pension provided for herein shall be the actuarial equivalent

of the accumulated annual installments of \$2 per month for each year of service. The sum of \$2 shall be computed as a single life annuity and subject to the option selections provided for in section 422A.17. The pension and annuity provided for in this subdivision shall be first paid from the contributing member's own contributions and normal earned credits, plus interest, until those credits are exhausted.

The retirement allowance provided under this subdivision or any optional annuity form of the retirement allowance shall be computed and determined under a procedure specified by the ~~commission-retained~~ actuary utilizing the appropriate mortality table established by the board of trustees based on the experience of the fund as recommended by the ~~actuary retained by the legislative commission on pensions and retirement~~ and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 47. Minnesota Statutes 1988, section 422A.16, subdivision 2, is amended to read:

Subd. 2. [DEFERRED DEFINED CONTRIBUTION ANNUITY.] A person who is a member of the contributing class on April 28, 1973, and who makes the election provided for in this subdivision and in subdivision 1, may, upon attaining the age of 55 years, but before attaining the age of 65 years, or someone acting in the member's behalf, may make application to receive the retirement allowance provided for in section 422A.15, subdivision 3, or an optional retirement allowance in the manner provided for by section 422A.17. The retirement allowance shall be the actuarial equivalent of the city's contribution and the member's deposit, as they were on the date the separation becomes permanent, plus interest, as provided for in section 422A.12.

The retirement allowance provided under this subdivision or any optional annuity form of the retirement allowance shall be computed and determined under a procedure specified by the ~~commission-retained~~ actuary utilizing the appropriate mortality table established by the board of trustees based on the experience of the fund as recommended by the ~~commission-retained~~ actuary and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 48. Minnesota Statutes 1988, section 422A.16, subdivision 3a, is amended to read:

Subd. 3a. [DEATH WHILE DEFERRED SURVIVOR BENEFIT.] If a person who has become permanently separated from the service of the city after 20 or more years of service as a contributing member, has at separation allowed the member's contributions to the fund to remain on deposit, and has filed a written request with

the board on prescribed forms, dies before the effective date of retirement as determined by the board, the board shall pay a monthly allowance for life to the surviving spouse of the employee, in lieu of the city credit referred to in section 422A.23. The monthly allowance provided in this subdivision shall be the actuarial equivalent of a single life service allowance specified in section 422A.15, subdivision 1, which would have been payable to the person on the date of death, notwithstanding the age requirement stated in section 422A.15, subdivision 1. For purposes of this subdivision, the amount of any excess contributions or voluntary additions by the person shall not be included in determining the monthly allowance.

The surviving spouse allowance under this subdivision shall be computed and determined under a procedure specified by the ~~commission retained~~ actuary utilizing the appropriate mortality table established by the board of trustees based on the experience of the fund as recommended by the ~~commission retained~~ actuary and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 49. Minnesota Statutes 1988, section 422A.17, is amended to read:

422A.17 [RETIREMENT ALLOWANCE; OPTIONS.]

At retirement, any employee who is eligible to receive a service allowance may elect to receive benefits in a retirement allowance payable throughout life or may on retirement elect to receive the actuarial equivalent at that time of annuity, pension, or retirement allowance in a lesser annuity, or a lesser pension, or a lesser retirement allowance, payable throughout life, with the provisions that:

Option I. If the benefit recipient dies before receiving in payments an amount equal to the present value of the benefit recipient's annuity, pension, or retirement allowance, as of the date of the benefit recipient's retirement, the balance shall be paid to the benefit recipient's legal representatives or to such person, having an insurable interest in the benefit recipient's life, as the benefit recipient shall nominate by written designation duly acknowledged and filed with the retirement board as of the date of retirement, or

Option II. Upon the death of the benefit recipient, the benefit recipient's annuity, pension, or retirement allowance shall be continued throughout the life of and paid to the person, having an insurable interest in the benefit recipient's life, as the benefit recipient shall nominate by written designation duly acknowledged and filed with the retirement board as of the date of retirement, or

Option III. Upon death of the benefit recipient, one-half of the benefit recipient's annuity, pension, or retirement allowance shall be

continued throughout the life of and paid to the person, having an insurable interest in the benefit recipient's life, as the benefit recipient shall nominate by written designation duly acknowledged and filed with the retirement board as of the date of retirement, or

Option IV. Other optional retirement allowance forms shall be paid to the benefit recipient or other person or persons the benefit recipient nominates, provided that the optional annuity is of equivalent actuarial value to the applicable single life annuity calculated under section 422A.15 and is approved by the retirement board.

Any optional retirement allowance shall be computed and determined under a procedure specified by the ~~commission-retained actuary~~ utilizing the appropriate mortality table established by the board of trustees based on the experience of the fund as recommended by the ~~commission-retained actuary~~ and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

~~In adopting optional annuity forms, the board of trustees shall obtain the written recommendation of the commission-retained actuary. The recommendations shall be a part of the permanent records of the board of trustees.~~

Sec. 50. Minnesota Statutes 1988, section 422A.23, subdivision 6, is amended to read:

Subd. 6. [SURVIVOR BENEFIT EMPLOYEE CONTRIBUTION.] The retirement board shall create a reserve account for survivor's benefits from which shall be paid on an actuarial basis all survivor benefits due and payable. At the end of each fiscal year, as part of the annual actuarial valuation of the fund prepared by the ~~commission-retained board's~~ actuary, a determination of the normal cost of the benefits payable from the survivor's benefit account shall be made and the board shall reduce or increase the employee contribution rate of one-fourth of one percent if and when it is determined based on the annual actuarial valuation that the member contribution rate is in excess of or is less than the amount necessary to pay for 50 percent of the calculated normal cost of the survivor benefits provided in this section.

Sec. 51. Minnesota Statutes 1988, section 422A.23, subdivision 7, is amended to read:

Subd. 7. [ACTIVE MEMBER SURVIVOR COVERAGE.] If the contributing member dies after having been in the service of the city 20 or more years, and before the effective date of retirement, as determined by the retirement board, the board shall pay a monthly allowance for life to the designated beneficiary of the employee. The monthly allowance herein provided for shall be the actuarial equivalent of a single life service allowance specified in section 422A.15,

subdivision 1, which would have been payable to the employee on the date of death, notwithstanding the age requirement stated in section 422A.15, subdivision 1. For purposes of this section, the amount of any excess contributions or voluntary additions by the member shall not be included in the calculations in determining the monthly allowance.

The survivor allowance under this subdivision shall be computed and determined under a procedure specified by the ~~commission-retained actuary~~ utilizing the appropriate mortality table established by the board of trustees based on the experience of the fund as recommended by the ~~commission-retained actuary~~ and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 52. Minnesota Statutes 1988, section 490.121, subdivision 20, is amended to read:

Subd. 20. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the board of trustees based on the experience of the fund as recommended by the ~~commission-retained actuary~~ and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 53. Minnesota Statutes 1988, section 490.124, subdivision 11, is amended to read:

Subd. 11. [OPTIONAL ANNUITIES.] No survivor or death benefits may be paid in connection with the death of a judge who retires after December 31, 1973, except as otherwise provided in sections 490.121 to 490.132. Within 30 days before retirement, except as provided in subdivision 10, a judge may elect to receive, instead of the normal retirement annuity, an optional retirement annuity in the form of an annuity payable for a period certain and for life after that period, a joint and survivor annuity without reinstatement in the event of the designated beneficiary predeceasing the retired judge, or a joint and survivor annuity with reinstatement in the event of the designated beneficiary predeceasing the retired judge. An optional retirement annuity must be actuarially equivalent to a single life annuity with no term certain and must be established by the board of directors of the Minnesota state retirement system. ~~In establishing these optional retirement annuity forms, the board shall obtain the written recommendation of the actuary retained by the legislative commission on pensions and retirement. The recommendations must be a part of the permanent records of the board.~~

Sec. 54. [REPEALER.]

Minnesota Statutes 1989 Supplement, section 352.116, subdivision 4, is repealed.

Sec. 55. [EFFECTIVE DATE.]

Sections 1 to 54 are effective July 1, 1990."

Delete the title and insert:

"A bill for an act relating to governmental affairs; creating the Minnesota advisory council on fire protection systems; requiring licensing and certifying of the fire protection industry; providing for rules and an exemption; creating fire protection systems account; providing for fees and a surcharge; reallocating powers and duties among actuaries retained by the legislative commission on pensions and retirement and various public pension plans; imposing a penalty; 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; proposing coding for new law as Minnesota Statutes, chapter 299M; repealing Minnesota Statutes 1989 Supplement, section 352.116, subdivision 4."

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. 1884, 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 provision for violations of orders for protec-

tion; 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.

Reported the same back with the following amendments:

Page 7, delete section 6

Amend the title as follows:

Page 1, line 10, delete everything after the semicolon

Page 1, delete lines 11 and 12

Page 1, line 13, delete "domestic abuse;"

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. 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. [147.35] [PHYSICIAN ASSISTANTS; DELEGATED AUTHORITY TO PRESCRIBE AND ADMINISTER DRUGS AND MEDICAL DEVICES.]

Subdivision 1. [DELEGATION OF AUTHORITY TO PRESCRIBE AND ADMINISTER DRUGS AND MEDICAL DEVICES.] (a) A supervising physician may delegate to a physician assistant who is registered with the board of medical examiners and 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 the requirements in this section and other requirements established by the commissioner of health in rules.

(b) The agreement between the physician assistant and supervising physician and any alternate supervising physicians must 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. The statement must include a protocol indicating categories of drugs for which the supervising physician delegates prescriptive authority. The delegation must be appropriate to the physician assistant's practice and within the scope of the physician assistant's training. The commissioner of health shall identify categories of drugs, if any, for which delegated prescribing is inappropriate. Physician assistants who have been delegated the authority to prescribe and administer legend drugs and medical devices shall provide evidence of current certification by the National Commission on Certification of Physician Assistants when registering or reregistering as physician assistants. Supervising physicians shall 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 delegation agreement between the physician and the physician assistant. During each on-site visit required under Minnesota Rules, the supervising physician shall document by signature and date that the prescriptive practice of the physician assistant has been reviewed.

(c) The commissioner of health shall establish by rule:

(1) a system of identifying physician assistants eligible to prescribe drugs and medical devices;

(2) a method of determining the categories of prescription drugs and medical devices that each physician assistant is allowed to prescribe; and

(3) a system of transmitting to pharmacies a listing of physician assistants eligible to prescribe prescription drugs and medical devices and the types of drugs and medical devices they are allowed to prescribe.

Subd. 2. [AUTHORITY TO ADOPT RULES.] The commissioner of health may adopt or amend rules to implement this section, including the amendment of rules previously adopted under section 214.13. The commissioner may delegate to the board of medical examiners the authority to implement and enforce the rules.

Sec. 2. Minnesota Statutes 1988, section 151.37, is amended by adding a subdivision to read:

Subd. 2a. A supervising physician may delegate to a physician assistant who is registered with the board of medical examiners and 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 the requirements in section 1 and other requirements established by the commissioner of health in rules.

Sec. 3. [PERMANENT REGISTRATION OF PHYSICIAN ASSISTANTS.]

The board of medical examiners shall register those physician assistants who were granted temporary registration under Minnesota Rules, part 5600.2640, subpart 1, but who have been unable to meet the requirements of Minnesota Rules, part 5600.2640, subpart 2, within the designated time due to a change in certification examination eligibility requirements made by the National Commission on Certification of Physician Assistants. These individuals shall be allowed to reregister under Minnesota Rules, part 5600.2645, without having to meet the requirements of Minnesota Rules, part 5600.2640, subpart 2.

Sec. 4. [APPROPRIATIONS.]

\$5,300 is appropriated to the commissioner of health from the special revenue fund for the fiscal year ending June 30, 1991, to administer section 1.

Sec. 5. [EFFECTIVE DATE.]

Section 1, subdivision 1, paragraphs (b) and (c), are effective June 1, 1991. Section 1, subdivision 2, and section 3, are effective the day following final enactment.

Delete the title and insert:

"A bill for an act relating to health; delegating authority to prescribe and administer drugs and medical devices; providing limited prescription privileges for physician assistants; appropriating money; amending Minnesota Statutes 1988, section 151.37, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 147."

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. 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; requiring a bone marrow donor drive to encourage state employees to volunteer as bone marrow donors; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 145 and 181.

Reported the same back with the following amendments:

Page 1, line 20, before the period insert "and the attendant risks of the procedure"

Page 3, line 9, delete "\$" and insert "\$15,000"

Page 3, line 13, delete "\$" and insert "\$15,000"

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. 1898, 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.

Reported the same back with the following amendments:

Page 1, line 28, before the period insert "or a bus operated by a public transit authority established under chapter 458A or 473"

Page 2, line 19, delete "or"

Page 2, line 21, before the period insert ", or (iii) is engaged

primarily in the business of repairing and servicing commercial motor vehicles”

Page 10, after line 32, insert:

“Sec. 10. [APPROPRIATION.]

\$263,000 is appropriated from the trunk highway fund to the department of public safety for the purposes of sections 1 to 9.”

Page 11, delete line 3 and insert “Section 1, subdivisions 1 and 3 to 9, and sections 2 to 11 are effective July 1, 1990. Section 1, subdivision 2, is effective April 1, 1991.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after “penalties;” insert “appropriating money;”

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. 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; 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 certain entities owning or operating hospitals to provide funds for educational expenses; providing for issuance of special license plates; appropriating money and increasing the complement; amending Minnesota Statutes 1988, sections 144.581, subdivision 1; 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; proposing coding for new law in Minnesota Statutes, chapters 136A; 144; 147; 148; 168; and 174; proposing coding for new law as Minnesota Statutes, chapter 353E.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1989 Supplement, section 168.012, subdivision 1, is amended to read:

Subdivision 1. (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by representatives of foreign powers, by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from such institutions;

(3) vehicles owned by nonprofit charities and used exclusively to transport handicapped persons for educational purposes;

(4) vehicles owned and used by honorary consul or consul general of foreign governments; and

(5) ambulances owned by ambulance services licensed under section 144.802, the general appearance of which is unmistakable.

(b) Vehicles owned by the federal government, municipal fire apparatus, police patrols and ambulances, the general appearance of

which is unmistakable, shall not be required to register or display number plates.

(c) Unmarked vehicles used in general police work and arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the department of corrections shall be registered and shall display appropriate license number plates which shall be furnished by the registrar at cost. Original and renewal applications for these license plates authorized for use in general police work and for use by the department of corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a department of corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the department of revenue in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates which shall be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) All other motor vehicles shall be registered and display tax exempt number plates which shall be furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax exempt number plates shall have the name of the state department or public subdivision on the vehicle plainly displayed on both sides thereof in letters not less than 2½ inches high and one-half inch wide; except that each state hospital and institution for the mentally ill and mentally retarded may have one vehicle without the required identification on the sides of the vehicle. Such identification shall be in a color giving contrast with that of the part of the vehicle on which it is placed and shall endure throughout the term of the registration. The identification must not be on a removable plate or placard and shall be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision.

Sec. 2. Minnesota Statutes 1989 Supplement, section 168.013, subdivision 1a, is amended to read:

Subd. 1a. [PASSENGER AUTOMOBILES; AMBULANCES; HEARSEs.] (a) On passenger automobiles as defined in section 168.011, subdivision 7, ambulances, and hearses, except as other-

wise provided, the tax shall be \$10 plus an additional tax equal to 1.25 percent of the base value.

(b) Subject to the classification provisions herein, "base value" means the manufacturer's suggested retail price of the vehicle including destination charge as reflected on the price listing affixed to the vehicle in conformity with United States Code, title 15, sections 1231 to 1233 (Public Law Number 85-506) or otherwise suggested by the manufacturer or determined by the registrar if no suggested retail price exists, and shall not include the cost of each accessory or item of optional equipment separately added to the vehicle and the suggested retail price.

(c) If unable to determine the base value because the vehicle is specially constructed, or for any other reason, the registrar may establish such value upon the cost price to the purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales or use tax or any local sales or other local tax.

(d) The registrar shall classify every vehicle in its proper base value class as follows:

FROM	TO
\$ 0	\$199.99
200	399.99

and thereafter a series of classes successively set in brackets having a spread of \$200 consisting of such number of classes as will permit classification of all vehicles.

(e) The base value for purposes of this section shall be the middle point between the extremes of its class.

(f) The registrar shall establish the base value, when new, of every passenger automobile, ambulance and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31, using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry. If unable to ascertain the base value of any registered vehicle in the foregoing manner, the registrar may use any other available source or method. The tax on all previously registered vehicles shall be computed upon the base value thus determined taking into account the depreciation provisions of Extra Session Laws 1971, chapter 31.

(g) Except as provided in paragraph (h), the annual additional tax computed upon the base value as provided herein, during the first and second years of vehicle life shall be computed upon 100 percent of the base value; for the third and fourth years, 90 percent of such value; for the fifth and sixth years, 75 percent of such value; for the seventh year, 60 percent of such value; for the eighth year, 40 percent

of such value; for the ninth year, 30 percent of such value; for the tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$25.

In no event shall the annual additional tax be less than \$25.

(h) The annual additional tax under paragraph (g) on a motor vehicle on which the first annual tax was paid before January 1, 1990, must not exceed the tax that was paid on that vehicle the year before.

Sec. 3. [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.

Sec. 4. [174.315] [APPROPRIATE USES OF SPECIAL TRANSPORTATION.]

Special transportation services shall not provide or offer transportation to persons who might reasonably require basic or advanced life support, as defined in section 144.804, while in the special transportation vehicle. The commissioner of health shall investigate all complaints alleging violations of this section and shall report the results of the investigation to the commissioner of transportation. The minimum penalty for a violation shall be revocation of the certificate issued under section 174.30, subdivision 4a.

Sec. 5. 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.

Sec. 6. Minnesota Statutes 1988, section 297A.25, is amended by adding a subdivision to read:

Subd. 44. [AMBULANCES.] The lease of a motor vehicle for use as an ambulance by an ambulance service licensed under section 144.802 is exempt.

Sec. 7. Minnesota Statutes 1989 Supplement, section 297B.03, is amended to read:

297B.03 [EXEMPTIONS.]

There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) Purchase or use, including use under a lease purchase agreement or installment sales contract made pursuant to section 465.71, of any motor vehicle by the United States and its agencies and instrumentalities and by any person described in and subject to the conditions provided in section 297A.25, subdivision 18.

(2) Purchase or use of any motor vehicle by any person who was a resident of another state at the time of the purchase and who subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person began residing in the state of Minnesota.

(3) Purchase or use of any motor vehicle by any person making a valid election to be taxed under the provisions of section 297A.211.

(4) Purchase or use of any motor vehicle previously registered in the state of Minnesota by any corporation or partnership when such transfer constitutes a transfer within the meaning of section 351 or 721 of the Internal Revenue Code of 1986, as amended through December 31, 1988.

(5) Purchase or use of any vehicle owned by a resident of another

state and leased to a Minnesota based private or for hire carrier for regular use in the transportation of persons or property in interstate commerce provided the vehicle is titled in the state of the owner or secured party, and that state does not impose a sales or motor vehicle excise tax on motor vehicles used in interstate commerce.

(6) Purchase or use of a motor vehicle by a private nonprofit or public educational institution for use as an instructional aid in automotive training programs operated by the institution.

(7) Purchase of a motor vehicle for use as an ambulance by an ambulance service licensed under section 144.802.

Sec. 8. [353E.01] [AMBULANCE SERVICE PERSONNEL INCENTIVE PLAN.]

Subdivision 1. [ESTABLISHMENT.] The ambulance service personnel incentive plan is administered by the public employees retirement association under supervision of the association board of directors. To assist it in governing the operations of the plan, the board may appoint an advisory committee of not more than seven members who are representative of ambulance service operators and ambulance service personnel.

Subd. 2. [COVERAGE.] Coverage under the personnel incentive plan is open to ambulance attendants and drivers from participating ambulance services who earn less than \$5,000 a year in hourly stipends or salary from service as an ambulance attendant or driver.

Sec. 9. [353E.02] [ELECTION OF COVERAGE.]

Each public ambulance service or privately operated ambulance service with its base of operation, as defined in section 144.801, subdivision 7, in Minnesota and with eligible personnel may elect to participate in the plan. If a service elects to participate, its eligible personnel may elect to participate or to decline to participate. An individual's initial election must be made within the latter of 30 days of the service's election to participate or 30 days of the date on which the individual was employed by the service or began to provide service for it. The board of trustees of the public employees retirement association shall designate an annual period during which: (1) individuals or ambulance services who initially declined participation may choose to participate; and (2) individuals or ambulance services participating in the retirement plan may choose to end their participation.

Sec. 10. [353E.021] [FUNDING OF PLAN.]

Subdivision 1. [CALCULATION OF CREDIT; 20-YEAR LIMIT.] The plan is funded by general fund appropriations to the public

employees retirement association. Money received by the public employees retirement association shall be remitted to the state board of investment for investment, until allocated and credited to participants. Beginning January 1, 1992, all funds received by the public employees retirement association and investment earnings on the funds, shall be allocated and credited to participants in proportion to the service units credited during the prior year for their years of service as provided in this subdivision and subdivisions 2 and 3.

Participants shall receive credit for two service units for each year of service following January 1, 1992, plus one service unit for each year of service prior to this date. Years of service must be verified by the participant's ambulance service in the report to the public employees retirement association required by section 13. Participant accounts may receive credit for service units for a maximum of 20 years of service.

Subd. 2. [CREDITS FOR FIRST FIVE YEARS.] For the calendar year beginning January 1, 1992, and for each of the next four calendar years, every participant shall receive credit at the end of the calendar year for two service units for that year, plus one-fifth of the total number of service units accumulated according to subdivision 1 for years of service prior to January 1, 1992. The amount of money per service unit that is to be deposited into each participant's account for each year during the period January 1, 1992, to December 31, 1996, is determined by dividing the total appropriation to the public employees retirement association for each fiscal year, plus investment earnings on that amount, by the total number of service units credited to all participants for that calendar year, as calculated according to this subdivision. Money appropriated to the public employees retirement association for fiscal year 1991 shall be allocated and credited with any appropriation received for fiscal year 1992.

Subd. 3. [CREDITS FOR SIXTH AND FOLLOWING YEARS.] For the calendar year beginning January 1, 1997, and for each following calendar year, every participant shall receive credit for two service units at the end of that year. The amount of money per service unit that is to be deposited into each participant's account for each year after December 31, 1996, is determined by dividing the total appropriation to the public employees retirement association for that fiscal year, plus investment earnings on that amount, by the total number of service units credited to all participants for that calendar year, as calculated according to this subdivision.

Subd. 4. [PROHIBITION ON PARTICIPANT AND AMBULANCE SERVICE CONTRIBUTIONS.] Contributions by participants to their accounts, and contributions by ambulance services to their employees' accounts, are prohibited.

Subd. 5. [LIMITATION ON BENEFITS.] Benefits to participants under this plan are limited by and subject to the availability of funding.

Sec. 11. [353E.031] [VESTING.]

(a) Sixty months of service credit, accumulated after January 1, 1992, are required for vesting of retirement benefits. These 60 months must be accumulated within 120 months of the first month of service credit earned after January 1, 1992. No minimum period of service is required for vesting of death benefits, once the retirement plan has taken effect. Upon completion of 60 months of service under the plan with one or more participating ambulance services, a participant terminating active service is entitled to receive the value of the participant's individual account. An application by or on behalf of the participant must be filed before any payment of benefits is made.

(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 allocated as provided in section 10.

Sec. 12. [353E.05] [INVESTMENT OF FUNDS.]

Subdivision 1. [INVESTMENT.] Money allocated and credited to individual accounts, after the deduction of an amount for administrative expenses, must be remitted to the state board of investment for investment in the Minnesota supplemental investment fund established by section 11A.17. Investment options and procedures are governed by section 353D.05.

Subd. 2. [ADMINISTRATIVE EXPENSES.] The public employees retirement association may deduct a reasonable amount, set annually by the executive director of the association, but not to exceed two percent of the funding of the plan under section 10, to defray the actual and necessary expenses of the association in administering the plan.

Sec. 13. [353E.06] [REPORTING BY AMBULANCE SERVICES.]

The executive director of the public employees retirement association shall prescribe the form of annual and any other reports required from an ambulance service and the election forms required from ambulance service members. Member forms shall contain names, identification numbers, total number of years and dates of accumulated service, and such other data as is required to keep an accurate account of the account value of each participant.

In the event an ambulance service fails to provide required information within 60 days after the public employees retirement association sends the service a notice that the information is overdue, its members forfeit the service units credited and funding allocated for that year. Funds forfeited must be allocated as provided in section 10. Ambulance services that provide fraudulent information shall be suspended from the program for a period of time determined by the executive director and are subject to criminal prosecution.

Sec. 14. [353E.07] [BENEFITS.]

Subdivision 1. [TYPE OF PLAN.] The plan is a defined contribution plan when the benefits are payable upon termination of service, retirement, or death. The amount of benefits is determined by the value of accumulated contributions plus a proportionate share of investment income of the fund credited to each individual account.

Subd. 2. [PAYMENT OF BENEFITS.] Withdrawal of or a retirement benefit based on fund contributions plus accrued investment income is payable immediately upon the death or termination of an active member for a period that exceeds 30 days. An application by or on behalf of the participant must be filed before any payment of benefits may be made.

Subd. 3. [FORM OF BENEFIT.] A retirement benefit is payable in a lump sum equal to the value of a participant's account at the date of retirement and may be rolled over into another qualified plan at the option of the member. As an alternative to a lump sum distribution, the member may choose to have the association use the total account value to purchase an annuity payable at a designated age from an insurance company licensed to do business in the state.

Subd. 4. [DEATH OF A MEMBER.] In the event of the death of an active participant, the total value of the account must be paid in a lump sum to the designated beneficiary or, if none, the estate of the decedent.

Sec. 15. [353E.08] [PORTABILITY.]

Qualified ambulance service personnel who change employment or membership among participating ambulance services remain eligible for service unit credits under the plan.

Sec. 16. [353E.09] [RULES; TAX QUALIFICATION.]

The public employees retirement association may adopt rules required for administration of the plan. The proposed plan shall be formulated and adopted in accordance with applicable restrictions and standards of the Internal Revenue Code and rulings and

regulations of the Internal Revenue Service in order to assure the tax exempt status of the plan as a qualified pension plan. If the public employees retirement association determines that its administration of the plan will jeopardize the tax exempt status of the plan as a qualified pension plan or the tax exempt status of any public pension plan listed in section 356.30, the public employees retirement association may contract with another organization for administration of the plan.

If the executive director of the public employees retirement association determines that the plan must comply with federal ERISA requirements, including any requirements necessary for tax-deferred treatment of contributions and interest earned thereon, participants shall not be credited with service units and the public employees retirement association shall not transfer money into participants' accounts until the director determines that the plan has met ERISA requirements. If the executive director determines that legislative changes are needed to comply with ERISA requirements, the director shall recommend the changes to the legislature at its next regular session.

Sec. 17. [NORTH PINE AREA HOSPITAL DISTRICT.]

Effective retroactive to October 1, 1989, the North Pine Area Hospital District shall not be considered to be a governmental subdivision and employees of the district shall not be considered to be public employees for purposes of membership or participation in the public employees retirement association."

Delete the title and insert:

"A bill for an act relating to health; exempting ambulances from certain fees and excise taxes; allowing special license plates to be issued; regulating the provision of special transportation services; clarifying the definition of employee for workers' compensation; establishing an incentive plan for ambulance service personnel; setting plan requirements; excluding the North Pine Area Hospital District from membership or participation in the public employees retirement association; amending Minnesota Statutes 1988, sections 176.011, subdivision 9; and 297A.25, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 168.012, subdivision 1; 168.013, subdivision 1a; and 297B.03; proposing coding for new law in Minnesota Statutes, chapters 168; and 174; proposing coding for new law as Minnesota Statutes, chapter 353E."

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. 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; 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.

Reported the same back with the following amendments:

Page 3, line 23, delete "double damages," and after "costs" delete the comma

Page 6, line 5, delete "[APPROPRIATION.]" and insert "[COMPLEMENT.]"

Page 6, delete lines 6 and 7

Page 6, line 8, delete everything before "The"

Amend the title as follows:

Page 1, lines 10 and 11, delete "appropriating money;"

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. 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:

Page 7, delete lines 30 to 33 and insert "be deposited with the state treasurer and credited to the fruit and vegetable inspection account. The money in the fruit and vegetable inspection account is appropriated to the commissioner to be used to defray"

Page 13, delete lines 25 to 33 and insert:

"Subd. 4. [SEIZURE OF VEHICLES.] If a person doing business in this state does not have a business location in this state and is not licensed as required by this chapter, the commissioner may seize the person's vehicles or the vehicles of the person's agents or contractors pursuant to this subdivision.

The commissioner must hold the seized vehicle, subject to the order of the Ramsey county district court or other district courts. The property held is confiscated when the commissioner complies with this subdivision and the person from whom it was seized is convicted of not having a license or of violating any other provisions of this chapter.

The commissioner shall file with the court a separate complaint against the vehicle held. The complaint must identify the vehicle, describe its use in the violation, and specify the time and place of the violation. A copy of the complaint must be served upon the defendant or the owner of the vehicle.

At any time after seizure of a vehicle, it must be returned to the owner or person having the legal right to possession upon execution of a valid bond to the state with a corporate surety. The bond must be approved by the court conditioned to abide by an order and judgment of the court and to pay not more than twice the value of the vehicle seized.

If the person arrested is acquitted, the court shall dismiss the complaint against the vehicle and order it returned to the person legally entitled to it.

Upon conviction of the person, the court shall issue an order directed to any person that may have any right, title, or interest in, or lien upon, the seized vehicle. The order must describe the vehicle and state that it was seized and that a complaint against it has been filed. The order shall require a person claiming right, title, or interest in, or lien upon, the vehicle to file with the court administrator an answer to the complaint, stating the claim, within ten days after the service of the order. The order shall contain a notice that if the person fails to file an answer within the time limit, the vehicle may be ordered sold by the commissioner.

The court order must be served upon any person known or believed to have any right, title, interest, or lien in the same manner as provided for service of a summons in a civil action, and upon unknown persons by publication, in the same manner as provided for publication of a summons in a civil action.

If an answer is not filed within the time provided in this subdivision, the court administrator shall notify the court and the court shall order the commissioner to sell the vehicle. The net proceeds of the sale shall be deposited in the state treasury.

If an answer is filed within the time provided in this subdivision, the court shall schedule a hearing within ten to 30 days after the time expired for filing the answer. The court, without a jury, shall determine whether the vehicle was used in a violation specified in the complaint and whether the owner had knowledge or reason to believe that the vehicle was being used, or intended to be used, in the violation. The court shall order the commissioner to sell the vehicle that was unlawfully used with knowledge of the owner and to return to the owner a vehicle that was not unlawfully used with the knowledge of the owner. If the vehicle is to be sold, the court shall determine the priority of liens against the vehicle and whether the lienholders had knowledge that the vehicle was being used or was intended to be used. Lienholders that had knowledge of the vehicle use in the violation are not to be paid. The court order must state the priority of the liens to be paid.

After determining the expense of seizing, keeping, and selling the vehicle, the commissioner must pay the liens from the proceeds according to the court order. The remaining proceeds shall be deposited in the state treasury.

A sale under this subdivision cancels all liens on and security interests in the vehicle sold."

Page 13, line 34, delete "DOUBLE"

Page 14, line 6, delete everything before "court"

Page 14, line 7, after "fees" insert "may be recovered"

Page 14, after line 7, insert:

"Sec. 16. [APPROPRIATION.]

The commissioner of finance shall reduce the appropriation from the general fund for fiscal year 1991 for wholesale produce dealers by \$62,000. The general fund complement of the department of agriculture is reduced by one position."

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. 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:

Delete everything after the enacting clause and insert:

“MINNESOTA TOXIC POLLUTION PREVENTION ACT

Section 1. [115D.01] [CITATION.]

Sections 1 to 11 may be cited as the “Minnesota toxic pollution prevention act.”

Sec. 2. [115D.02] [POLICY.]

(a) To protect the public health, welfare, and the environment, the legislature declares that it is the policy of the state to encourage toxic pollution prevention. The preferred means of preventing toxic pollution are techniques and processes that are implemented at the source and that minimize the transfer of toxic pollutants from one environmental medium to another.

(b) The legislature intends that the programs developed under this act shall encourage and lead to a greater awareness of the need for and benefits of toxic pollution prevention, and to a greater degree of cooperation and coordination among all elements of government, industry, and the public in encouraging and carrying out pollution prevention activities.

Sec. 3. [115D.03] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this chapter.

Subd. 2. [COMMISSION.] “Commission” means the emergency response commission under section 299K.03.

Subd. 3. [COMMISSIONER.] “Commissioner” means the commissioner of the pollution control agency.

Subd. 4. [DIRECTOR.] “Director” means the director of the office of waste management.

Subd. 5. [ELIGIBLE RECIPIENTS.] “Eligible recipients” means persons who use, generate, or release toxic pollutants, hazardous substances, and hazardous wastes.

Subd. 6. [FACILITY.] “Facility” means all buildings, equipment, structures, and other stationary items that are located on a single site or on contiguous or adjacent sites and that are owned or operated by the same person, or by any person who controls, is controlled by, or is under common control with such person.

Subd. 7. [PERSON.] “Person” has the meaning given it in section 115B.02, subdivision 12.

Subd. 8. [POLLUTION PREVENTION OR PREVENT POLLUTION.] “Pollution prevention” or “prevent pollution” means eliminating or reducing at the source the use, generation, or release of toxic pollutants, hazardous substances, and hazardous wastes.

Subd. 9. [REDUCE, REDUCING, OR REDUCTION.] “Reduce,” “reducing,” or “reduction” means lessening the quantity or toxicity of toxic pollutants, hazardous substances, and hazardous wastes used, generated, or released at the source. Methods of reducing pollution include, but are not limited to, process modification, inventory control measures, feedstock substitutions, various house-keeping and management practices, and improved efficiency of machinery. Decreases in quantity or toxicity are not reductions where the decrease is solely the result of a decrease in the output of the facility.

Subd. 10. [RELEASE.] “Release” has the meaning given it in section 115B.02, subdivision 15.

Subd. 11. [TOXIC POLLUTANT.] “Toxic pollutant” means a chemical identified in United States Code, title 42, section 11023(c).

Sec. 4. [115D.04] [POLLUTION PREVENTION ASSISTANCE PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The director shall establish a pollution prevention assistance program to assist eligible recipients in preventing pollution. The program must emphasize techniques

and processes that minimize the transfer of pollutants from one environmental medium to another and must focus primarily on toxic pollutants.

Subd. 2. [ASSISTANCE.] The pollution prevention assistance program must include at least the following:

(1) a program to assemble, catalog, and disseminate information on pollution prevention;

(2) a program to provide technical research and assistance, including on-site consultations to identify alternative methods that may be applied to prevent pollution and to provide assistance for planning under section 7, excluding design engineering services; and

(3) outreach programs including seminars, workshops, training programs, and other similar activities designed to provide pollution prevention information and assistance to eligible recipients.

Subd. 3. [ADMINISTRATION.] The pollution prevention assistance program must be coordinated with other public and private programs that provide management and technical assistance to eligible recipients. The director may make grants to public or private entities to operate elements of the program. Grantees shall provide periodic reports on their efforts to assist eligible recipients to reduce pollution.

Sec. 5. [115D.05] [POLLUTION PREVENTION GRANTS.]

Subdivision 1. [PURPOSE.] The director may make grants to study or demonstrate the feasibility of applying specific technologies and methods to prevent pollution.

Subd. 2. [ELIGIBILITY.] (a) Eligible recipients may receive grants under this section.

(b) Grants may be awarded up to a maximum of two-thirds of the total cost of the project. Grant money awarded under this section may not be spent for capital improvements or equipment.

Subd. 3. [PROCEDURE FOR AWARDED GRANTS.] (a) In determining whether to award a grant, the director shall consider at least the following:

(1) the potential of the project to prevent pollution;

(2) the likelihood that the project will develop techniques or processes that will minimize the transfer of pollution from one environmental medium to another;

(3) the extent to which information to be developed through the project will be applicable to other persons in the state;

(4) the willingness of the grant applicant to implement feasible methods and technologies developed under the grant;

(5) the willingness of the grant applicant to assist the director in disseminating information about the pollution prevention methods to be developed through the project; and

(6) the extent to which the project will conform to the pollution prevention policy established in section 2.

(b) The director shall adopt rules to administer the grant program. Prior to completion of any new rulemaking, the director may administer the program under the procedures established in rules promulgated under section 115A.154.

Sec. 6. [115D.06] [GOVERNOR'S AWARD FOR EXCELLENCE IN POLLUTION PREVENTION.]

The governor may issue annual awards in the form of a commendation for excellence in pollution prevention. Applications for these awards shall be administered by the director.

Sec. 7. [115D.07] [TOXIC POLLUTION PREVENTION PLANS.]

Subdivision 1. [REQUIREMENT TO PREPARE AND MAINTAIN A PLAN.] (a) Persons who operate a facility required by United States Code, title 42, section 11023, to submit a toxic chemical release form shall prepare a toxic pollution prevention plan for that facility. The plan must contain the information listed in subdivision 2.

(b) Except for facilities that release less than a total of 10,000 pounds of toxic pollutants annually, the plan must be completed as follows:

(1) on or before July 1, 1991, for facilities having a two-digit standard industrial classification of 35 to 39;

(2) by January 1, 1992, for facilities having a two-digit standard industrial classification of 28 to 34; and

(3) by July 1, 1992, for all other persons required to prepare a plan under this subdivision.

Facilities that release less than a total of 10,000 pounds of toxic pollutants annually must complete their plans by July 1, 1992.

(c) Each plan must be updated every two years and must be maintained at the facility to which it pertains.

Subd. 2. [CONTENTS OF PLAN.] Each toxic pollution prevention plan must establish a program identifying the specific technically and economically practicable steps that could be taken during at least the three years following the date the plan is due, to eliminate or reduce the generation or release of toxic pollutants reported by the facility. Toxic pollutants resulting solely from research and development activities need not be included in the plan. At a minimum, each plan must include:

(1) a policy statement articulating upper management support for eliminating or reducing the generation or release of toxic pollutants at the facility;

(2) a description of the current processes generating or releasing toxic pollutants that specifically describes the types, sources, and quantities of toxic pollutants currently being generated or released by the facility;

(3) a description of the current and past practices used to eliminate or reduce the generation or release of toxic pollutants at the facility and an evaluation of the effectiveness of these practices;

(4) an assessment of technically and economically practicable options available to eliminate or reduce the generation or release of toxic pollutants at the facility, including options such as changing the raw materials, operating techniques, equipment and technology, personnel training, and other practices used at the facility. The assessment may include a cost benefit analysis of the available options;

(5) a statement of objectives based on the assessment in clause (4) and a schedule for achieving those objectives. Wherever technically and economically practicable, the objectives for eliminating or reducing the generation or release of each toxic pollutant at the facility must be expressed in numeric terms. Otherwise, the objectives must include a clearly stated list of actions designed to lead to the establishment of numeric objectives as soon as practicable;

(6) an explanation of the rationale for each objective established for the facility;

(7) a listing of options that were considered not to be economically and technically practicable; and

(8) a certification, signed and dated by the facility manager and an officer of the company under penalty of section 609.63, attesting to the accuracy of the information in the plan.

Sec. 8. [115D.08] [PROGRESS REPORTS.]

Subdivision 1. [REQUIREMENT TO SUBMIT PROGRESS REPORT.] All persons required to prepare a toxic pollution prevention plan under section 7 shall submit an annual progress report to the commissioner that may be drafted in a manner that does not disclose proprietary information. Progress reports are due on October 1 of each year. The first progress reports are due in 1992. At a minimum, each progress report must include:

(1) a summary of each objective established in the plan including the schedule for meeting the objective;

(2) a summary of progress made during the past year, if any, toward meeting each objective established in the plan including the quantity of each toxic pollutant eliminated or reduced;

(3) a statement of the methods through which elimination or reduction has been achieved;

(4) if necessary, an explanation of the reasons objectives were not achieved during the previous year, including identification of any technological, economic, or other impediments the facility faced in its efforts to achieve its objectives; and

(5) a certification, signed and dated by the facility manager and an officer of the company under penalty of section 609.63, attesting that a plan meeting the requirements of section 7 has been prepared and also attesting to the accuracy of the information in the progress report.

Subd. 2. [REVIEW OF PROGRESS REPORTS.] (a) The commissioner shall review all progress reports to determine if they meet the requirements of subdivision 1. If the commissioner determines that a progress report does not meet the requirements, the commissioner shall notify the facility in writing and shall identify specific deficiencies and specify a reasonable time period of not less than 90 days for the facility to modify the progress report.

(b) The commissioner shall be given access to a facility plan required under section 7 if the commissioner determines that the progress report for that facility does not meet the requirements of subdivision 1. Twenty-five or more persons living within ten miles of the facility may submit a petition to the commissioner that identifies specific deficiencies in the progress report and requests the commissioner to review the facility plan. Within 30 days after receipt of the petition, the commissioner shall respond in writing. If the commissioner agrees that the progress report does not meet requirements of subdivision 1, the commissioner shall be given access to the facility plan.

(c) After reviewing the plan and the progress report with any modifications submitted, the commissioner shall state in writing whether the progress report meets the requirements of subdivision 1. If the commissioner determines that a modified progress report still does not meet the requirements of subdivision 1, the commissioner shall schedule a public meeting. The meeting shall be held in the county where the facility is located. The meeting is not subject to the requirements of chapter 14.

(d) The facility shall be given the opportunity to amend the progress report within a period of not less than 30 days after the public meeting.

(e) If the commissioner determines that a modified progress report still does not meet the requirements of subdivision 1, action may be taken under section 115.071 to obtain compliance with sections 1 to 11.

Sec. 9. [115D.09] [CONFIDENTIALITY.]

Information and techniques developed under section 4, the reduction information and techniques under section 5, and the progress reports required under section 8 are public data under chapter 13. The plans required under section 7 are nonpublic data under chapter 13.

Sec. 10. [115D.10] [TOXIC POLLUTION PREVENTION EVALUATION REPORT.]

The director, in cooperation with the commissioner and committees of the legislature annually on progress being made in achieving the objectives of sections 1 to 11. The report must be submitted by December 15 of each year, beginning in 1992.

Sec. 11. [115D.12] [POLLUTION PREVENTION ACCOUNT.]

Subdivision 1. [REVENUE SOURCES.] Revenue from the following sources must be deposited in the environmental fund:

- (1) the proceeds of the fees imposed by subdivision 2;
- (2) interest attributable to investment of money generated by the fees in subdivision 2; and
- (3) money received by the director in the form of gifts, grants other than federal grants, and reimbursements.

Subd. 2. [FEES.] The following pollution prevention fees are established:

(a) Persons required by United States Code, title 42, section 11023, to submit a toxic chemical release form to the commission shall pay a pollution prevention fee of \$150 for each toxic pollutant reported released and a fee based on the total pounds of toxic pollutants reported released per facility. Facilities reporting less than 25,000 pounds annually of toxic pollutants released per facility shall be assessed a fee of \$500. Facilities reporting annual releases of toxic pollutants in excess of 25,000 pounds shall be assessed a graduated fee at the rate of two cents per pound of toxic pollutants reported, not to exceed a total of \$30,000 per facility.

(b) Persons who generate more than 1,000 kilograms of hazardous waste per month but who are not subject to the fee under paragraph (a) must pay a pollution prevention fee of \$500 per facility. Hazardous waste as used in this paragraph has the meaning given it in section 116.06, subdivision 13, and Minnesota Rules, chapter 7045.

(c) Fees required under this subdivision must be paid to the director by January 1 of each year.

Sec. 12. [REPORTS TO THE LEGISLATURE.]

Subdivision 1. [REPORT ON BARRIERS TO POLLUTION PREVENTION.] By January 1, 1991, the director shall prepare and submit a report to the environment and natural resources committees of the legislature analyzing the barriers to pollution prevention. At a minimum, the director shall report on regulatory, economic, educational, and institutional barriers and shall recommend strategies to overcome these barriers. Further, the report shall describe ways in which government may serve as a role model in pollution prevention.

Subd. 2. [REPORT ON TOXIC POLLUTANTS USE REPORTING.] By January 1, 1993, the director shall prepare and submit a report to the environment and natural resources committees of the legislature evaluating the utility of requiring companies to prepare toxic pollutant use reports and reduction plans. The report shall discuss, among other information, the potential uses of the data and the potential impact of such requirements on pollution prevention efforts. The report also shall discuss the need for a chemical accident prevention program to promote safety initiatives by industry. The report shall contain a recommendation as to whether to require toxic pollutant use reports and reduction plans.

Sec. 13. [APPROPRIATIONS.]

Subdivision 1. [OFFICE OF WASTE MANAGEMENT.] \$847,000 is appropriated as follows to the office of waste management for fiscal year 1991:

- (a) For pollution prevention assistance eligible recipients \$560,000;
- (b) For pollution prevention grants 150,000; and
- (c) For reports to the legislature and administration of sections 1 to 11 137,000.

The approved complement of the office is increased by three positions.

Subd. 2. [POLLUTION CONTROL AGENCY.] \$45,000 is appropriated from the environmental fund to the pollution control agency for fiscal year 1991, for the purposes specified in sections 1 to 11. The approved complement of the agency is increased by one position.

Subd. 3. [DEPARTMENT OF PUBLIC SAFETY.] \$48,000 is appropriated to the department of public safety from the environmental fund for fiscal year 1991, to assure timely and accurate submittal of the toxic chemical release forms. The approved complement of the department of public safety is increased by one position.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 12 are effective the day after final enactment."

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. 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 following amendments:

Page 4, after line 15, insert:

"Sec. 6. Minnesota Statutes 1988, section 171.05, subdivision 1, is amended to read:

Subdivision 1. Any person who is 18 or more years of age and who, except for a lack of instruction in operating a motor vehicle, would otherwise be qualified to obtain a Class C driver's license under this chapter, may apply for an instruction permit and the department shall issue such permit entitling the applicant, while having such permit in immediate possession, to drive a motor vehicle for which a Class C license is valid upon the highways for a period of one year, but such person must be accompanied by an adult licensed driver who is actually occupying a seat beside the driver. Any license of a lower class may be used as an instruction permit for a higher class for a period of six months after passage of the written test or tests required for the higher class and when the licensee is accompanied by and receiving instruction from a holder of the appropriate higher class license. A copy of the record of examination taken for the higher class license must be carried by the driver while using such lower class license as an instruction permit.

Sec. 7. Minnesota Statutes 1988, section 171.05, subdivision 2, is amended to read:

Subd. 2. Notwithstanding any provision in subdivision 1 to the contrary, the department, upon application therefor, may issue an instruction permit to an applicant who is 15, 16, or 17 years of age and who is enrolled in an approved driver education program including behind the wheel training. Such an instruction permit holder who has the permit in possession may operate a motor vehicle while receiving behind the wheel training in an approved driver education program, but only when accompanied by an authorized instructor who occupies the seat beside the permit holder, or. During and upon completion of the course, a 16 or 17 year old may operate a motor vehicle while accompanied by an adult licensed driver who is actually occupying a seat beside the driver. During and upon completion of the course, a 15 year old may operate a motor vehicle while accompanied by a licensed parent or guardian or licensed adult driver authorized by the parent or guardian who also must occupy the seat beside the instruction permit holder."

Page 5, delete section 8

Page 7, lines 5, 15, 19, and 23, delete "9" and insert "10"

Page 7, line 26, delete "Sec. 11." and insert "Sec. 12."

Page 7, line 29, delete "10" and insert "11"

Page 7, line 31, delete "11" and insert "12"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after "license" insert "or instruction permit"

Page 1, line 11, after the first semicolon insert "171.05, subdivisions 1 and 2;"

Page 1, line 15, delete "sections 43 and" and insert "section"

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. 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 following amendments:

Page 1, line 21, before "disability" insert "public pension"

Page 2, line 1, before the period insert "except that a former employee who is over age 65 and is not eligible for Medicare coverage is not eligible to participate in the plan"

Page 2, line 7, delete "must" and insert "shall"

Page 2, line 10, after "participants" insert "under this paragraph" and after the semicolon insert "and"

Page 2, line 11, after "participants" insert "under this paragraph" and delete "eligible" and insert "receiving"

Page 2, line 12, delete "for" and delete "; and"

Page 2, delete line 13

Page 2, line 14, delete everything before the period

Page 2, line 16, before the period insert "only when there is a break in coverage between a participant's coverage under a group insurance plan as an employee and the participant's coverage under this section".

Page 2, line 19, strike "employer" and insert "commissioner".

Page 2, line 35, strike everything after "the" and insert "commissioner".

Page 3, after line 3, insert:

"(f) A participant who discontinues coverage may not re-enroll."

Page 3, after line 6, insert:

"Sec. 2. [356.85] [HEALTH INSURANCE WITHHOLDING.]

The director of a public pension fund listed in section 356.20, subdivision 2, shall, upon authorization of a person entitled to receive benefits, withhold premium amounts from the pension benefits and pay the amounts to the public employees insurance plan.

Sec. 3. [NEWLY ELIGIBLE EMPLOYEES; NOTICE.]

A former employee who first becomes eligible to participate in the public employees insurance plan as a result of section 1, must notify the commissioner within 60 days of the effective date of section 1 of intent to participate in the plan. The commissioner, in cooperation with appropriate public pension plans, shall, at least 30 days before the effective date of section 1, notify all persons who become eligible to participate in the plan as a result of section 1 of their option to participate.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective January 1, 1992."

Amend the title as follows:

Page 1, line 5, before the period insert "; proposing coding for new law in Minnesota Statutes, chapter 356"

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. 2420, 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.

Reported the same back with the following amendments:

Page 9, after line 34, insert:

"Sec. 7. [APPROPRIATION.]

\$78,000 is appropriated to the commissioner of public safety for the purposes of this article as follows: \$56,000 from the highway user tax distribution fund, \$12,000 from the trunk highway fund, and \$10,000 from the general fund.

The highway user tax distribution fund-approved complement of the department of public safety is increased by one position.

Page 10, line 3, delete "7" and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 34, after the second semicolon insert "appropriating money;"

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. 2812, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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

The report was adopted.

Simoneau from the Committee on Appropriations 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 recommendation that the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 1001, A bill for an act relating to the community dispute resolution program; giving the state planning agency joint responsibility with the state court administrator's office for administration of the program; establishing eligibility criteria for grant recipients; appropriating money; amending Minnesota Statutes 1988, sections 494.01, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 494; repealing Minnesota Statutes 1988, sections 494.01, subdivisions 3, 4, and 5; and 494.04.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 494.01, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For the purposes of Laws 1984, chapter 654, article 2, sections 133 to 136 this chapter, "dispute resolution" means a process voluntarily entered by parties in disagreement using mediation or arbitration to reconcile the parties' differences.

Sec. 2. Minnesota Statutes 1988, section 494.01, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT; ADMINISTRATION.] The dispute resolution program shall be established and administered by the state court administrator's office administrator shall administer the dispute resolution program.

Sec. 3. [494.015] [TRAINING AND PROGRAM CERTIFICATION GUIDELINES.]

Subdivision 1. [GUIDELINES.] The state court administrator shall adopt guidelines for use by community dispute resolution programs and training programs for mediators and arbitrators for the community dispute resolution programs. The guidelines must include provisions to ensure that participation in dispute resolution is voluntary, procedures for case processing, and program certification criteria that must be met to receive court referrals.

Subd. 2. [CERTIFICATION.] The state court administrator shall certify programs that meet the requirements for certification set under subdivision 1.

Sec. 4. [494.05] [GRANTS.]

Subdivision 1. [ELIGIBILITY REQUIREMENTS.] A community dispute resolution program is not eligible for a grant under this section unless it:

(1) complies with this chapter and the guidelines and rules adopted under this chapter;

(2) is certified by the state court administrator under section 3, subdivision 2;

(3) demonstrates that at least two-thirds of its annual budget will be derived from sources other than the state;

(4) documents evidence of support within its service area by community organizations, administrative agencies, and judicial and legal system representatives; and

(5) is exempt or has applied for exemption from federal taxation under section 501(c)(3) of the Internal Revenue Code of 1986 or is administered and funded by a city, county, or court system as a distinct, identifiable unit that has a separate and distinguishable operating budget.

Subd. 2. [FUNDING.] Grants under this section must be used for the costs of operating approved programs. A program is eligible to receive a grant equal to one-third of its estimated annual budget, not more than \$25,000 a year.

Subd. 3. [REPORTS.] The state court administrator shall compile a summary report of the data submitted in the previous year and any other relevant information from other sources. The report must be submitted to the legislature by February 1 of each year.

Sec. 5. [APPROPRIATION.]

\$100,000 is appropriated from the general fund to the state court administrator in fiscal year 1991 for grants under section 4. This is a one-time expenditure and is available until expended."

Delete the title and insert:

"A bill for an act relating to the community dispute resolution program; establishing eligibility criteria for grant recipients; appropriating money; amending Minnesota Statutes 1988, sections 494.01, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 494."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 1081, A bill for an act relating to courts; providing for a study by the supreme court of racial bias in the judicial system; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [SUPREME COURT STUDY OF RACIAL BIAS IN THE JUDICIAL SYSTEM.]

Subdivision 1. [STUDY.] The supreme court shall study racial bias in the judicial system in Minnesota. The court shall appoint an advisory task force to assist with the study.

Subd. 2. [CONTENTS.] The study must examine the extent to which racial bias exists in the judicial system, including the existence of discriminatory treatment of litigants, witnesses, jurors, judges, attorneys, and court personnel who are members of racial minorities. The study should:

(1) identify positions within the judicial system including, but not limited to, judges, judicial clerks, court reporters, judicial administrators and their staff, county attorneys, public defenders and their staff, and identify minority representation or underrepresentation in the positions;

(2) review sentencing patterns to see if the length or conditions of sentences vary based on the defendant's race;

(3) review the jury selection process, including grand juries, to determine the representation or underrepresentation of minority populations on juries and determine if the use of peremptory strikes varies based on the juror's race; and

(4) review other aspects of court operations as appropriate to identify patterns of different and unequal treatment of racial minority persons.

The task force shall report its findings and recommendations to

the legislature by January 1, 1993. In the interim the task force may report findings as parts of the study are completed.

Sec. 2. [APPROPRIATION.]

\$25,000 in fiscal year 1991 is appropriated from the general fund to the supreme court to carry out the study under section 1. This is a one-time appropriation and is available until expended."

Delete the title and insert:

"A bill for an act relating to courts; providing for a study by the supreme court of racial bias in the judicial system; appropriating money."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

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.

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

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 1520, A bill for an act relating to human services; creating a technology assistance review panel; 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 or cases involving coverage by title 18 or 19 of the Social Security Act or other public funding sources. 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, except binding arbitration, 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 recommendation is warranted by the facts known to the member or review panel after reasonable efforts to ascertain the facts.

Sec. 2. [APPROPRIATION.]

\$34,000 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.

Sec. 3. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to health; creating a technology assistance review panel; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

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.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1989 Supplement, section 144.698, subdivision 1, is amended to read:

Subdivision 1. [YEARLY REPORTS.] Each hospital and each outpatient surgical center, which has not filed the financial information required by this section with a voluntary, nonprofit reporting organization pursuant to section 144.702, shall file annually with the commissioner of health after the close of the fiscal year:

(1) a balance sheet detailing the assets, liabilities, and net worth of the hospital;

(2) a detailed statement of income and expenses;

(3) a copy of its most recent cost report, if any, filed pursuant to requirements of Title XVIII of the United States Social Security Act;

(4) a copy of all changes to articles of incorporation or bylaws;

(5) information on services provided to benefit the community, including services provided at no cost or for a reduced fee to patients unable to pay, teaching and research activities, or other community or charitable activities;

(6) information required on the revenue and expense report form set in effect on July 1, 1989 or as amended by the commissioner of health in rule; and

(7) other information required by the commissioner in rule.

Sec. 2. [153A.175] [COSTS.]

The costs for establishing the regulatory systems required by sections 153A.13 to 153A.18 shall be recovered by assessing hearing instrument sellers, in addition to the permit fee required in section 153A.17, an annual surcharge fee of \$36 for a period of five years. The receipts from the annual surcharge fee must be credited to the general fund as nondedicated receipts.

Sec. 3. Minnesota Statutes 1988, section 214.001, subdivision 3, is amended to read:

Subd. 3. If the legislature finds after evaluation of the factors identified in subdivision 2 that it is necessary to regulate an occupation not heretofore credentialed or regulated, then regulation should be implemented consistent with the policy of this section, in modes in the following order:

(a) Creation or extension of common law or statutory causes of civil action, and the creation or extension of criminal prohibitions;

(b) Imposition of inspection requirements and the ability to enforce violations by injunctive relief in the courts;

(c) Implementation of a system of permits that requires all practitioners to file with the state, on a form provided by the state, their name, home and business address, telephone number, education, training and degrees held, if any, and any other relevant experience, and to comply with a code of ethical conduct, or with other requirements necessary to protect the public;

(d) Implementation of a system of registration whereby practitioners who will be the only persons permitted authorized to use a designated title are listed on an official roster after having met predetermined qualifications; or

(e) Implementation of a system of licensing whereby a practitioner must receive recognition by the state of having met predetermined qualifications, and persons not so licensed are prohibited from practicing.

Two or more of these modes may be simultaneously implemented if necessary and appropriate.

Sec. 4. Minnesota Statutes 1989 Supplement, section 214.06, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any law to the contrary, the commissioner of health as authorized by section 214.13, all health-related licensing boards and all non-health-related licensing boards shall by rule, with the approval of the commissioner of finance, adjust any fee which the commissioner of health or the board is empowered to assess a sufficient amount so that the total fees collected by each board will as closely as possible equal anticipated expenditures during the fiscal biennium, as provided in section 16A.128. For members of an occupation registered after July 1, 1984, by the commissioner of health under the provisions of section 214.13 or other law, the fee established must include an amount necessary to recover, over a five-year period, the commissioner's direct expenditures for adoption of the rules providing for registration of regulating members of the occupation. All fees received shall be deposited in the state treasury. Fees received by health-related licensing boards must be credited to the special revenue fund.

Sec. 5. Minnesota Statutes 1988, section 214.11, is amended to read:

214.11 [ADDITIONAL REMEDY REMEDIES.]

Subdivision 1. [CEASE AND DESIST ORDER.] The commissioner of health may issue a cease and desist order to stop a person from engaging in an unauthorized practice or violating or threatening to violate a statute, rule, or order which the commissioner of health has issued or is empowered to enforce. The cease and desist order must state the reason for its issuance and give notice of the person's right to request a hearing under sections 14.57 to 14.62. If, within 15 days after service of the order, the subject of the order fails to request a hearing in writing, the commissioner of health may issue a final order.

A hearing must be initiated by the commissioner of health not later than 30 days after the date the commissioner receives a written hearing request. Within 30 days after receiving the administrative law judge's report, the commissioner of health shall issue a final order modifying, vacating, or making permanent the cease and desist order as the facts require. The final order remains in effect until modified or vacated by the commissioner of health.

When a request for a stay accompanies a timely hearing request, the commissioner of health may, by discretion, grant the stay. If the commissioner of health does not grant a requested stay, the commissioner shall refer the request to the office of administrative hearings within three working days after receiving the request. Within ten days after receiving the request from the commissioner of health, an administrative law judge shall issue a recommendation to grant or deny the stay. The commissioner of health shall grant or

deny the stay within five days after receiving the administrative law judge's recommendation.

In the event of noncompliance with a cease and desist order, the commissioner of health may institute a proceeding in Ramsey county district court to obtain injunctive relief or other appropriate relief, including a civil penalty payable to the commissioner of health not exceeding \$10,000 for each separate violation.

Subd. 2. [INJUNCTIVE RELIEF.] In addition to any other remedy provided by law, including the issuance of a cease and desist order under subdivision 1, the commissioner of health or a licensing board may in its own name may bring an action in Ramsey county district court for injunctive relief to restrain any unauthorized practice or violation or threatened violation of any statute or, rule, or order which the board or commissioner of health is empowered to regulate or, enforce, or issue. A temporary restraining order may be granted in the proceeding if continued activity by a person would create an imminent a serious risk of harm to others.

Subd. 3. [ADDITIONAL POWERS.] The issuance of a cease and desist order or injunctive relief granted pursuant to under this section shall does not relieve a person enjoined from criminal prosecution by any competent authority or from disciplinary action by the commissioner of health or board in respect to the person's license or application for license or renewal.

Sec. 6. Minnesota Statutes 1989 Supplement, section 626.5562, subdivision 3, is amended to read:

Subd. 3. [REPORT TO DEPARTMENT OF HEALTH.] Physicians shall report to the department of health the results of positive tests performed under subdivisions 1 and 2. A report shall be made on February 1 and August 1 of each year, the certificate of live birth medical supplement or report of fetal death medical supplement when filed beginning February 1, 1990. The reports are medical data under section 13.42.

Sec. 7. [EFFECTIVE DATE.]

Section 2 is effective the day after final enactment."

Delete the title and insert:

"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.”

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1453, 1884, 1887, 1889, 1898, 1965, 2060, 2061, 2198, 2238, 2323, 2420 and 2812 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1847, 2430, 188, 1001, 1081, 1162, 1520 and 1838 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Dempsey and McDonald introduced:

H. F. No. 2824, A bill for an act relating to education; establishing a program providing general education revenue for lower-income pupils who attend nonpublic schools participating in the program; establishing certain requirements and restrictions; amending Minnesota Statutes 1988, section 124.223; Minnesota Statutes 1989 Supplement, section 121.11, subdivision 12; 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.

Milbert, Pugh and Quinn introduced:

H. F. No. 2825, A bill for an act relating to taxation; repealing the lawful gambling combined receipts tax; providing for refunds; appropriating money; repealing 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.

Nelson, C.; Johnson, R.; Anderson, R.; Kinkel and Uphus introduced:

H. F. No. 2826, A resolution memorializing the President and Congress of the United States to prevent the severe cutbacks in local programming on KCCO/KCCW-TV in Alexandria and Walker.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Dawkins introduced:

H. A. No. 50, A proposal to study proposed legislation regarding registration, regulation and use of off-road recreational vehicles.

The advisory was referred to the Committee on Environment and Natural Resources.

Otis, Reding, Peterson, Boo and Anderson, R., introduced:

H. A. No. 51, A proposal to study location of state offices outside the metropolitan area.

The advisory was referred to the Committee on Governmental Operations.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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 Senate has appointed as such committee:

Messrs. Stumpf, Frederick and Langseth.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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 Senate has appointed as such committee:

Messrs Dahl; Merriam; Knaak; Peterson, R. W., and Lessard.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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, rural health care, 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; 123.36, subdivision 10; 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; 125.12, by adding a subdivision; 125.17, 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.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.

The Senate has appointed as such committee:

Messrs. Peterson, R. W., and Pehler; Ms. Reichgott; Messrs. Brandl and Dicklich.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Cohen, Solon and Frederick.

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

Skoglund 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. 2130. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Schmitz, Waldorf and Dicklich.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Jacobs moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1743. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Brandl, Larson and Freeman.

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

Winter 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. 1942. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Luther, Novak and Olson.

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

Skoglund 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. 1670. The motion prevailed.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Anderson, G., moved that the House refuse to concur in the Senate amendments to H. F. No. 2651, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1807 and 2018.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1807, A bill for an act relating to local government; permitting the issuance of obligations by the Hennepin county board for a public safety building; permitting Rosemount to incur debt for an armory; requiring a planning process and public hearing.

The bill was read for the first time.

Schreiber moved that S. F. No. 1807 and H. F. No. 1877, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2018, 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; requiring local gambling taxes and prescribing uses for revenue therefrom; appropriating money; amending Minnesota Statutes 1988, sections 349.12, subdivisions 10, 18, and by adding subdivisions; 349.16, as amended; 349.17, as amended; 349.18, as amended; 349.19, as amended; 349.211, by adding a subdivision; 349.212, subdivision 5; 349.2121, subdivisions 1 and 4a; 349.2123; 349.2125, subdivision 4; 349.2127, subdivisions 1, 3, and by adding subdivisions; 349.30, subdivision 2; 349.31; 349.32; 349.34; 349.35, subdivision 1; 349.36; 349.38; 349.39; 349.50, subdivision 8; 349.52, by adding a subdivision; 349.59, subdivision 1; 349.55; 609.75, subdivision 4; Minnesota Statutes 1989 Supplement, sections 299L.03, by adding a subdivision; 349.12, subdivisions 12 and 15; 349.151, subdivision 4, and by adding a subdivision; 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; Minnesota Statutes Second 1989 Supplement, sections 349.12, subdivisions 11 and 19; 349.15; 349.212, subdivisions 1, 2, and 4; 349.2125, subdivisions 1 and 3; 349.2127, subdivisions 2, 4, and 5; 349.22, subdivision 1; 349.501, subdivision 1; 349.502, subdivision 1; 609.76, subdivision 1; 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 349.14; 349.214, subdivisions 1, 1a, 3, and 4; Minnesota Statutes 1989 Supplement, sections 349.151, subdivision 4a; 349.20; 349.21; 349.22, subdivision 3; Minnesota Statutes Second 1989 Supplement, section 349.214, subdivision 2.

The bill was read for the first time.

Quinn moved that S. F. No. 2018 and H. F. No. 2005, now on General Orders, be referred to the Chief Clerk for comparison: The motion prevailed.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON 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.

March 30, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 2500, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2500 be further amended as follows:

Page 1, line 16, delete "1989" and insert "1984"

We request adoption of this report and repassage of the bill.

House Conferees: PHIL CARRUTHERS, WES SKOGLUND AND JERRY KNICKERBOCKER.

Senate Conferees: SAM G. SOLON, DON ANDERSON AND MICHAEL O. FREEMAN.

Carruthers moved that the report of the Conference Committee on H. F. No. 2500 be adopted and that the bill be repassed as amended by the Conference Committee. 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 cancella-

tion or nonrenewal of individual life policies; amending Laws 1989, chapter 330, section 38.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 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	Long	Otis	Skoglund
Begich	Haukoos	Lynch	Ozment	Solberg
Bennett	Hausman	Macklin	Pappas	Sparby
Bertram	Heap	Marsh	Pauly	Stanius
Blatz	Henry	McDonald	Pellow	Steenasma
Boo	Himle	McEachern	Pelowski	Swiggum
Brown	Hugoson	McGuire	Peterson	Swenson
Burger	Jacobs	McPherson	Poppenhagen	Tjornhom
Carlson, D.	Janezich	Milbert	Price	Tompkins
Carlson, L.	Jaros	Miller	Pugh	Trimble
Carruthers	Jefferson	Morrison	Quinn	Tunheim
Clark	Jennings	Munger	Redalen	Uphus
Cooper	Johnson, A.	Murphy	Reding	Valento
Dauner	Johnson, R.	Nelson, C.	Rest	Vellenga
Dawkins	Johnson, V.	Nelson, K.	Rice	Wagenius
Dempsey	Kahn	Neuenschwander	Richter	Waltman
Dille	Kalis	O'Connor	Rodosovich	Weaver
Dorn	Kelly	Ogren	Rukavina	Welle
Forsythe	Kelso	Olsen, S.	Runbeck	Wenzel
Frederick	Kinkel	Olson, E.	Sarna	Williams
Frerichs	Knickrbocker	Olson, K.	Schafer	Winter
Girard	Kostohryz	Omann	Scheid	Spk. Vanasek

The bill was repassed, as amended by Conference, and its title agreed to.

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2135

A bill for an act relating to Anoka county; authorizing the sale or exchange of certain land.

April 2, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 2135, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment.

We request adoption of this report and repassage of the bill.

House Conferees: JOE QUINN, CHARLIE WEAVER AND JOEL JACOBS.

Senate Conferees: STEVEN G. NOVAK, DON FRANK AND GENE MERRIAM.

Quinn moved that the report of the Conference Committee on H. F. No. 2135 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, 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	Onnen	Segal
Anderson, G.	Gruenes	Lasley	Orenstein	Simoneau
Anderson, R.	Gutknecht	Lieder	Ostrom	Skoglund
Battaglia	Hartle	Limmer	Otis	Solberg
Bauerly	Hasskamp	Long	Ozment	Sparby
Begich	Haukoos	Lynch	Pappas	Stanius
Bennett	Hausman	Macklin	Pauly	Steensma
Bertram	Heap	Marsh	Pellow	Sviggum
Blatz	Henry	McDonald	Pelowski	Swenson
Boo	Himle	McEachern	Peterson	Tjornhom
Brown	Hugoson	McGuire	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
Cooper	Johnson, A.	Murphy	Rest	Wagenius
Dauner	Johnson, R.	Nelson, C.	Rice	Waltman
Dawkins	Johnson, V.	Nelson, K.	Richter	Weaver
Dempsey	Kahn	Neuenschwander	Rodosovich	Welle
Dille	Kalis	O'Connor	Rukavina	Wenzel
Dorn	Kelly	Ogren	Runbeck	Williams
Forsythe	Kelso	Olsen, S.	Sarna	Winter
Frederick	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Frerichs	Knickerbocker	Olson, K.	Schreiber	
Girard	Kostohryz	Omann	Seaberg	

The bill was repassed, as amended by Conference, and its title agreed to.

CONFERENCE COMMITTEE REPORT ON 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.

April 3, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 2056, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

We request adoption of this report and repassage of the bill.

House Conferees: MARVIN K. DAUNER, TERRY DEMPSEY AND KATHLEEN VELLENGA.

Senate Conferees: KEITH LANGSETH, LeROY A. STUMPF AND DAVID J. FREDERICKSON.

Dauner moved that the report of the Conference Committee on H. F. No. 2056 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 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
Begich	Hasskamp	Macklin	Pappas	Sparby
Bennett	Haukoos	Marsh	Pauty	Stanius
Bertram	Hausman	McDonald	Pellow	Steensma
Bishop	Heap	McEachern	Pelowski	Sviggum
Blatz	Henry	McGuire	Peterson	Swenson
Boo	Himle	McPherson	Poppenhagen	Tjornhom
Brown	Hugoson	Milbert	Price	Tompkins
Burger	Jacobs	Miller	Pugh	Trimble
Carlson, D.	Jaros	Morrison	Quinn	Tunheim
Carlson, L.	Jefferson	Munger	Redalen	Uphus
Carruthers	Jennings	Murphy	Reding	Vellenga
Clark	Johnson, A.	Nelson, C.	Rest	Wagenius
Cooper	Johnson, R.	Nelson, K.	Rice	Waltman
Dauner	Johnson, V.	Neuenschwander	Richter	Weaver
Dawkins	Kahn	O'Connor	Rodosovich	Welle
Dempsey	Kalis	Ogren	Rukavina	Wenzel
Dille	Kelly	Olsen, S.	Rumbeck	Williams
Dorn	Kelso	Olsen, E.	Sarna	Winter
Forsythe	Knickerbocker	Olson, K.	Schafer	Spk. Vanasek
Frderick	Kostohryz	Omann	Scheid	
Frerichs	Krueger	Onnen	Schreiber	

The bill was repassed, as amended by Conference, 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 Special Orders pending for today, Thursday, April 5, 1990:

S. F. No. 2412 and H. F. No. 2005.

SPECIAL ORDERS

The Speaker called Rodosovich to the Chair.

S. F. No. 2412 was reported to the House.

Simoneau, Sviggum and Begich moved to amend S. F. No. 2412, as follows:

Page 1, after line 21, insert:

"Sec. 2. Minnesota Statutes 1988, section 79A.12, subdivision 2, is amended to read:

Subd. 2. [ASSESSMENT.] The security fund may assess each of its members a pro rata share of the funding necessary to carry out its obligation and the purposes of this chapter. Total annual assessments in any calendar year shall not exceed four ten percent of the workers' compensation benefits paid under sections 176.101 and 176.111 during the previous calendar year. The annual assessment calculation shall not include supplementary benefits paid which will be reimbursed by the special compensation fund. Funds obtained by assessments pursuant to this subdivision may only be used for the purposes of this chapter. The trustees shall certify to the commissioner the collection and receipt of all money from assessments, noting any delinquencies. The trustees shall take any action deemed appropriate to collect any delinquent assessments."

Re number subsequent sections

Correct internal cross-references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

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 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	Bishop	Burger	Clark
Anderson, G.	Begich	Blatz	Carlson, D.	Cooper
Anderson, R.	Bennett	Boo	Carlson, L.	Dauner
Battaglia	Bertram	Brown	Carruthers	Dawkins

Dempsey	Johnson, A.	Miller	Pelowski	Solberg
Dille	Johnson, R.	Morrison	Peterson	Sparby
Dorn	Johnson, V.	Munger	Poppenhagen	Stanius
Forsythe	Kahn	Murphy	Price	Steensma
Frederick	Kalis	Nelson, C.	Pugh	Sviggum
Frerichs	Kelly	Nelson, K.	Quinn	Swenson
Girard	Kelso	Neuenschwander	Redalen	Tjornhom
Greenfield	Knickerbocker	O'Connor	Reding	Tompkins
Gruenes	Kostohryz	Ogren	Rest	Trimble
Gutknecht	Krueger	Olsen, S.	Rice	Tunheim
Hartle	Lasley	Olson, E.	Richter	Uphus
Hasskamp	Lieder	Olson, K.	Rodosovich	Valento
Haukoos	Limmer	Omman	Rukavina	Vellenga
Hausman	Long	Onnen	Runbeck	Wagenius
Heap	Lynch	Orenstein	Sarna	Waltman
Henry	Macklin	Osthoff	Schafer	Weaver
Himle	Marsh	Ostrom	Scheid	Welle
Hugoson	McDonald	Otis	Schreiber	Wenzel
Jacobs	McEachern	Ozment	Seaberg	Williams
Jaros	McGuire	Pappas	Segal	Winter
Jefferson	McPherson	Pauly	Simoneau	Spk. Vanasek
Jennings	Milbert	Pellow	Skoglund	

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

Gutknecht was excused between the hours of 2:50 p.m. and 4:00 p.m.

S. F. No. 2489 was reported to the House.

Rukavina; Carlson, D.; Vellenga and Hasskamp moved to amend S. F. No. 2489, as follows:

Page 1, after line 14, insert:

"Section 1. Minnesota Statutes 1988, section 92.46, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC CAMPGROUNDS.] (a) The director may designate suitable portions of the state lands withdrawn from sale and not reserved, as provided in section 92.45, as permanent state public campgrounds. The director may have the land surveyed and platted into lots of convenient size, and lease them for cottage and camp purposes under terms and conditions the director prescribes, subject to the provisions of this section.

(b) A lease may not be for a term more than 20 years. The lease may allow renewal, from time to time, for additional terms of no longer than 20 years each. The lease may be canceled by the commissioner 90 days after giving the person leasing the land written notice of violation of lease conditions. The lease rate shall be based on the appraised value of leased land as determined by the commissioner of natural resources and shall be adjusted by the

commissioner at the fifth, tenth, and 15th anniversary of the lease, if the appraised value has increased or decreased. For leases that are renewed in 1991 and following years, the lease rate shall be five percent of the appraised value of the leased land. The appraised value shall be the value of the leased land without any private improvements and must be comparable to similar land without any improvements within the same county. The minimum appraised value that the commissioner assigns to the leased land must be substantially equal to the county assessor's estimated market value of similar land adjusted by the assessment/sales ratio as determined by the department of revenue.

(c) By July 1, 1986, the commissioner of natural resources shall adopt rules under chapter 14 to establish procedures for leasing land under this section. The rules shall be subject to review and approval by the commissioners of revenue and administration prior to the initial publication pursuant to chapter 14 and prior to their final adoption. The rules must address at least the following:

- (1) method of appraising the property; and
- (2) determination of lease rates; and
- (3) an appeal procedure for both the appraised values and lease rates.

(d) All money received from these leases must be credited to the fund to which the proceeds of the land belong.

Notwithstanding section 16A.125 or any other law to the contrary, 50 percent of the money received from the lease of permanent school fund lands leased pursuant to this subdivision shall be deposited into the permanent school trust fund. However, in fiscal years 1987, 1988, 1989, 1990, 1991, and 1992, the money received from the lease of permanent school fund lands that would otherwise be deposited into the permanent school fund is hereby appropriated to survey, appraise, and pay associated selling costs of lots as required in section 92.67, subdivision 3. The money appropriated may not be used to pay the cost of surveying lots not scheduled for sale. Any money designated for deposit in the permanent school fund that is not needed to survey, appraise, and pay associated selling costs of lots, as required in section 92.67, shall be deposited in the permanent school fund. The commissioner shall add to the appraised value of any lot offered for sale the costs of surveying, appraising, and selling the lot, and shall first deposit into the permanent school fund an amount equal to the costs of surveying, appraising, and selling any lot paid out of the permanent school fund. Any remaining money shall be deposited into any other contributing funds in proportion to the contribution from each fund. In no case may the commissioner add to the appraised value of any lot offered for sale an amount more than \$700 for the costs of surveying and appraising the lot.

Sec. 2. Minnesota Statutes 1988, section 92.67, subdivision 1, is amended to read:

Subdivision 1. [SALE REQUIREMENT.] Notwithstanding section 92.45 or any other law, at the request of a lessee or as otherwise provided in this section, the commissioner of natural resources shall sell state property bordering public waters that is leased for the purpose of a private cabin under section 92.46. Requests for sale must be made prior to December 31, 1992, and the commissioner shall complete all requested sales and sales arising from those requests by December 31, 1993, subject to subdivision 3, clause (d). The sale shall be made in accordance with laws providing for the sale of trust fund land except as modified by the provisions of this section. In 1990 and 1991 a request for sale may be withdrawn by a lessee at any time more than ten days before the day set for a sale. Property withdrawn from sale by its lessee is not subject to sale under this section until the lessee makes another request. Property withdrawn from sale shall continue to be governed by other law.

Sec. 3. Minnesota Statutes 1988, section 92.67, subdivision 4, is amended to read:

Subd. 4. [TIMING OF SALES.] (a) The commissioner shall offer lakeshore cabin site lots for sale pursuant to written request and in accordance with the following schedule:

(1) as to requests received before January 1, 1988, the sale shall be held not later than by October 31, 1988, if possible. However, if a lot is not offered for sale by that date, the lot shall be offered for sale at the next sale in the next year;

(2) as to requests received each calendar year after December 31, 1987, the sale shall be held in June, July, or August of the year after the request is received;

(3) notwithstanding clause (2), the commissioner may offer a lot for sale in the year the request is received if the commissioner will offer for sale in that year other lots platted with the late requested lot;

(4) notwithstanding clause (2), if more than 50 percent of the lessees in a platted area request by December 31 of a calendar year that their lots be offered for sale, the commissioner shall offer for sale at one time during June, July, or August of the following year all lots in a platted area. If a lessee, whose lot is located in a plat where more than 50 percent of the lessees request that their lots be offered for sale, requests in writing that the lessee's lot not be offered for sale, the commissioner may not offer the lot for sale until 1993; and

(5) lots that are unsold for any reason at the end of 1993 shall be offered for sale in increments over a period of five years beginning in 1994. Lots that are unsold for any reason at the end of 1998 shall be offered for sale in 1999 and each year thereafter until sold.

(b) Lots not sold the first year offered may be reoffered in a succeeding year, following reappraisal if it is determined necessary by the commissioner.

(c) If a person other than the lessee purchases the leased lakeshore cabin site, the purchaser must make payment in full to the lessee, in the manner provided in section 92.06, subdivision 4, for the appraised value of any improvements. Failure of a successful bidder to comply with this provision voids the sale and the property may be reoffered for sale as provided in section 92.06, subdivision 4."

Page 10, line 21, delete "Sections 1 to 10 are" and insert "This act is"

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 2, after "lands;" insert "regulating certain leases and sales;"

Page 1, line 13, after "834" insert "; amending Minnesota Statutes 1988, sections 92.46, subdivision 1; and 92.67, subdivisions 1 and 4"

A roll call was requested and properly seconded.

Kahn moved to amend the Rukavina et al amendment to S. F. No. 2489, as follows:

In the Rukavina amendment, page 3, line 21, delete "and 1991"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 21 yeas and 93 nays as follows:

Those who voted in the affirmative were:

Abrams	Johnson, A.	Miller	Osthoff	Welle
Bauerly	Kahn	Munger	Scheid	
Carlson, L.	Knickerbocker	Nelson, K.	Skoglund	
Dawkins	McEachern	Olsen, S.	Stanius	
Greenfield	Milbert	Onnen	Vellenga	

Those who voted in the negative were:

Anderson, R.	Girard	Kostohryz	Orenstein	Schafer
Battaglia	Gruenes	Krueger	Ostrom	Schreiber
Begich	Hasskamp	Lasley	Otis	Seaberg
Bennett	Haukoos	Lieder	Ozment	Solberg
Bertram	Hausman	Limmer	Pappas	Steensma
Bishop	Heap	Lynch	Pellow	Svigum
Blatz	Henry	Macklin	Pelowski	Swenson
Boo	Himle	Marsh	Poppenhagen	Tjornhom
Brown	Hugoson	McDonald	Price	Tompkins
Burger	Jacobs	McGuire	Pugh	Trimble
Carlson, D.	Janezich	McPherson	Quinn	Tunheim
Carruthers	Jaros	Morrison	Redalen	Uphus
Clark	Jefferson	Murphy	Reding	Waltman
Cooper	Jennings	Nelson, C.	Rest	Wenzel
Dauner	Johnson, R.	Neuenschwander	Richter	Williams
Dempsey	Johnson, V.	Ogren	Rodosovich	Winter
Dorn	Kalis	Olson, E.	Rukavina	Spk. Vanasek
Forsythe	Kelso	Olson, K.	Runbeck	
Frederick	Kinkel	Omann	Sarna	

The motion did not prevail and the amendment to the amendment was not adopted.

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

Lasley moved to amend the Rukavina et al amendment to S. F. No. 2489, as follows:

Page 1, line 23, delete "five" and insert "eight"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 17 yeas and 97 nays as follows:

Those who voted in the affirmative were:

Abrams	Heap	Lasley	Osthoff	Vellenga
Anderson, G.	Kahn	Nelson, K.	Scheid	
Bauerly	Kalis	Olsen, S.	Simoneau	
Greenfield	Knickerbocker	Onnen	Skoglund	

Those who voted in the negative were:

Anderson, R.	Frerichs	Krueger	Otis	Seaberg
Battaglia	Girard	Lieder	Ozment	Solberg
Begich	Gruenes	Limmer	Pappas	Sparby
Bennett	Hartle	Lynch	Pauly	Stanius
Bishop	Hasskamp	Macklin	Pellow	Steensma
Blatz	Haukoos	Marsh	Pelowski	Sviggum
Boo	Hausman	McDonald	Peterson	Swenson
Brown	Henry	McGuire	Price	Tjornhom
Burger	Himle	McPherson	Pugh	Tompkins
Carlson, D.	Hugoson	Milbert	Redalen	Trimble
Carlson, L.	Jacobs	Morrison	Reding	Uphus
Carruthers	Janezich	Murphy	Rest	Valento
Clark	Jaros	Nelson, C.	Rice	Waltman
Cooper	Jennings	Neuenschwander	Richter	Weaver
Dauner	Johnson, A.	O'Connor	Rodosovich	Wenzel
Dawkins	Johnson, R.	Olson, E.	Rukavina	Winter
Dempsey	Johnson, V.	Olson, K.	Runbeck	Spk. Vanasek
Dille	Kelly	Omann	Sarna	
Dorn	Kinkel	Orenstein	Schafer	
Frederick	Kostohryz	Ostrom	Schreiber	

The motion did not prevail and the amendment to the amendment was not adopted.

McEachern and Munger moved to amend the Rukavina et al amendment to S. F. No. 2489, as follows:

Pages 3 and 4, delete sections 2 and 3, and insert:

“Sec. 2. [REPEALER.]

Minnesota Statutes 1988, section 92.67, is repealed.”

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 26 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Bauerly	Kelso	Nelson, K.	Segal	Welle
Bertram	Knickerbocker	Olson, K.	Simoneau	Winter
Dawkins	Lasley	Osthoff	Skoglund	
Jacobs	McEachern	Rice	Stanius	
Kahn	McGuire	Runbeck	Steensma	
Kalis	Munger	Scheid	Tunheim	

Those who voted in the negative were:

Abrams	Blatz	Carlson, L.	Dille	Girard
Anderson, R.	Boo	Carruthers	Dorn	Gruenes
Battaglia	Brown	Clark	Forsythe	Hartle
Begich	Burger	Cooper	Frederick	Haukoos
Bennett	Carlson, D.	Dauner	Frerichs	Hausman

Heap	Lieder	Olsen, S.	Quinn	Tjornhom
Henry	Limmer	Olson, E.	Redalen	Tompkins
Himle	Lynch	Omamm	Reding	Trimble
Hugoson	Macklin	Onnen	Rest	Uphus
Janezich	Marsh	Orenstein	Richter	Valento
Jaros	McDonald	Ostrom	Rukavina	Wagenius
Jefferson	McPherson	Pappas	Sarna	Waltman
Jennings	Milbert	Pauly	Schafer	Weaver
Johnson, A.	Morrison	Pellow	Schreiber	Wenzel
Johnson, R.	Murphy	Pelowski	Seaberg	
Johnson, V.	Nelson, C.	Peterson	Solberg	
Kinkel	Neuenschwander	Poppenhagen	Sviggum	
Krueger	O'Connor	Pugh	Swenson	

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Rukavina et al amendment and the roll was called. There were 108 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frerichs	Lasley	Orenstein	Seaberg
Battaglia	Girard	Lieder	Ostrom	Solberg
Begich	Gruenes	Limmer	Otis	Sparby
Bennett	Hartle	Long	Ozment	Stanius
Bertram	Hasskamp	Lynch	Pappas	Steensma
Bishop	Haukoos	Macklin	Pauly	Sviggum
Blatz	Hausman	Marsh	Pellow	Swenson
Boo	Heap	McDonald	Pelowski	Tjornhom
Brown	Henry	McGuire	Peterson	Tompkins
Burger	Himle	McPherson	Poppenhagen	Trimble
Carlson, D.	Hugoson	Milbert	Price	Uphus
Carlson, L.	Jacobs	Morrison	Pugh	Valento
Carruthers	Janezich	Munger	Quinn	Vellenga
Clark	Jaros	Murphy	Redalen	Wagenius
Cooper	Jefferson	Nelson, C.	Reding	Waltman
Dauner	Jennings	Neuenschwander	Rest	Weaver
Dawkins	Johnson, A.	O'Connor	Richter	Wenzel
Dempsey	Johnson, R.	Ogren	Rodosovich	Williams
Dille	Johnson, V.	Olson, E.	Rukavina	Winter
Dorn	Kelly	Olson, K.	Runbeck	Spk. Vanasek
Forsythe	Kinkel	Omamm	Sarna	
Frederick	Krueger	Onnen	Schafer	

Those who voted in the negative were:

Abrams	Kelso	Olsen, S.	Simoneau
Bauerly	Knickerbocker	Osthoff	Skoglund
Kahn	McEachern	Scheid	Tunheim
Kalis	Nelson, K.	Schreiber	Welle

The motion prevailed and the amendment was adopted.

Poppenhagen moved to amend S. F. No. 2489, as amended, as follows:

Page 10, after line 19, insert:

"Sec. 11. [PRIVATE SALE OF TAX-FORFEITED LAND; BECKER COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.241, the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Becker county, on behalf of the state, shall convey by private sale the tax-forfeited land described in paragraph (c).

(b) The land described in paragraph (c) must be sold by private sale to Gary E. and Margaret J. Hukee of Lake Elmo, Minnesota. The attorney general shall prepare appropriate instruments of conveyance with a precise description of all land subject to this section. The conveyance must be for a consideration of taxes due on the property, any special assessments reinstated under Minnesota Statutes, section 282.251, and any penalties, interest, and costs, under the terms provided for repurchase in Minnesota Statutes, section 282.261, subdivisions 1, 2, and 4.

(c) The land that may be conveyed is located in Becker county, is designated as tax parcel 33-0015-000, and is described as:

(1) the Northeast Quarter of the Southwest Quarter of Section 3, Township 139 North, Range 38 West;

(2) the Southeast Quarter of the Northeast Quarter of Section 3, Township 139 North, Range 38 West; and

(3) the West One-Half of the Northeast Quarter of Section 3, Township 139 North, Range 38 West;

(4) less that portion taken for highway purposes.

(d) Mr. and Mrs. Hukee, due to mistake and severe medical and employment difficulties, failed to pay the taxes. Becker county finds that the property would be put to better use if returned to private ownership."

Page 10, line 20, delete "11" and insert "12"

Page 10, line 21, delete "10" and insert "11"

Amend the title as follows:

Page 1, line 13, before the period insert "; authorizing private sale of certain tax-forfeited land in Becker county"

The motion prevailed and the amendment was adopted.

Anderson, R., and Rukavina moved to amend S. F. No. 2489, as amended, as follows:

Page 10, after line 19, insert:

“Section 11. [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.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Speaker pro tempore Rodosovich called Quinn to the Chair.

Carlson, D., moved to amend S. F. No. 2489, as amended, as follows:

Page 10, after line 19, insert:

"Sec. 11. [SALE OF TAX-FORFEITED LAND; PINE COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 282.018, Pine county may sell the tax-forfeited lands bordering public waters that are described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general.

(c) The lands that may be conveyed are located in Pine county and are described as follows:

(1) In Windemere township, Lots 56, 57, and 58 on Sturgeon Island, Section 16, Township 45 North, Range 19 West;

(2) In the city of Willow River:

(i) Rearrangement of Auditor's Subdivision, Part of Lot 4, less the following: Commencing at the southeasterly corner of Lot 2, Block 2, Townsite of Willow River, running thence easterly on prolongation of southerly line of said Lot 2 150 feet to East bank of the creek running through said Auditor Lot 4, thence southerly along East bank of creek to South line of Section 2, Township 44 North, Range 20 West, thence westerly along said South line to point of intersection with easterly line of Willow Street in Townsite of Willow River thence northerly along East line of Willow Street 304.5 feet, more or less, to Southwest corner of Auditor Lot 6 thence easterly 150 feet to prolongation of easterly line of said Auditor Lot 6 thence northerly 119 feet to point of beginning. Rearrangement of Auditor's Subdivision of Section 2, Township 44 North, Range 20 West; and

(ii) Part of Lot 15, viz: Beginning at the Northeast corner of Lot 4, Block 2, Townsite of Willow River, thence along North line of Lot 15, Rearrangement of Auditor's Subdivision of Section 2, Township 44 North, Range 20 West, to Creek, South along Creek approximately 75 feet, thence westerly to Southeast corner of Lot 4, Block 2, Townsite of Willow River and East 75 feet to point of beginning, Rearrangement of Auditor's Subdivision of Section 2, Township 44 North, Range 20 West.

(3) In Windemere township, Part of Government Lot 8 viz:

Beginning at a point on the South line 1336.15 feet West of the Southeast corner thereof, thence to the right an angle of 77 degrees, 27 minutes, for a distance of 406.12 feet, more or less, to shore of Sand Lake, thence southwesterly on shore 620 feet, more or less, to South line of Lot 8, thence East 568.44 feet, more or less, to point of beginning, less 1.22 acres to Vogel and 0.37 acre to Lund and less 0.24 acre to Lund; all in Section 6, Township 45 North, Range 19 West.

(4) In Windemere township, Part of East 50 feet of West 100 feet of Government Lot 8 lying North of a line described as follows: Beginning at a point on West boundary line of Lot 8, which is 1742 feet North of the Southwest corner of Section 4, Township 45 North, Range 19 West, measured along West boundary line thence northeasterly forming an angle of 53 degrees 21 minutes with West boundary line 124.6 feet, more or less, to point 100 feet East of West boundary line measured at right angles thereto on East line of land.

(d) The county has determined that the county's land management interests would best be served if the lands were privately owned."

Page 10, line 21, delete "10" and insert "11"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2489, 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; authorizing the sale of certain wildlife land in Washington county to independent school district No. 834.

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

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

H. F. No. 1854 was reported to the House.

Pugh moved to amend H. F. No. 1854, the first engrossment, as follows:

Page 1, after line 16, insert:

“Section 1. Minnesota Statutes 1988, section 287.01, is amended by adding a subdivision to read:

Subd. 4. [DECREE OF MARRIAGE DISSOLUTION.] “Decree of marriage dissolution” includes a summary real estate disposition judgment or an instrument made pursuant to it.”

Re-number the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 10, delete “section” and insert “sections 287.01, by adding a subdivision;”

The motion prevailed and the amendment was adopted.

H. F. No. 1854, 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, sections 287.01, by adding a subdivision; 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.

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

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

The Speaker resumed the Chair.

H. F. No. 2599, A bill for an act relating to retirement; Minneap-

olis 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; Minnesota Statutes 1989 Supplement, section 356.215, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 422A.

The bill was read for the third 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	Krueger	Osthoff	Simoneau
Anderson, G.	Greenfield	Lieder	Ostrom	Skoglund
Anderson, R.	Gruenes	Limmer	Otis	Solberg
Battaglia	Gutknecht	Long	Ozment	Sparby
Bauerly	Hartle	Lynch	Pappas	Stanius
Begich	Hasskamp	Macklin	Pauly	Steensma
Bennett	Haukoos	Marsh	Pellow	Swiggum
Bertram	Hausman	McDonald	Pelowski	Swenson
Bishop	Heap	McEachern	Peterson	Tjornhom
Blatz	Henry	McGuire	Poppenhagen	Tompkins
Boo	Himle	McPherson	Pugh	Trimble
Brown	Hugoson	Milbert	Quinn	Tunheim
Burger	Jacobs	Morrison	Redalen	Uphus
Carlson, D.	Janezich	Munger	Reding	Valento
Carlson, L.	Jaros	Murphy	Rest	Vellenga
Carruthers	Jefferson	Nelson, C.	Rice	Wagenius
Clark	Jennings	Nelson, K.	Richter	Waltman
Cooper	Johnson, A.	Neuenschwander	Rodosovich	Weaver
Dauner	Johnson, V.	O'Connor	Rukavina	Welle
Dawkins	Kahn	Ogren	Runbeck	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	
Frerichs	Kostohryz	Orenstein	Segal	

The bill was passed and its title agreed to.

SUSPENSION OF RULES

Quinn moved that the rules be so far suspended that the comparison report on S. F. No. 2018 and H. F. No. 2005 be reported at this time. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 2018 and H. F. No. 2005, which had been referred to the

Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Quinn moved that the rules be so far suspended that S. F. No. 2018 be substituted for H. F. No. 2005 and that the House File be indefinitely postponed. The motion prevailed.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Quinn moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2018 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Quinn moved that the Rules of the House be so far suspended that S. F. No. 2018 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2018 was read for the second time.

Quinn moved to amend S. F. No. 2018, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 297A.01, subdivision 16, is amended to read:

Subd. 16. [CAPITAL EQUIPMENT.] Capital equipment means machinery and equipment and the materials and supplies necessary to construct or install the machinery or equipment. To qualify under this definition the capital equipment must be used by the purchaser or lessee for manufacturing, fabricating, or refining a product to be sold at retail and must be used for the establishment of a new or the physical expansion of an existing manufacturing, fabricating, or refining facility in the state. Capital equipment does not include (1) machinery or equipment purchased or leased to replace machinery or equipment performing substantially the same function in an existing facility; or (2) repair or replacement parts; or (3) machinery or equipment used to extract, receive, or store raw materials.

Sec. 2. 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. 3. Minnesota Statutes 1989 Supplement, section 299L.03, is amended by adding a subdivision to read:

Subd. 10. [FINGERPRINTING.] The director may require that any: (1) licensee under sections 349.11 to 349.23, (2) employee of such a licensee, or (3) shareholder or officer of such a licensee be fingerprinted by the director, or otherwise submit to fingerprinting in a form and manner acceptable to the director.

Sec. 4. [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. 5. 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 and video pull-tab device memory chips.

Sec. 6. 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. 7. 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 organization designed to assist 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 organization designed to assist 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) 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

(10) 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 uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; or (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value; 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. 8. 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. 9. 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, video pull-tab device memory chips, paddle-wheels, and tipboards.

Sec. 10. Minnesota Statutes 1988, section 349.12, subdivision 18, is amended to read:

Subd. 18. [DEAL.] "Deal" means each separate package, or series of packages, consisting of one game of pull-tabs or tipboards with the same serial number. "Deal" also includes a video pull-tab device memory chip.

Sec. 11. 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. 12. 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. 13. 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. 14. 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. 15. 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. 16. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 34. [FLARE.] "Flare" is the posted display, with registration stamp affixed, that sets forth the rules of a particular game of pull-tabs or tipboards, and that is associated with a specific deal of pull-tabs or grouping of tipboards.

Sec. 17. 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. 18. Minnesota Statutes 1989 Supplement, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) 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.

Sec. 19. 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. 20. 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. 21. 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. 22. [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. 23. 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. 24. 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 (1) involved directly in the operation conduct of lawful gambling ~~conducted~~ by an organization; (2) keep or assist in the keeping of an organization's financial records, accounts, and inventories; or (3) prepare or assist in the preparation of tax forms and other reporting forms required to be submitted to the state 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.

(f) No distributor or any representative, agent, affiliate, or employee of a distributor may: (1) recruit a person to become a gambling manager of an organization or identify to an organization a person as a candidate to become gambling manager for the organization; or (2) identify for an organization a potential gambling location.

(g) No distributor may purchase gambling equipment from any person not licensed as a manufacturer under section 349.163.

(h) No distributor may sell gambling equipment to any person in Minnesota other than (i) a licensed organization or organization exempt from licensing, or (ii) the governing body of an Indian tribe.

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, and 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. No person other than an employee of a licensed distributor shall make any sales on behalf of a licensed distributor.

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. 25. [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.

A video pull-tab device wholesaler's license may not be issued to any person licensed as a distributor under section 349.161.

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. 26. 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) From January 1, 1991, to June 30, 1992, no distributor, organization, or other person may sell a pull-tab which is not clearly marked "For Sale in Minnesota Only."

(c) On and after July 1, 1992, no distributor, organization, or other person may sell a pull-tab which is not clearly marked "Manufactured in Minnesota 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.

Subd. 7. [REMOVAL OF EQUIPMENT FROM INVENTORY.] Authorized employees of the division, the division of gambling enforcement of the department of public safety, and the commissioner of revenue may remove gambling equipment from the inventories of distributors and organizations and test that equipment to determine its compliance with all applicable laws and rules. A distributor or organization may return to the manufacturer thereof any gambling equipment which is determined to be in violation of law or rule. The cost to an organization of gambling equipment removed from inventory under this paragraph and found to be in compliance with all applicable law and rules is an allowable expense under section 349.15.

Sec. 27. 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, 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. 1b. [APPLICATIONS; INFORMATION.] An applicant for a manufacturer's license must list on the license application the names and addresses of all subsidiaries, affiliates, and branches in which the applicant has any form of ownership or control, in whole or in part, without regard to whether the subsidiary, affiliate, or branch does business in Minnesota.

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;

(3) on and after January 1, 1991, sell to any person in Minnesota a pull-tab on which the manufacturer has not clearly printed the words "For Sale in Minnesota Only;" or

(4) on and after January 1, 1991, sell to any person inside or outside the state, including the governing body of any Indian tribe, other than a Minnesota licensed distributor, a pull-tab marked "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.

(c) On and after July 1, 1992, all pull-tabs sold by a licensed manufacturer to a person in Minnesota must (1) be manufactured within Minnesota, and (2) be clearly marked with the words "Manufactured in Minnesota For Sale in Minnesota Only." A manufacturer may not place the words required in this paragraph on any pull-tab not manufactured in Minnesota.

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) 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.

(b) The flare of each deal of pull-tabs and tipboards sold by a manufacturer in Minnesota must have the Minnesota gambling stamp affixed. The flare, with the stamp affixed, must be placed inside the wrapping of the deal which the flare describes.

(c) Each pull-tab and tipboard flare must bear the following statement, printed in letters large enough to be clearly legible:

"Pull-tab or tipboard purchasers—This pull-tab or tipboard game is not legal in Minnesota unless:

—a Minnesota gambling stamp is affixed to this sheet, and

—the serial number handwritten on the gambling stamp is the same as the serial number printed on this sheet, and on the pull-tab ticket or tipboard you have purchased."

(d) The flare of each pull-tab and tipboard game must bear the serial number of the game, printed in numbers at least one-half inch high.

(e) The flare of each pull-tab and tipboard game must be im-
printed at the bottom with a bar code which provides:

- (1) the name of the game;
- (2) the serial number of the game;
- (3) the name of the manufacturer;
- (4) the number of tickets or tipboards in the deal;
- (5) the odds of winning each prize in the deal; and
- (6) any other information the board by rule requires.

The serial number included in the bar code must be the same as the serial number of the tickets or tipboards included in the deal. A

manufacturer who manufactures a deal of pull-tabs or tipboards must affix to the outside of the box containing that game the same bar code which is imprinted at the bottom of a flare for that deal.

(f) No person may alter the bar code which appears on the outside of a box containing a deal of pull-tabs or tipboards. Possession of a box containing a deal of pull-tabs or tipboards which has a bar code different from the bar code of the deal inside the box is prima facie evidence that the possessor has altered the bar code on the box.

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. 28. 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. [REVOCATION 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. 29. [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.

Subd. 4. [IDENTIFICATION OF PREMISES.] No organization may seek or accept assistance from a manufacturer or distributor, or a representative, agent, affiliate, or employee of a manufacturer or distributor, in identifying potential locations for gambling conducted by the organization.

Sec. 30. [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.

(b) If the organization fails to file a timely report as required by paragraph (a), 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.

(c) Merchandise prizes must be valued at their fair market value.

(d) 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.

(e) 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. 31. [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.

Subd. 7. [RECRUITMENT OF GAMBLING MANAGERS.] No organization may seek or accept assistance from a manufacturer or distributor, or a representative, agent, affiliate, or employee of a manufacturer or distributor, in identifying or recruiting candidates to become a gambling manager for the organization.

Sec. 32. [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. 33. [349.169] [FILING OF PRICES.]

Subdivision 1. [FILING REQUIRED.] All manufacturers and distributors must file with the director, not later than the first day of each month, the prices at which the manufacturer or distributor will sell all gambling equipment in that month. The filing must be on a form the director prescribes. Prices filed must include all charges the manufacturer or distributor makes for each item of gambling equipment sold, including all volume discounts, exclusive of transportation costs. All filings are effective on the first day of the month for which they are filed, except that a manufacturer or distributor may amend a filed price within five days of filing it.

Subd. 2. [COPIES.] The director shall provide copies of price filings to any person requesting them, and may charge a reasonable fee for the copies. Any person may examine price filings in the division office at no cost, and the director shall make the filings available for that purpose.

Subd. 3. [SALES AT FILED PRICES.] No manufacturer may sell to a distributor, and no distributor may sell to an organization, any gambling equipment for any price other than a price the manufacturer or distributor has filed with the director under subdivision 1, exclusive of transportation costs.

Sec. 34. 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 1½ 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. 35. [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. 36. [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, (1) the price of each chance, (2) the percentage of total chances on the chip that are winning chances, (3) the number of free games or credits awarded for each successful chance, (4) the words "For Sale in Minnesota Only," and (5) the serial number of the memory chip driving the device. 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. 37. [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. 38. [349.175] [PULL-TABS; DEADLINE FOR USE.]

A deal of pull-tabs or tipboards received by an organization before September 1, 1989, must be put into play by that organization before September 1, 1990, unless the deal bears a serial number which allows the deal to be traced back to its manufacturer and to the distributor who sold it to the organization. An organization in possession on and after September 1, 1990, of a deal of pull-tabs or tipboards the organization received before September 1, 1989, may not put such a deal in play but must remove it from the organization's inventory and return it to the manufacturer.

Sec. 39. 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 an 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.] (a) An organization may not pay rent to itself or to any of its affiliates for use of space for conducting lawful gambling.

(b) An organization may not pay rent for space for conducting lawful gambling from any account or fund other than the organization's separate gambling account.

Sec. 40. 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 3½ 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 3½ years.

Subd. 11. [INFORMATION MADE PART OF ORGANIZATION MINUTES.] A licensed organization which receives a copy of a written audit under subdivision 9, or an audit or compliance report prepared by an agency of the state, must place the audit report or

compliance report in the minutes of the next meeting of the organization following receipt of the report. Copies of such minutes must be made available to all members of the organization.

Sec. 41. 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. 42. 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 distributor to the organization, to a common carrier for delivery to the organization, or when received by the organization's representative at the distributor's place of business, regardless of the distributor'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.

(e) A distributor reporting the sale of any deal of pull-tabs to the commissioner of revenue must include in the report a duplicate bar code for that deal.

Sec. 43. 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. 44. 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. 45. 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 3½ 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 3½ 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. 46. 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. 47. 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. 48. 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. 49. 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. 50. 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. 51. 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. 52. Minnesota Statutes 1988, section 349.31, is amended to read:

349.31 [GAMBLING DEVICE; POSSESSION OF.]

Subdivision 1. [INTENTIONAL POSSESSION; WILLFUL KEEP-

ING.] 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. 53. 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. 54. 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. 55. 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. 56. 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. 57. 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. 58. 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. 59. 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. 60. 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. 61. [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. 62. 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. Subject to the provisions of section 43A.18, subdivision 1, 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. 63. 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 principally 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. 64. 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. 65. [REPORT.]

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. [STEARNS COUNTY; SPECIAL LEVY.]

For taxes levied in 1990, payable in 1991 only, Stearns county may levy a tax in an amount not to exceed \$109,000 to cover the cost of the investigation of criminal activity connected with a kidnapping. The levy under this section is not subject to the limitations of Minnesota Statutes, sections 275.50 to 275.56.

Sec. 67. [MILLE LACS COUNTY; SPECIAL LEVY.]

For taxes levied in 1990, payable in 1991 only, Mille Lacs county may levy an amount equal to the expenditures from reserve funds used in 1990 to pay social service costs. The county must provide evidence to the commissioner of revenue that expenditures from reserve funds were made for this purpose. This levy may not exceed \$694,000. This levy is not subject to the levy limitations in Minnesota Statutes, section 275.50 to 275.56.

Sec. 68. [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.

Sec. 69. [EFFECTIVE DATE.]

Sections 5, 6, 9, 11, 15, 25, 36, 41, 42, 44, 45, 46, and 64 are effective the day following final enactment. Sections 29, 31, 32, 60, 63, and 68, paragraph (b), are effective January 1, 1991.

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 establish incentive plans for state lottery employees; repealing video games of chance regulating provisions on January 1, 1992; abolishing lawful gambling on July 1, 1993; amending Minnesota Statutes 1988, sections 297A.01, subdivision 16; 349.12, subdivisions 10, 18, 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 subdivisions; 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; and 349A.02, subdivision 5; 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 349.14; 349.214, subdivisions 1, 1a, 3, and 4; Minnesota Statutes 1989 Supplement, sections 349.151, subdivisions 1, 2, 4, 4a, and 5; 349.152; 349.20; and 349.21; Minnesota Statutes Second 1989 Supplement, section 349.214, subdivision 2.”

The motion prevailed and the amendment was adopted.

Quinn moved to amend S. F. No. 2018, as amended, as follows:

Page 15, line 25, after “for” insert “(1)”

Page 15, line 26, after “rule” insert “or (2) a conviction in another jurisdiction for a criminal violation that is related to gambling, or that would be a felony or gross misdemeanor if committed in Minnesota”

Page 15, line 29, after “may” insert “(1)”

Page 15, line 32, after “filed” insert “; and (2) summarily suspend for not more than 90 days any license issued by the board or director for what the board determines are actions detrimental to the integrity of lawful gambling in Minnesota”

The motion prevailed and the amendment was adopted.

Quinn moved to amend S. F. No. 2018, as amended, as follows:

Page 5, line 22, after “community” insert “, subject to rules of the board”

Page 11, after line 25, insert a section to read:

“Sec. 19. Minnesota Statutes 1988, section 349.151, is amended by adding a subdivision to read:

Subd. 7. [RULES ON CERTAIN LAWFUL PURPOSE EXPENDITURES.] The board shall adopt rules authorizing expenditures of

net profits by organizations which carry out the purposes of section 349.12, subdivision 11, paragraph (a), clause 6. The rules must specify those activities on which net profits may be expended under that clause, and may specify specific dollar amounts which may be expended on each such activity. The rules must provide that any expenditure for those purposes not specifically authorized by the rules must be approved in advance by the board."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 29, after "subdivisions;" insert "349.151, by adding a subdivision;"

A roll call was requested and properly seconded.

Kelly moved to amend the Quinn amendment to S. F. No. 2018, as amended, as follows:

Page 1, line 11 of the Quinn amendment, before the period insert "with input from the affected organizations"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Quinn amendment, as amended, and the roll was called. There were 46 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abrams	Himle	Lynch	Ozment	Skoglund
Anderson, G.	Jacobs	Munger	Pappas	Solberg
Bennett	Janezich	Murphy	Price	Stanius
Blatz	Jaros	Nelson, C.	Pugh	Vellenga
Carlson, D.	Kahn	Nelson, K.	Quinn	Wagenius
Carruthers	Kelly	Ogren	Rice	Spk. Vanasek
Clark	Kostohryz	Olson, K.	Rodosovich	
Dawkins	Lasley	Orenstein	Rukavina	
Greenfield	Lieder	Osthoff	Scheid	
Hausman	Long	Otis	Simoneau	

Those who voted in the negative were:

Anderson, R.	Brown	Dille	Gruenes	Henry
Battaglia	Burger	Dorn	Gutknecht	Hugoson
Bauerly	Carlson, L.	Forsythe	Hartle	Jennings
Begich	Cooper	Frederick	Hasskamp	Johnson, A.
Bertram	Dauner	Frerichs	Haukoos	Johnson, R.
Boo	Dempsey	Girard	Heap	Johnson, V.

Kalis	Milbert	Pelowski	Schreiber	Uphus
Kelso	Morrison	Peterson	Seaberg	Valento
Kinkel	Neuenschwander	Poppenhagen	Segal	Waltman
Knickerbocker	O'Connor	Redalen	Sparby	Weaver
Krueger	Olsen, S.	Reding	Steensma	Welle
Limmer	Omann	Rest	Sviggum	Wenzel
Macklin	Onnen	Richter	Swenson	Williams
Marsh	Ostrom	Runbeck	Tjornhom	Winter
McDonald	Pauly	Sarna	Tompkins	
McPherson	Pellow	Schafer	Tunheim	

The motion did not prevail and the amendment, as amended, was not adopted.

Quinn moved to amend S. F. No. 2018, as amended, as follows:

Page 3, line 2, after the comma insert "except a violation relating only to taxation,"

Page 3, line 2, after "division" insert "rather than any other state department, agency, or office,"

The motion prevailed and the amendment was adopted.

Quinn moved to amend S. F. No. 2018, as amended, as follows:

Delete sections 6, 10, 11, 15, 25, 36, 41, 42, 44, 45, 46, and 65

Re-number the remaining sections

Correct internal cross references

Page 7, line 32, delete "video pull-tab devices, video pull-tab"

Page 7, line 33, delete the new language

Page 17, line 31, delete the new language

Page 17, delete lines 32 and 33

Page 18, delete lines 4 to 6

Page 20, delete lines 22 to 25

Page 24, delete lines 15 to 18

Page 25, line 6, delete everything after "349.161" and insert a period

Page 41, line 6, delete everything after "pull-tabs"

Page 41, line 7, delete everything through "device"

Page 66, delete lines 25 and 26

Page 69, line 23, delete "5," and delete "11, 15, 25, 36, 41, 42, 44, 45, 46"

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Quinn amendment and the roll was called. There were 76 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Himle	Macklin	Pelowski	Steensma
Anderson, R.	Jacobs	McEachern	Peterson	Tjornhom
Battaglia	Janezich	McGuire	Price	Trimble
Begich	Jaros	Milbert	Pugh	Tunheim
Brown	Jefferson	Munger	Quinn	Uphus
Burger	Johnson, A.	Murphy	Rest	Vellenga
Carlson, D.	Johnson, R.	Nelson, C.	Rice	Wagenius
Carlson, L.	Kalis	Nelson, K.	Richter	Weaver
Carruthers	Kelso	Neuenschwander	Rodosovich	Welle
Clark	Kinkel	O'Connor	Rukavina	Wenzel
Cooper	Kostohryz	Ogren	Sarna	Winter
Dauner	Krueger	Olson, E.	Segal	Spk. Vanasek
Dawkins	Lasley	Olson, K.	Simoneau	
Greenfield	Lieder	Otis	Skoglund	
Hasskamp	Limmer	Ozment	Sparby	
Hausman	Long	Pauly	Stanius	

Those who voted in the negative were:

Abrams	Frederick	Johnson, V.	Onnen	Schafer
Bennett	Frerichs	Kelly	Orenstein	Scheid
Bertram	Girard	Knickerbocker	Osthoff	Schreiber
Bishop	Gruenes	Lynch	Ostrom	Seaberg
Blatz	Gutknecht	Marsh	Pappas	Sviggum
Boo	Hartle	McDonald	Pellow	Swenson
Dempsey	Haukoos	McPherson	Poppenhagen	Tompkins
Dille	Heap	Morrison	Redalen	Valento
Dorn	Henry	Olsen, S.	Reding	Waltman
Forsythe	Hugoson	Omann	Runbeck	

The motion prevailed and the amendment was adopted.

Ogren, Quinn and Kostohryz moved to amend S. F. No. 2018, as amended, as follows:

Page 8, delete section 11 and insert:

"Sec. 11. Minnesota Statutes Second 1989 Supplement, section 349.12, subdivision 27, is amended to read:

Subd. 27. [FISCAL YEAR.] "Fiscal year 1990" means the period from October 1, 1989, to ~~June 30~~ May 31, 1990. ~~For all subsequent times, "fiscal year" means the period from July 1 to June 30.~~

Page 9, line 17, strike "50" and insert "48"

Page 9, line 17, strike "less"

Page 9, strike line 18

Pages 55 to 57, delete sections 41 and 42 and insert:

"Sec. 41. [349.2111] [SALES TAX ON LAWFUL GAMBLING.]

Subdivision 1. [IMPOSITION.] A tax is imposed on all retail sales of lawful gambling. The tax imposed by this section is in lieu of the tax imposed by sections 297A.02 and 297A.14 on retail sales of lawful gambling and all local taxes and license fees, except a fee authorized under section 349.16, subdivision 4, or a tax authorized under section 349.212, subdivision 5.

Subd. 2. [COMPUTATION.] The tax imposed under this subdivision equals the tax that would apply if the lawful gambling activity were subject to the provisions of chapter 297A, except (1) the retailer must state the tax separately from the sale price of the lawful gambling activity and (2) all records concerning administration of the tax are classified as public information.

Subd. 3. [PERMITS.] Each organization, licensed by the board to conduct lawful gambling, must file with the commissioner of revenue an application, on a form and in a manner as prescribed by the commissioner, for a gambling tax permit and identification number.

Subd. 4. [EXEMPTION.] Sales by an organization that qualifies for the exemption from licensing in section 349.214, subdivision 2, paragraph (b), are exempt from the tax imposed by this section. A distributor shall report to the commissioner the sales of pull-tabs and tipboards exempt from tax under this subdivision."

Page 60, after line 12, insert:

"Sec. 46. Minnesota Statutes 1988, section 349.2121, subdivision 6, is amended to read:

Subd. 6. [COLLECTIONS; CIVIL PENALTIES.] (1) The provisions of chapter 297A relating to the commissioner's authority to audit, assess, and collect the tax imposed by that chapter apply to the tax, penalties and interest imposed by section ~~349.212, subdivision 4~~ 349.2111. The commissioner shall impose civil penalties for violation of this section as provided in section 297A.39, and the addi-

tional tax and penalties are subject to interest at the rate provided in section 270.75.

(2) If any part of any additional assessment is due to negligence or intentional disregard of the provisions of this chapter or rules of the commissioner of revenue (but without intent to defraud), there shall be added to the tax an amount equal to ten percent of the additional assessment. The amount of the tax together with this amount shall bear interest at the rate stated in section 270.75 from the time the tax should have been paid until paid."

Page 62, after line 27, insert:

"Sec. 51. Minnesota Statutes 1989 Supplement, section 349.217, subdivision 6, is amended to read:

Subd. 6. [PENALTY FOR SALES AFTER REVOCATION, SUSPENSION, OR EXPIRATION.] A distributor or an organization who engages in, or whose representative engages in, the offering for sale, sale, transport, delivery, or furnishing of gambling equipment to a person, firm, or organization, after the distributor's license or permit has been revoked or suspended, or has expired, and until such license or permit has been reinstated or renewed, is liable for a penalty of \$1,000 for each day the distributor continues to engage in the activity. This subdivision does not apply to the transport of gambling equipment for the purpose of returning the equipment to a licensed manufacturer."

Page 69, after line 13, insert:

"Sec. 69. [REQUIRED NOTICE.]

A licensed organization that conducts lawful gambling must post at each location, for three consecutive months after the effective date of the tax imposed by section 349.2111, a notice in the following form:

"NOTICE OF CHANGE IN LAWFUL GAMBLING TAX:

Starting June 1, 1990, lawful gambling sales in Minnesota are subject to the 6 percent state sales tax which applies to other forms of entertainment.

Organizations that conduct gambling no longer pay a separate tax that has been included in the retail sales price of lawful gambling."

The information must be posted prominently at the point of sale. An easily legible separate statement of the tax, on the face of each raffle ticket, satisfies the requirement of this section."

Page 69, after line 21, insert:

“(c) Minnesota Statutes 1989 Supplement, section 349.12, subdivision 20; Minnesota Statutes Second 1989 Supplement, sections 349.12, subdivision 19; and 349.212, subdivisions 1, 2, 4, and 6, are repealed.”

Page 69, line 26, after the period insert: “Sections 41, 46, 51, and 70, paragraph (c) are effective for sales made after May 31, 1990.”

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 20, after the semicolon insert “repealing the lawful gambling tax; imposing the sales tax on lawful gambling;”

Page 1, line 31, delete “and 4a” and insert “, 4a, and 6”

Page 1, line 40, after the second semicolon, insert “349.217, subdivision 6;”

Page 1, line 43, after the first semicolon insert “and” and delete everything after the second semicolon

Page 1, line 44, delete “subdivisions 1 and 4;”

Page 2, line 3, after “sections” insert “349.12, subdivision 20;”

Page 2, line 6, delete “section” and insert “sections 349.12, subdivision 19; 349.212, subdivisions 1, 2, 4, and 6;”

A roll call was requested and properly seconded.

The question was taken on the Ogren et al amendment and the roll was called. There were 31 yeas and 94 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jaros	Munger	Otis	Vellenga
Battaglia	Jefferson	Murphy	Pappas	Wagenius
Begich	Johnson, A.	Nelson, K.	Pugh	Wenzel
Dawkins	Kahn	Ogren	Quinn	
Hasskamp	Kostohryz	Olson, K.	Rukavina	
Jacobs	McGuire	Orenstein	Scheid	
Janezich	Milbert	Osthoff	Skoglund	

Those who voted in the negative were:

Abrams	Frederick	Lieder	Pauly	Solberg
Anderson, R.	Frerichs	Limmer	Pellow	Sparby
Bauerly	Girard	Long	Pelowski	Stanius
Bennett	Gruenes	Lynch	Peterson	Steensma
Bertram	Gutknecht	Macklin	Poppenhagen	Swiggum
Bishop	Hartle	Marsh	Price	Swenson
Boo	Haukoos	McDonald	Redalen	Tjornhom
Brown	Heap	McEachern	Reding	Tompkins
Burger	Henry	McPherson	Rest	Trimble
Carlson, D.	Himle	Morrison	Rice	Tunheim
Carlson, L.	Hugoson	Nelson, C.	Richter	Uphus
Carruthers	Jennings	Neuenschwander	Rodosovich	Valento
Clark	Johnson, V.	O'Connor	Runbeck	Waltman
Cooper	Kalis	Olsen, S.	Sarna	Weaver
Dauner	Kelly	Olson, E.	Schafer	Welle
Dempsey	Kelso	Omann	Schreiber	Williams
Dille	Knickerbocker	Onnen	Seaberg	Winter
Dorn	Krueger	Ostrom	Segal	Spk. Vanasek
Forsythe	Lasley	Ozment	Simoneau	

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

Quinn moved to amend S. F. No. 2018, as amended, as follows:

Page 67, after line 24, insert:

“Sec. 63. Minnesota Statutes 1989 Supplement, section 349A.06, subdivision 4, is amended to read:

Subd. 4. [CRIMINAL HISTORY.] The director may request the director of gambling enforcement to investigate all applicants for lottery retailer contracts to determine their compliance with the requirements of subdivision 2. The director may issue a temporary contract, valid for not more than 90 days, to an applicant pending the completion of the investigation or a final determination of qualifications under this section. The director has access to all criminal history data compiled by the director of gambling enforcement on any person (1) holding or applying for a retailer contract, (2) any person holding a lottery vendor contract or who has submitted a bid on such a contract, and (3) any person applying for employment with the lottery.”

Renumber the remaining sections and correct internal references

Amend the title as follows:

Page 1, line 24, after the semicolon insert “giving lottery director access to certain criminal history data;”

Page 1, line 41, delete the second “and”

Page 1, line 41, after “5,” insert “349A.06, subdivision 4;”

The motion prevailed and the amendment was adopted.

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

The Speaker called Rodosovich to the Chair.

Solberg; Rukavina; Rice; Kinkel; Kahn; Lieder; Abrams; McEachern; Miller; Carlson, D.; Osthoff; Knickerbocker; Reding; Schafer; Johnson, V.; Begich and Bishop moved to amend S. F. No. 2018, as amended, as follows:

Page 2, after line 7, insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 240.011, is amended to read:

240.011 [DIVISION DIRECTOR OF PARI-MUTUEL RACING.]

~~Subdivision 1. [DIVISION CREATED.] A division of pari-mutuel racing is created in the department of gaming. The division is under the supervision and control of the Minnesota racing commission.~~

~~Subd. 2. [DIRECTOR OF PARI-MUTUEL RACING.] The governor shall appoint the director of pari-mutuel racing, who serves in the unclassified service at the governor's pleasure. The director must be a person qualified by experience in the administration and regulation of pari-mutuel racing to discharge the duties of the director. The governor must select a director from a list of one or more names submitted by the commission.~~

Sec. 2. Minnesota Statutes 1989 Supplement, section 240.02, subdivision 1, is amended to read:

Subdivision 1. [COMMISSION.] A Minnesota racing commission is established within the division of pari-mutuel racing with the powers and duties specified in this section. ~~Until the effective date of the first vacancy on the commission that occurs after the effective date of Laws 1989, chapter 334, including a vacancy caused by the expiration of a term,~~ The commission consists of nine members appointed by the governor with the advice and consent of the senate ~~and the commissioner of gaming as a nonvoting member. After the date of the first vacancy, the commission consists of eight members appointed by the governor with the advice and consent of the senate, plus the commissioner as a voting member.~~ Not more than five of the members may belong to the same political party. The governor shall designate the chair of the commission. Appointments by the governor are for terms of six years. An appointment to fill a vacancy in an

unexpired term is for the remainder of the term and is with the advice and consent of the senate.

Sec. 3. Minnesota Statutes 1989 Supplement, section 240.02, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS.] A member of the commission, ~~other than the commissioner,~~ must have been a resident of Minnesota for at least five years before appointment, and must have a background and experience as would qualify for membership on the commission. A member must, before taking a place on the commission, file a bond in the principal sum of \$100,000 payable to the state, conditioned upon the faithful performance of duties. No commissioner, nor any member of the commissioner's immediate family residing in the same household, may hold a license issued by the commission or have a direct or indirect financial interest in a corporation, partnership, or association which holds a license issued by the commission.

Sec. 4. Minnesota Statutes 1989 Supplement, section 240.06, subdivision 8, is amended to read:

Subd. 8. [WORK AREAS.] A class A licensee must provide at no cost to the ~~division~~ commission suitable work areas for commission members, officers, employees, and agents, including agents of the division of gambling enforcement, who are directed or requested by the commission to supervise and control racing at the licensed racetrack.

Sec. 5. Minnesota Statutes 1989 Supplement, section 240.28, is amended to read:

240.28 [CONFLICT OF INTEREST.]

Subdivision 1. [FINANCIAL INTEREST.] No person may serve on or be employed by the commission ~~or be employed by the division~~ who has an interest in any corporation, association, or partnership which holds a license from the commission or which holds a contract to supply goods or services to a licensee or at a licensed racetrack, including concessions contracts. No member or employee of the commission ~~or employee of the division~~ may own, wholly or in part, or have an interest in a horse which races at a licensed racetrack in Minnesota. No member or employee of the commission ~~or employee of the division~~ may have a financial interest in or be employed in a profession or business which conflicts with the performance of duties as a member or employee.

Subd. 2. [BETTING.] No member or employee of the commission ~~or employee of the division~~ may bet or cause a bet to be made on a race at a licensed racetrack while serving on or being employed by

the commission ~~or being employed by the division~~. No person appointed or approved by the director as a steward may bet or cause a bet to be made at a licensed racetrack during a racing meeting at which the person is serving as a steward. The commission shall by rule prescribe such restrictions on betting by its licensees as it deems necessary to protect the integrity of racing.

Subd. 3. [VIOLATION.] A violation of subdivisions 1 and 2 is grounds for removal from the commission or termination of employment. A bet made directly or indirectly by a licensee in violation of a rule made by the commission under subdivision 2 is grounds for suspension or revocation of the license."

Page 8, after line 13, insert:

"Sec. 17. Minnesota Statutes 1989 Supplement, section 349.12, subdivision 22, is amended to read:

Subd. 22. [DIRECTOR.] "Director" is the director of the division of gambling control board."

Page 10, after line 3, insert:

"Sec. 25. Minnesota Statutes 1989 Supplement, section 349.151, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The board consists of ~~six~~ seven members appointed by the governor with the advice and consent of the senate and the ~~commissioner of gaming as a voting member~~. Of the members first appointed, one is for a term expiring June 30, 1990, two are for a term expiring June 30, 1991, two are for a term expiring June 30, 1992, and ~~one is~~ two are for a term expiring June 30, 1993. After expiration of the initial terms, appointments are for four years. The board shall select one of its members, ~~other than the commissioner~~, to serve as chair. No more than three members appointed by the governor under this subdivision may belong to the same political party."

Page 12, after line 5, insert:

"Sec. 27. Minnesota Statutes 1989 Supplement, section 349.153, is amended to read:

349.153 [CONFLICT OF INTEREST.]

(a) A person may not serve on the board, be the director, or be an employee of the division board who has an interest in any corporation, association, or partnership that is licensed by the board as a distributor, manufacturer, or a bingo hall under section 349.164.

(b) A member of the board, the director, or an employee of the ~~division board~~ may not participate in the conducting of lawful gambling."

Page 23, line 5, strike "division" and insert "board"

Page 24, line 20, delete "division" and insert "board"

Page 26, line 23, strike "division" and insert "board"

Page 50, line 17, strike "division" and insert "board"

Page 54, line 4, strike "commissioner of gaming" and insert "board"

Page 67, after line 15, insert:

"Sec. 70. Minnesota Statutes 1989 Supplement, section 349A.01, subdivision 9, is amended to read:

Subd. 9. [LOTTERY.] "Lottery" is the state lottery operated by the state lottery ~~division of the department~~.

Sec. 71. Minnesota Statutes 1989 Supplement, section 349A.02, subdivision 1, is amended to read:

Subdivision 1. [DIRECTOR.] A state lottery ~~division~~ is established ~~in the department of gaming~~, under the supervision and control of the director of the state lottery appointed by the governor with the advice and consent of the senate. The governor shall appoint the first director from a list of at least three persons recommended to the governor by the governor's commission on the lottery which was appointed by the governor on December 8, 1988. The director must be qualified by experience and training to supervise the lottery. The director serves in the unclassified service.

Sec. 72. 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 lottery~~ 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 lottery~~ are in the unclassified service. At least one position in the ~~division lottery~~ must be an attorney position and the director must employ in that position an attorney to perform legal services for the ~~division lottery~~."

Page 67, line 23, strike "division" and insert "lottery"

Page 67, after line 24, insert:

"Sec. 74. Minnesota Statutes 1989 Supplement, section 349A.02, subdivision 6, is amended to read:

Subd. 6. [EMPLOYEES; BACKGROUND CHECKS.] The director shall conduct background checks, or request the director of gambling enforcement to conduct background checks, on all prospective employees who are finalists, and shall require that all employees of the ~~division~~ lottery be fingerprinted. No person may be employed by the ~~division~~ lottery who has been convicted of a felony or a crime involving fraud or misrepresentation within five years of starting employment with the division, or has ever been convicted of a gambling-related offense. The director has access to all criminal history data compiled by the the division of gambling enforcement on employees and prospective employees of the lottery. The director may employ necessary persons pending the completion of a background check.

Sec. 75. Minnesota Statutes 1989 Supplement, section 349A.02, subdivision 8, is amended to read:

Subd. 8. [ATTORNEY GENERAL.] The attorney general is the attorney for the ~~division~~ lottery.

Sec. 76. Minnesota Statutes 1989 Supplement, section 349A.03, subdivision 1, is amended to read:

Subdivision 1. [BOARD CREATED.] There is created within the ~~division~~ lottery a state lottery board. The board consists of ~~six seven~~ members appointed by the governor ~~plus the commissioner as a voting member~~. Not more than ~~three four~~ of the members appointed by the governor under this subdivision may belong to the same political party and at least three members must reside outside the seven-county metropolitan area. The terms of office, removal from office, and compensation of members of the board, ~~other than the commissioner~~, are as provided in section 15.059 except the board does not expire as provided under section 15.059, subdivision 5. The members of the board shall select the chair of the board, ~~who shall not be the commissioner~~.

Sec. 77. Minnesota Statutes 1989 Supplement, section 349A.06, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS.] (a) The director may not contract with a retailer who:

- (1) is under the age of 18;

(2) is in business solely as a seller of lottery tickets;

(3) owes \$500 or more in delinquent taxes as defined in section 270.72;

(4) has been convicted within the previous five years of a felony or gross misdemeanor, any crime involving fraud or misrepresentation, or a gambling-related offense;

(5) is a member of the immediate family, residing in the same household, as the director, board member, or any employee of the ~~division~~ lottery; or

(6) in the director's judgment does not have the financial stability or responsibility to act as a lottery retailer, or whose contracting as a lottery retailer would adversely affect the public health, welfare, and safety, or endanger the security and integrity of the lottery.

(b) An organization, firm, partnership, or corporation that has a stockholder who owns more than five percent of the business or the stock of the corporation, an officer, or director, that does not meet the requirements of paragraph (a), clause (4), is not eligible to be a lottery retailer under this section.

(c) The restrictions under paragraph (a), clause (4), do not apply to an organization, partnership, or corporation if the director determines that the organization, partnership, or firm has terminated its relationship with the individual whose actions directly contributed to the disqualification under this subdivision.

Sec. 78. Minnesota Statutes 1989 Supplement, section 349A.06, subdivision 5, is amended to read:

Subd. 5. [RESTRICTIONS ON LOTTERY RETAILERS.] (a) A lottery retailer may sell lottery tickets only on the premises described in the contract.

(b) A lottery retailer must prominently display a certificate issued by the director on the premises where lottery tickets will be sold.

(c) A lottery retailer must keep a complete set of books of account, correspondence, and all other records necessary to show fully the retailer's lottery transactions, and make them available for inspection by employees of the ~~division~~ lottery at all times during business hours. The director may require a lottery retailer to furnish information as the director deems necessary to carry out the purposes of this chapter, and may require an audit to be made of the books of account and records. The director may select an auditor to perform the audit and may require the retailer to pay the cost of the audit. The auditor has the same right of access to the books of account,

correspondence, and other records as is given to employees of the ~~division~~ lottery.

(d) A contract issued under this section may not be transferred or assigned.

(e) The director shall require that lottery tickets may be sold by retailers only for cash.

Sec. 79. Minnesota Statutes 1989 Supplement, section 349A.08, subdivision 7, is amended to read:

Subd. 7. [PAYMENTS PROHIBITED.] (a) No prize may be paid to a member of the board, the director or an employee of the ~~division~~ lottery, or a member of their families residing in the same household of the member, director, or employee. No prize may be paid to an officer or employee of a vendor which at the time the game or drawing was being conducted was involved with providing goods or services to the lottery under a lottery procurement contract.

(b) No prize may be paid for a stolen, altered, or fraudulent ticket.

Sec. 80. Minnesota Statutes 1989 Supplement, section 349A.10, subdivision 3, is amended to read:

Subd. 3. [LOTTERY OPERATIONS.] (a) The director shall establish a lottery operations account in the lottery fund. The director shall pay all costs of operating the lottery, including payroll costs or amounts transferred to the state treasury for payroll costs, but not including lottery prizes, from the lottery operating account. The director shall credit to the lottery operations account amounts sufficient to pay the operating costs of the lottery.

(b) The director may not credit in any fiscal year amounts to the lottery operations account which when totaled exceed 15 percent of gross revenue to the lottery fund in that fiscal year. In computing total amounts credited to the lottery operations account under this paragraph the director shall disregard amounts transferred to or retained by lottery retailers as sales commissions or other compensation.

(c) The director of the lottery may not expend after July 1, 1992, more than $2\frac{3}{4}$ percent of gross revenues in a fiscal year for contracts for the preparation, publication, and placement of advertising.

(d) Except as the director determines, the ~~division~~ lottery is not subject to chapter 16A relating to budgeting, payroll, and the purchase of goods and services.

Sec. 81. Minnesota Statutes 1989 Supplement, section 349A.10, subdivision 4, is amended to read:

Subd. 4. [DEPOSIT OF RECEIPTS.] (a) The director may require lottery retailers to:

(1) deposit in a separate account to the credit of the lottery fund, in banks designated by the director, all money received by the lottery retailer from the sale of lottery tickets, less money retained as the lottery retailer's commission and for payment of prizes;

(2) file with the director reports of the lottery retailer's receipts and transactions in ticket sales in a form that the director prescribes; and

(3) allow money deposited by the lottery retailer from the sale of lottery tickets to be transferred to the ~~division~~ lottery through electronic fund transfer.

(b) The director may make arrangements for any person, including a financial institution, to perform functions, activities, or services in connection with the receipt and distribution of lottery revenues.

(c) A lottery retailer who fails to pay any money due to the director within the time prescribed by the director shall pay interest on the amount owed at the rate determined by rule.

Sec. 82. Minnesota Statutes 1989 Supplement, section 349A.11, is amended to read:

349A.11 [CONFLICT OF INTEREST.]

(a) The director, a board member, an employee of the ~~division~~ lottery, a member of the immediate family of the director, board member, or employee residing in the same household may not:

(1) purchase a lottery ticket;

(2) have any personal pecuniary interest in any vendor holding a lottery procurement contract, or in any lottery retailer; or

(3) receive any gift, gratuity, or other thing of value, excluding food or beverage, from any lottery vendor or lottery retailer, or person applying to be a retailer or vendor, in excess of \$100 in any calendar year.

(b) A violation of paragraph (a), clause (1), is a misdemeanor. A violation of paragraph (a), clause (2), is a gross misdemeanor. A violation of paragraph (a), clause (3), is a misdemeanor unless the

gift, gratuity, or other item of value received has a value in excess of \$500, in which case a violation is a gross misdemeanor.

(c) The director or an unclassified employee of the ~~division~~ lottery may not, within one year of terminating employment with the ~~division~~ lottery, accept employment with, act as an agent or attorney for, or otherwise represent any person, corporation, or entity that had any lottery procurement contract or bid for a lottery procurement contract with the ~~division~~ lottery within a period of two years prior to the termination of their employment. A violation of this paragraph is a misdemeanor.

Sec. 83. Minnesota Statutes 1989 Supplement, section 349A.12, subdivision 4, is amended to read:

Subd. 4. [LOTTERY RETAILERS AND VENDORS.] A person who is a lottery retailer, or is applying to be a lottery retailer, a person applying for a contract with the director, or a person under contract with the director to supply goods or services to ~~division~~ lottery may not pay, give, or make any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service, excluding food or beverage, having an aggregate value of over \$100 in any calendar year to the director, board member, employee of the lottery ~~division~~, or to a member of the immediate family residing in the same household as that person."

Page 69, after line 21, insert:

"(c) Minnesota Statutes 1989 Supplement, section 240.01, subdivision 15; 349.12, subdivision 25; 349A.01, subdivisions 3, 4, and 6; and 349B.01; are repealed.

(d) Laws 1989, chapter 334, article 8, section 1, is repealed."

Page 69, line 26, after the period insert "Section 89, paragraphs (c) and (d), are effective July 1, 1990."

Renumber the remaining sections and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Jefferson moved to amend S. F. No. 2018, as amended, as follows:

Page 67, after line 24, insert:

"Sec. 63. Minnesota Statutes 1989 Supplement, section 349A.06, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS.] (a) The director may not contract with a retailer who:

(1) is under the age of 18;

(2) is in business solely as a seller of lottery tickets;

(3) owes \$500 or more in delinquent taxes as defined in section 270.72;

(4) has been convicted within the previous five years of a felony or gross misdemeanor, any crime involving fraud or misrepresentation, or a gambling-related offense;

(5) is a member of the immediate family, residing in the same household, as the director, board member, or any employee of the division; or

(6) in the director's judgment does not have the financial stability or responsibility to act as a lottery retailer, or whose contracting as a lottery retailer would adversely affect the public health, welfare, and safety, or endanger the security and integrity of the lottery; or

(7) is a currency exchange, as defined in section 53A.01.

(b) An organization, firm, partnership, or corporation that has a stockholder who owns more than five percent of the business or the stock of the corporation, an officer, or director, that does not meet the requirements of paragraph (a), clause (4), is not eligible to be a lottery retailer under this section.

(c) The restrictions under paragraph (a), clause (4), do not apply to an organization, partnership, or corporation if the director determines that the organization, partnership, or firm has terminated its relationship with the individual whose actions directly contributed to the disqualification under this subdivision.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Quinn, Stanius, Bennett and Swenson moved to amend S. F. No. 2018, as amended, as follows:

Page 69, after line 13, insert:

“Sec. 68. [FUND BALANCE CORRECTION.]

Independent school district No. 624 is eligible for reinstatement of the foundation levy lost through the fund balance reduction provisions of the foundation formula for the 1985-1986, 1986-1987, and 1987-1988 school years if the fund balance reduction was the result of either referendum revenues added to the net unappropriated general fund balance or a transfer of funds from the capital expenditure account to the general fund. The district may make a special levy in an amount not to exceed the amount of the levy reduction caused by the tier two foundation levy reductions for the 1985-1986, 1986-1987, and 1987-1988 school years, but not to exceed \$1,289,418. The district may levy part of the amount:

(1) in 1990 and the remainder in 1991; or

(2) in 1990 and 1991 and the remainder in 1992.

The district may not receive foundation aid, general education aid, or any other aid as a result of levying under this section.

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Nelson, K., raised a point of order pursuant to rule 3.9 that the Quinn et al amendment was not in order. Speaker pro tempore Rodosovich ruled the point of order not well taken and the amendment in order.

The question recurred on the Quinn et al amendment and the roll was called. There were 55 yeas and 62 nays as follows:

Those who voted in the affirmative were:

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

Neuenschwander	Ozment	Redalen	Schreiber	Tjornhom
Olsen, S.	Pauly	Richter	Segal	Uphus
Olson, K.	Pellow	Runbeck	Stanisus	Valento
Omamm	Poppenhagen	Schafer	Sviggum	Waltman
Onnen	Quinn	Scheid	Swenson	Weaver

Those who voted in the negative were:

Battaglia	Janezich	Lieder	Ostrom	Solberg
Bauerly	Jaros	Long	Otis	Sparby
Begich	Jefferson	McEachern	Pelowski	Steensma
Bertram	Jennings	McGuire	Peterson	Trimble
Brown	Johnson, A.	Milbert	Price	Tunheim
Carlson, L.	Johnson, R.	Munger	Pugh	Vellenga
Carruthers	Kahn	Murphy	Reding	Wagenius
Clark	Kalis	Nelson, K.	Rest	Welle
Cooper	Kelly	O'Connor	Rice	Williams
Dawkins	Kinkel	Ogren	Sarna	Winter
Dorn	Kostohryz	Olson, E.	Seaberg	
Greenfield	Krueger	Orenstein	Simoneau	
Hausman	Lasley	Osthoff	Skoglund	

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

Williams and Kostohryz moved to amend S. F. No. 2018, as amended, as follows:

Page 18, after line 6, insert:

“Until January 1, 1991, this subdivision does not prohibit the otherwise lawful transfer of gambling equipment to a licensed facility located in Minnesota from a facility located in an adjoining state which is owned and operated by the licensed Minnesota distributor who makes the transfer.”

The motion prevailed and the amendment was adopted.

Ozment moved to amend S. F. No. 2018, as amended, as follows:

Page 69, after line 13, insert:

“Sec. 68. [ROSEMOUNT; ARMORY LEVY.]

Subdivision 1. [ARMORY LEVY.] The city of Rosemount may levy not more than \$95,000 per year and otherwise incur debt under Minnesota Statutes, chapter 193 or 475 or both, to acquire and better an armory and to be serviced by the levy without regard to the limits on debt service and debt otherwise provided by chapter 193 or 475.

Subd. 2. [REVERSE REFERENDUM.] If the city council proposes to make a levy pursuant to subdivision 1, it shall pass a resolution stating that fact. Thereafter, the resolution shall 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 shall be held not less than two weeks nor 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 shall also be published in the official newspaper or, if there is no official newspaper, in a newspaper of general circulation in the city. If within 30 days thereafter a petition signed by voters equal in number to ten percent of the votes cast in the city in the last general election requesting a referendum on the proposed resolution is filed with the county auditor, the resolution shall not be 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 referendum. The referendum must be held at a special or general election prior to January 1, 1992.

Subd. 3. [LOCAL APPROVAL.] This section takes effect the day after the governing body of the city of Rosemount complies with Minnesota Statutes, section 645.021, subdivision 3."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Schreiber moved to amend S. F. No. 2018, as amended, as follows:

Page 55, after line 13, insert a section to read:

"Sec. 41. [349.191] [SALES ON CREDIT.]

Subdivision 1. [CREDIT RESTRICTION.] A manufacturer may not offer or extend to a distributor, and a distributor may not extend to an organization, credit for a period of more than 30 days for the sale of any gambling equipment. No right of action exists for the collection of any claim based on credit prohibited by this subdivision. The 30 day period allowed by this subdivision begins with the day immediately following the day of invoice and includes all successive days, including Sundays and holidays, to and including the 30th successive day.

Subd. 2. [INVOICES.] All invoices prepared by a manufacturer or

distributor and presented as part of a credit transaction for the purchase of gambling equipment must clearly bear the words "Notice: State Law Prohibits the Extension of Credit For This Sale For More Than 30 Days."

Subd. 3. [RULES.] Any rule of the board which requires a manufacturer to report to the board any distributor who is delinquent in payment for gambling equipment must provide that a distributor is subject to the rule if the distributor is more than 30 days delinquent in payment to a manufacturer.

Subd. 4. [CREDIT; POSTDATED CHECKS.] For purposes of this subdivision, "credit" includes acceptance by a manufacturer or distributor of a postdated check in payment for gambling equipment.

Renumber the remaining sections and correct internal references

The motion prevailed and the amendment was adopted.

Krueger moved to amend S. F. No. 2018, as amended, as follows:

Page 6, line 2, delete "or"

Page 6, line 6, delete the period and insert "; or

(11) a contribution to a nonprofit private economic development corporation for a purpose permitted by its charter."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

Sviggum moved to amend S. F. No. 2018, as amended, as follows:

Page 69, after line 13, insert:

"Sec. 68. [GOODHUE COUNTY; SPECIAL LEVY.]

For taxes levied in 1990, payable in 1991 only, Goodhue county may levy an amount equal to the reduction to its levy limit base, for taxes levied in 1989, under Minnesota Statutes Second 1989 Supplement, section 275.51, subdivision 3f, paragraph (i). This levy is

not subject to the levy limitations in Minnesota Statutes, sections 275.50 to 275.56."

Page 69, line 14, delete "68" and insert "69"

Page 69, line 22, delete "69" and insert "70"

Page 69, line 25, delete "68" and insert "69"

Amend the title as follows:

Page 1, line 26, after "1993," insert "providing for certain special property tax levies;"

The motion prevailed and the amendment was adopted.

Frerichs moved to amend S. F. No. 2018, as amended, as follows:

Page 22, line 9, delete "From" and insert "On and after"

Page 22, line 9, delete ", to June 30, 1992,"

Page 22, delete lines 12 to 15.

Page 26, delete lines 16 to 21

A roll call was requested and properly seconded.

The question was taken on the Frerichs amendment and the roll was called. There were 21 yeas and 104 nays as follows:

Those who voted in the affirmative were:

Blatz	Girard	Kelly	Rest	Valento
Boo	Gutknecht	Knickerbocker	Richter	
Forsythe	Heap	McDonald	Schreiber	
Frederick	Henry	Olsen, S.	Sviggum	
Frerichs	Hugoson	Poppenhagen	Swenson	

Those who voted in the negative were:

Abrams	Carlson, D.	Greenfield	Jefferson	Krueger
Anderson, G.	Carlson, L.	Gruenes	Jennings	Lasley
Anderson, R.	Carruthers	Hartle	Johnson, A.	Lieder
Battaglia	Clark	Hasskamp	Johnson, R.	Limmer
Bauerly	Cooper	Haukoos	Johnson, V.	Macklin
Begich	Dauner	Hausman	Kahn	Marsh
Bennett	Dawkins	Himle	Kalis	McEachern
Bertram	Dempsey	Jacobs	Kelso	McGuire
Brown	Dille	Janezich	Kinkel	McPherson
Burger	Dorn	Jaros	Kostohryz	Milbert

Morrison	Onnen	Quinn	Segal	Uphus
Munger	Orenstein	Redalen	Simoneau	Vellenga
Murphy	Osthoff	Reding	Skoglund	Wagenius
Nelson, C.	Ostrom	Rice	Solberg	Waltman
Nelson, K.	Otis	Rodosovich	Sparby	Weaver
Neuenschwander	Ozment	Rukavina	Stanisus	Welle
O'Connor	Pellow	Runbeck	Steensma	Wenzel
Ogren	Pelowski	Sarna	Tjornhom	Williams
Olson, E.	Peterson	Schafer	Tompkins	Winter
Olson, K.	Price	Scheid	Trimble	Spk. Vanasek
Omann	Pugh	Seaberg	Tunheim	

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

Olsen, S., moved to amend S. F. No. 2018, as amended, as follows:

Page 5, after line 34, insert:

“(9) payment of real estate taxes and assessments on licensed gambling premises wholly owned by the licensed organization paying the taxes;”

Page 5, line 35, delete “(9)” and insert “(10)”

Page 6, line 3, delete “(10)” and insert “(11)”

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., amendment and the roll was called. There were 110 yeas and 17 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Carruthers	Himle	Osthoff	Seaberg	Weaver
Greenfield	Kahn	Otis	Skoglund	
Gutknecht	Long	Rest	Vellenga	
Hausman	Nelson, K.	Scheid	Wagenius	

The motion prevailed and the amendment was adopted.

Winter moved to amend S. F. No. 2018, as amended, as follows:

Page 40, delete lines 26 to 36

Page 41, delete lines 1 to 3

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

Winter moved to amend S. F. No. 2018, as amended, as follows:

Pages 57 and 58, delete section 43

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Valento moved to amend S. F. 2018, as amended, as follows:

Page 41, delete lines 6 to 19 and insert:

“Subdivision 1. [BOARD MAY REQUIRE CERTAIN POSTING.]
The board may issue an order requiring any organization selling
paper pull-tabs to post major pull-tab prizes and the names of major
prize winners, if the board has reasonable grounds for believing that
the organization, or a person receiving compensation from the
organization for participating in the sale of pull-tabs, has been or is
providing information to a player or players that provides an unfair

advantage related to the potential winnings from pull-tabs. The board must notify the organization at least 14 days before the order becomes effective. The notice to the organization must describe the organization's right to a hearing under subdivision 3.

Subd. 2. [POSTING; REQUIREMENTS.] The information required to be posted under this section must be posted prominently at the point of sale of the pull-tabs. An easily legible pull-tab flare which lists prizes in the deal for that flare, and on which prizes are marked off as they are awarded, satisfies the requirements 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 on awarding the prize.

Subd. 3. [APPEAL.] An organization to which the board has issued an order under subdivision 1 may request a contested case hearing on the order. A contested case hearing must be held within 20 days of the effective date of the order, and the administrative law judge's report must be issued within 20 days after the close of the hearing record. In all cases involving an order under subdivision 1 where a hearing has been conducted, the board must issue its final decision within 30 days after the receipt of the report of the administrative law judge and subsequent exceptions and arguments under section 14.61.

Subd. 4. [MAJOR PRIZES.] For purposes of this section, 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."

A roll call was requested and properly seconded.

The question was taken on the Valento amendment and the roll was called. There were 86 yeas and 37 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dorn	Jennings	McDonald	Ozment
Battaglia	Forsythe	Johnson, A.	McEachern	Pauly
Bauerly	Frederick	Johnson, R.	McGuire	Pellow
Begich	Frerichs	Johnson, V.	McPherson	Pelowski
Bennett	Gruenes	Kalis	Milbert	Peterson
Bertram	Gutknecht	Kelso	Morrison	Poppenhagen
Boo	Hartle	Kinkel	Neuenschwander	Pugh
Burger	Hasskamp	Knickerbocker	O'Connor	Redalen
Carlson, D.	Haukoos	Krueger	Ogren	Rest
Carlson, L.	Heap	Lieder	Olsen, S.	Richter
Cooper	Henry	Limmer	Olson, E.	Runbeck
Dauner	Hugoson	Lynch	Omann	Sarna
Dempsey	Jacobs	Macklin	Onnen	Schafer
Dille	Janezich	Marsh	Ostrom	Schreiber

Seaberg	Svigum	Tunheim	Weaver
Sparby	Swenson	Uphus	Wenzel
Stanius	Tjornhom	Valento	Williams
Steensma	Tompkins	Waltman	Winter

Those who voted in the negative were:

Abrams	Hausman	Long	Price	Solberg
Anderson, G.	Himle	Munger	Quinn	Trimble
Blatz	Jaros	Nelson, C.	Reding	Vellenga
Brown	Jefferson	Nelson, K.	Rukavina	Wagenius
Carruthers	Kahn	Oison, K.	Scheid	Welle
Clark	Kelly	Orenstein	Segal	
Dawkins	Kostohryz	Osthoff	Simoneau	
Greenfield	Lasley	Otis	Skoglund	

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

McDonald moved to amend S. F. No. 2018, as amended, as follows:

Page 58, after line 7, insert a section to read:

"Sec. 44. Minnesota Statutes 1989 Supplement, section 349.212, subdivision 6, is amended to read:

Subd. 6. [COMBINED RECEIPTS TAX.] In addition to the taxes imposed under subdivisions 1 and 4, there is imposed a tax on the combined receipts of the organization. As used in this section, "combined receipts" is the sum of the organization's gross receipts from lawful gambling less gross receipts directly derived from the conduct of bingo, raffles, and paddlewheels, as defined in section 349.12, subdivision 26, for the fiscal year. The combined receipts of an organization are subject to a tax computed according to the following schedule:

If the combined receipts for the fiscal year are:	The tax is:
Not over \$500,000	zero
Over \$500,000 but not over \$700,000	two percent of the amount over \$500,000 but not over \$700,000
Over \$700,000 but not over \$900,000	\$4,000 plus four percent of the amount over \$700,000 but not over \$900,000
Over \$900,000	\$12,000 plus six percent of the amount over \$900,000"

Renumber the remaining sections and correct internal references

Amend the title as follows:

Page 1, line 20, after the semicolon insert "changing rates of combined receipts tax;"

Page 1, line 44, delete "and 4" and insert ", 4, and 6"

A roll call was requested and properly seconded.

The question was taken on the McDonald amendment and the roll was called. There were 54 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Limmer	Onnen	Sviggum
Anderson, R.	Gutknecht	Lynch	Ozment	Swenson
Bauerly	Hasskamp	Macklin	Pauly	Tjornhom
Bertram	Haukoos	Marsh	Pellow	Tompkins
Blatz	Heap	McDonald	Poppenhagen	Uphus
Boo	Henry	McGuire	Pugh	Valento
Carlson, D.	Himle	McPherson	Richter	Waltman
Dauner	Hugoson	Milbert	Schafer	Weaver
Dorn	Johnson, R.	Nelson, C.	Schreiber	Wenzel
Frerichs	Kinkel	Olsen, S.	Seaberg	Williams
Girard	Knickerbocker	Omann	Stanisus	

Those who voted in the negative were:

Anderson, G.	Hartle	Lieder	Otis	Skoglund
Battaglia	Hausman	Long	Pelowski	Solberg
Begich	Jacobs	McEachern	Peterson	Sparby
Bennett	Janezich	Morrison	Price	Steensma
Brown	Jaros	Munger	Quinn	Trimble
Burger	Jefferson	Murphy	Reding	Tunheim
Carlson, L.	Jennings	Nelson, K.	Rest	Vellenga
Carruthers	Johnson, A.	Neuenschwander	Rice	Wagenius
Clark	Johnson, V.	O'Connor	Rodosovich	Welle
Cooper	Kahn	Ogren	Rukavina	Winter
Dawkins	Kalis	Olson, E.	Runbeck	Spk. Vanasek
Dempsey	Kelly	Olson, K.	Sarna	
Dille	Kostohryz	Orenstein	Scheid	
Frederick	Krueger	Osthoff	Segal	
Greenfield	Lasley	Ostrom	Simoneau	

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

Reding moved to amend S. F. No. 2018, as amended, as follows:

Page 33, line 11, after the period insert "The penalty does not apply if the organization was unable to meet the 30-day requirement in paragraph (a), clause (6), due to the board's failure to provide the organization with the required report form in time sufficient to allow the organization to submit the report within the 30-day requirement."

The motion prevailed and the amendment was adopted.

Dawkins moved to amend S. F. No. 2018, as amended, as follows:

Page 10, line 6, after "(a)" insert "Until July 1, 1993,"

Page 11, after line 25, insert:

"(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."

Page 68, after line 18, insert:

"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."

Re-number 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 Dawkins amendment and the roll was called. There were 24 yeas and 95 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Kahn	Orenstein	Scheid
Anderson, G.	Hausman	Knickerbocker	Osthoff	Skoglund
Carruthers	Himle	Long	Otis	Vellenga
Clark	Janezich	McGuire	Price	Wagenius
Dawkins	Jaros	Nelson, K.	Quinn	

Those who voted in the negative were:

Anderson, R.	Frerichs	Kostohryz	Omann	Segal
Battaglia	Girard	Lasley	Onnen	Solberg
Bauerly	Gruenes	Lieder	Ostrom	Sparby
Begich	Gutknecht	Limmer	Ozment	Stanius
Bennett	Hartle	Lynch	Pellow	Steensma
Bertram	Hasskamp	Macklin	Pelowski	Sviggum
Blatz	Haukoos	Marsh	Peterson	Swenson
Boo	Heap	McDonald	Poppenhagen	Tjornhom
Brown	Henry	McEachern	Pugh	Tompkins
Burger	Hugoson	McPherson	Redalen	Tunheim
Carlson, D.	Jacobs	Milbert	Reding	Uphus
Carlson, L.	Jefferson	Munger	Rice	Valento
Cooper	Jennings	Murphy	Rodosovich	Waltman
Dauner	Johnson, A.	Nelson, C.	Rukavina	Weaver
Dempsey	Johnson, R.	Neuenschwander	Runbeck	Welle
Dille	Johnson, V.	O'Connor	Sarna	Wenzel
Dorn	Kalis	Olsen, S.	Schafer	Williams
Forsythe	Kelso	Olson, E.	Schreiber	Winter
Frederick	Kinkel	Olson, K.	Seaberg	Spk. Vanasek

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

Tjornhom, Redalen and Winter moved to amend S. F. No. 2018, as amended, as follows:

Page 40, line 26, before "The" insert "(a)"

Page 41, after line 3, insert:

"(b) The requirements of paragraph (a) do not apply to a licensed organization that (1) has never received gross receipts from bingo in excess of \$150,000 in any year, and (2) does not pay compensation to any person for participating in the conduct of lawful gambling."

A roll call was requested and properly seconded.

The question was taken on the Tjornhom et al amendment and the roll was called. There were 123 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Krueger	Onnen	Segal
Anderson, G.	Girard	Lasley	Orenstein	Simoneau
Anderson, R.	Gruenes	Lieder	Ostrom	Skoglund
Battaglia	Gutknecht	Limmer	Otis	Sparby
Bauerly	Hartle	Long	Ozment	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	McPherson	Pugh	Tunheim
Burger	Jacobs	Milbert	Quinn	Uphus
Carlson, D.	Janezich	Morrison	Redalen	Valento
Carlson, L.	Jefferson	Munger	Reding	Vellenga
Carruthers	Jennings	Murphy	Rest	Wagenius
Clark	Johnson, A.	Nelson, C.	Rice	Waitman
Cooper	Johnson, R.	Nelson, K.	Richter	Weaver
Dauner	Johnson, V.	Neuenschwander	Rodosovich	Welle
Dawkins	Kalis	O'Connor	Rukavina	Wenzel
Dempsey	Kelly	Ogren	Runbeck	Williams
Dille	Kelso	Olsen, S.	Sarna	Winter
Dorn	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Forsythe	Knickerbocker	Olson, K.	Schreiber	
Frederick	Kostohryz	Omann	Seaberg	

Those who voted in the negative were:

Jaros	Kahn	Osthoff	Scheid	Solberg
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The motion prevailed and the amendment was adopted.

Schreiber moved to amend S. F. No. 2018, as amended, as follows:

Page 26, line 14, after "premises" insert "or an elected or appointed official"

Page 26, line 15, after "premium," insert "contribution,"

A roll call was requested and properly seconded.

The question was taken on the Schreiber amendment and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Begich	Boo	Carruthers	Dempsey
Anderson, G.	Bennett	Brown	Clark	Dille
Anderson, R.	Bertram	Burger	Cooper	Dorn
Battaglia	Bishop	Carlson, D.	Dauner	Forsythe
Bauerly	Blatz	Carlson, L.	Dawkins	Frederick

Frerichs	Kahn	Munger	Poppenhagen	Sparby
Girard	Kalis	Murphy	Price	Stanius
Greenfield	Kelly	Nelson, C.	Pugh	Steensma
Gruenes	Kelso	Nelson, K.	Quinn	Sviggum
Gutknecht	Kinkel	Neuenschwander	Redalen	Swenson
Hartle	Knickerbocker	O'Connor	Reding	Tjornhom
Hasskamp	Kostohryz	Ogren	Rest	Tompkins
Haukoos	Krueger	Olsen, S.	Rice	Trimble
Hausman	Lasley	Olson, E.	Richter	Tunheim
Heap	Lieder	Olson, K.	Rodosovich	Uphus
Henry	Limmer	Omann	Rukavina	Valento
Himle	Long	Onnen	Runbeck	Vellenga
Hugoson	Lynch	Orenstein	Sarna	Wagenius
Jacobs	Macklin	Osthoff	Schafer	Waltman
Janezich	Marsh	Ostrom	Scheid	Weaver
Jaros	McDonald	Otis	Schreiber	Welle
Jefferson	McEachern	Ozment	Seaberg	Wenzel
Jennings	McGuire	Pauly	Segal	Williams
Johnson, A.	McPherson	Pellow	Simoneau	Winter
Johnson, R.	Milbert	Pelowski	Skoglund	Spk. Vanasek
Johnson, V.	Morrison	Peterson	Solberg	

The motion prevailed and the amendment was adopted.

Dauner and Poppenhagen moved to amend S. F. No. 2018, as amended, as follows:

Page 69, after line 13, insert:

“Sec. 68. [BECKER COUNTY; SPECIAL LEVY.]

For taxes levied in 1990, payable in 1991 only, Becker county may levy an amount equal to expenditures it made from reserve funds in calendar years 1987 and 1988. For purposes of this section, the reserves used in calendar year 1987 shall include monies received under the federal revenue sharing program from previous years. The county must provide evidence to the commissioner of revenue that it was eligible for a levy limit base adjustment for taxes levied in 1988 for use of reserve funds under Minnesota Statutes 1988, section 275.51, subdivision 3j and did not receive the adjustment. This levy is not subject to the levy limitations in Minnesota Statutes, sections 275.50 to 275.56.”

Page 69, line 14, delete “68” and insert “69”

Page 69, line 22, delete “69” and insert “70”

Page 69, line 25, delete “68” and insert “69”

Amend the title as follows:

Page 1, line 26, after “1993;” insert “providing for certain special property tax levies;”

The motion prevailed and the amendment was adopted.

Kelly moved to amend S. F. No. 2018, as amended, as follows:

Page 61, after line 1, insert:

"Sec. 49. Minnesota Statutes 1989 Supplement, section 349.2125, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are contraband:

(1) all pull-tab or tipboard deals that do not have stamps affixed to them as provided in section 349.162;

(2) all pull-tab or tipboard deals in the possession of any unlicensed person, firm, or organization, whether stamped or unstamped;

(3) any container used for the storage and display of any contraband pull-tab or tipboard deals as defined in clauses (1) and (2);

(4) all currency, checks, and other things of value used for pull-tab or tipboard transactions not expressly permitted under this chapter, and any cash drawer, cash register, or any other container used for illegal pull-tab or tipboard transactions including its contents;

(5) any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used, with the knowledge of the owner or of a person operating with the consent of the owner, for the storage or transportation of more than five pull-tab or tipboard deals that are contraband under this subdivision. When pull-tabs and tipboards are being transported in the course of interstate commerce, or from one distributor to another, the pull-tab and tipboard deals are not contraband, notwithstanding the provisions of clause (1);

(6) any unaffixed registration stamps except as provided in section 349.162, subdivision 4;

(7) any prize used or offered in a game utilizing contraband as defined in this subdivision;

(8) any altered, modified, or counterfeit pull-tab or tipboard ticket;

(9) any unregistered gambling equipment except as permitted by this chapter; and

(10) any gambling equipment kept in violation of section 349.18; and

(11) any gambling equipment not in conformity with law or board rule.

Sec. 50. Minnesota Statutes 1989 Supplement, section 349.2125, subdivision 3, is amended to read:

Subd. 3. [INVENTORY; JUDICIAL DETERMINATION; APPEAL; DISPOSITION OF SEIZED PROPERTY.] Within ~~two~~ ten days after the seizure of any alleged contraband, the person making the seizure shall deliver an inventory of the property seized to the person from whom the property was seized, if known, and file a copy with the commissioner of revenue or the director of gambling enforcement. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an interest in the property may file with the seizing authority a demand for judicial determination of whether the property was lawfully subject to seizure and forfeiture. Within 30 days after the date of filing of the demand, the seizing authority must bring an action in the district court of the county where seizure was made to determine the issue of forfeiture. The action must be brought in the name of the state and be prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and determine the issues of fact and laws involved. When a judgment of forfeiture is entered, the seizing authority may, unless the judgment is stayed pending an appeal, either (1) cause the forfeited property to be destroyed; or (2) cause it to be sold at a public auction as provided by law.

If demand for judicial determination is made and no action is commenced as provided in this subdivision, the property must be released by the seizing authority and delivered to the person entitled to it. If no demand is made, the property seized is considered forfeited to the state seizing authority by operation of law and may be disposed of by the seizing authority as provided where there has been a judgment of forfeiture. When the seizing authority is satisfied that a person from whom property is seized was acting in good faith and without intent to evade the tax imposed by section 349.2121, subdivision 4, the seizing authority shall release the property seized without further legal proceedings.

Sec. 51. Minnesota Statutes 1988, section 349.2125, subdivision 4, is amended to read:

Subd. 4. [DISPOSAL.] (a) The property described in subdivision 1, clauses (4) and (5), must be confiscated after conviction of the person from whom it was seized, upon compliance with the following procedure: the seizing authority shall file with the court a separate complaint against the property, describing it and charging its use in

the specific violation, and specifying substantially the time and place of the unlawful use. A copy of the complaint must be served upon the defendant or person in charge of the property at the time of seizure, if any. If the person arrested is acquitted, the court shall dismiss the complaint against the property and order it returned to the persons legally entitled to it. Upon conviction of the person arrested, the court shall issue an order directed to any person known or believed to have any right, title or interest in, or lien upon, any of the property, and to persons unknown claiming any right, title, interest, or lien in it, describing the property and (1) stating that it was seized and that a complaint against it, charging the specified violation, has been filed with the court, (2) requiring the persons to file with the court administrator their answer to the complaint, setting forth any claim they may have to any right or title to, interest in, or lien upon the property, within 30 days after the service of the order, and (3) notifying them in substance that if they fail to file their answer within the time, the property will be ordered sold by the seizing authority. The court shall cause the order to be served upon any person known or believed to have any right, title, interest, or lien as in the case of a summons in a civil action, and upon unknown persons by publication, as provided for service of summons in a civil action. If no answer is filed within the time prescribed, the court shall, upon affidavit by the court administrator, setting forth the fact, order the property sold by the seizing authority. Seventy percent of the proceeds of the sale, after deducting the expense of keeping the property and fees and costs of sale, must be paid into the state treasury and credited to the general fund 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. If answer is filed within the time provided, the court shall fix a time for a hearing, which shall be not less than ten nor more than 30 days after the time for filing answer expires. At the time fixed for hearing, unless continued for cause, the matter shall be heard and determined by the court, without a jury, as in other civil actions.

(b) If the court finds that the property, or any part of it, was used in the violation specified in the complaint, it shall order the property unlawfully used, sold as provided by law, unless the owner shows to the satisfaction of the court that the owner had no notice or knowledge or reason to believe that the property was used or intended to be used in the violation. The officer making a sale, after deducting the expense of keeping the property, the fee for seizure, and the costs of the sale, shall pay all liens according to their

priority, which are established at the hearing as being bona fide and as existing without the lienor having any notice or knowledge that the property was being used or was intended to be used for or in connection with the violation specified in the order of the court, and shall pay the balance of the proceeds ~~into the state treasury to be credited to the general fund to the seizing authority for official use and sharing in the manner provided in paragraph (a).~~ A sale under this section shall free the property sold from any and all liens on it. Appeal from the order of the district court will lie as in other civil cases. At any time after seizure of the articles specified in this subdivision, and before the hearing provided for, the property must be returned to the owner or person having a legal right to its possession, upon execution of a good and valid bond to the state, with corporate surety, in the sum of not less than \$100 and not more than double the value of the property seized, to be approved by the court in which the case is triable, or a judge of it, conditioned to abide any order and the judgment of the court, and to pay the full value of the property at the time of the seizure. The seizing authority may dismiss the proceedings outlined in this subdivision when the seizing authority considers it to be in the best interests of the state public interest to do so.

Sec. 52. Minnesota Statutes 1989 Supplement, section 349.2127, subdivision 2, is amended to read:

Subd. 2. [PROHIBITION AGAINST POSSESSION.] (a) No person, other than a licensed distributor, shall sell, offer for sale, or have in possession ~~with intent to sell or offer for sale,~~ a pull-tab or tipboard deal not stamped in accordance with the provisions of this chapter.

(b) No person other than a licensed distributor or ~~licensed or exempt~~ an organization under section 349.214 licensed or exempt or excluded from licensing under section 349.166 may possess with the ~~intent to sell or, offer to sell, or possess~~ gambling equipment, ~~except (1) equipment exempt from taxation, or (2) equipment put into play by a licensed or exempt organization.~~

(c) No person, firm, or organization may alter, modify, or counterfeit pull-tabs, tipboards, or possess altered, modified, or counterfeit pull-tabs or, tipboard tickets with intent to sell, redeem, or exchange them.

Sec. 53. Minnesota Statutes 1988, section 349.2127, is amended by adding a subdivision to read:

Subd. 6. [CHECKS FOR GAMBLING PURCHASES.] An organization may not accept checks in payment for the purchase of any gambling equipment or for the chance to participate in any form of lawful gambling.

"Sec. 56. Minnesota Statutes 1989 Supplement, section 349.22, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANOR.] (a) A person who commits any violation of section 349.11 to 349.23 for which another penalty is not provided is guilty of a gross misdemeanor.

(b) A person who in any manner violates sections 349.11 to 349.23 to evade a tax imposed by a provision of this chapter, or who aids and abets in the evasion of a tax, or hinders or interferes with a seizing authority when a seizure is made as provided by section 349.2125, is guilty of a gross misdemeanor.

(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. 57. 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.

Sec. 58. Minnesota Statutes 1989 Supplement, section 349.22, subdivision 3, is amended to read:

Subd. 3. [FELONY.] (a) A person violating who does any of the following is guilty of a felony:

(1) violates section 349.2127, subdivision 1 or 3; is guilty of a felony;

(b) A person violating (2) violates section 349.2127, subdivision 2 or 4, by possessing, receiving, or transporting more than ten pull-tab or tipboard deals, or a combination of more than ten deals of pull-tabs or tipboards; is guilty of a felony;

(3) violates section 349.2127, subdivision 5, 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;

(4) knowingly submits false information in any license application or other document or communication submitted to the board;

(5) knowingly submits false information in any report, document, or other communication submitted to the commissioner of revenue in connection with lawful gambling or with any provision of this chapter;

(6) knowing or with reason to know makes an unlawful expenditure of more than \$2,500 of gross profits from lawful gambling; or

(7) violates section 349.2127, subdivision 2, clause (c), if the total face value for all such pull-tabs exceeds \$200. 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. 59. 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 66, after line 26, insert:

"Sec. 69. Minnesota Statutes 1989 Supplement, section 349.501, subdivision 1, is amended to read:

Subdivision 1. [TO THE PUBLIC.] An operator must prominently post in the owner's business premises a brief description of the legal consequences of awarding or receiving cash instead of game credits or replays on video games of chance in violation of ~~section~~ sections 349.502 and 609.76, subdivision 1.

The information is prominently posted if it can be readily seen by a player immediately before the player participates in the video game of chance.

Sec. 70. Minnesota Statutes 1989 Supplement, section 349.502, subdivision 1, is amended to read:

Subdivision 1. [MISDEMEANOR.] A person who awards or receives cash instead of game credits or anything of value other than replays on a video game of chance is guilty of a misdemeanor. An owner who directs an employee to violate this section is also considered to have violated this section. For purposes of this subdivision "cash" includes checks.

Sec. 71. 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 67, after line 34, insert:

"Sec. 75. Minnesota Statutes 1989 Supplement, section 609.76, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANORS.] Whoever does any of the following 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:

(1) maintains or operates a gambling place or operates a bucket shop;

(2) intentionally participates in the income of a gambling place or bucket shop;

(3) conducts a lottery, or, with intent to conduct a lottery, possesses facilities for doing so;

(4) sets up for use for the purpose of gambling, or collects the proceeds of, any gambling device or bucket shop;

(5) with intent that it shall be so used, manufactures, sells or offers for sale, in whole or any part thereof, any gambling device including those defined in section 349.30, subdivision 2, and any facility for conducting a lottery, except as provided by section 349.40;

(6) receives, records, or forwards bets or offers to bet or, with intent to receive, record, or forward bets or offers to bet, possesses facilities to do so; or

(7) pays any compensation for game credits earned on or otherwise rewards, with anything of value, other than free plays, players of video games of chance as defined under in section 349.50, subdivision 8, or who directs an employee to pay any such compensation or reward.

Sec. 76. Minnesota Statutes 1988, section 609.762, subdivision 1, is amended to read:

Subdivision 1. [FORFEITURE.] The following are subject to forfeiture:

(a) Devices used or intended for use, including those defined in section 349.30, subdivision 2, as a gambling device, except as authorized in sections 349.11 to 349.23 and 349.40;

(b) Gambling equipment as defined in section 349.12, subdivision 15, used or intended for use in violation of any provision of sections 349.11 to 349.22 or any rule authorized thereunder;

(c) All moneys, materials, and other property used or intended for use as payment to participate in gambling or a prize or receipt for gambling;

(d) Books, records, and research products and materials, including formulas, microfilm, tapes, and data used or intended for use in gambling; and

(e) Property used or intended to be used to illegally influence the outcome of a horse race.”

Page 69, line 26, after the period, insert “Sections 49 to 53, 56 to 59, 69 to 71, 75, and 76 are effective August 1, 1990. Sections 56, 58, 70, 75, and 76 apply to violations committed on or after that date.”

Renumber the sections in sequence

Correct the internal cross references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2018, 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; requiring local gambling taxes and prescribing uses for revenue therefrom; appropriating money; amending Minnesota Statutes 1988, sections 349.12, subdivisions 10, 18, and by adding subdivisions; 349.16, as amended; 349.17, as amended; 349.18, as amended; 349.19, as amended; 349.211, by adding a subdivision; 349.212, subdivision 5; 349.2121, subdivisions 1 and 4a; 349.2123; 349.2125, subdivision 4; 349.2127, subdivisions 1, 3, and by adding subdivisions; 349.30, subdivision 2; 349.31; 349.32; 349.34; 349.35, subdivision 1; 349.36; 349.38; 349.39; 349.50, subdivision 8; 349.52, by adding a subdivision; 349.59, subdivision 1; 349.55; 609.75, subdivision 4; Minnesota Statutes 1989 Supplement, sections 299L.03, by adding a subdivision; 349.12, subdivisions 12 and 15; 349.151, subdivision 4, and by adding a subdivision; 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; Minnesota Statutes Second 1989 Supplement, sections 349.12, subdivisions 11 and 19; 349.15; 349.212, subdivisions 1, 2, and 4; 349.2125, subdivisions 1 and 3; 349.2127, subdivisions 2, 4, and 5; 349.22, subdivision 1; 349.501, subdivision 1; 349.502, subdivision 1; 609.76, subdivision 1; 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 349.14; 349.214, subdivisions 1, 1a, 3, and 4; Minnesota Statutes 1989 Supplement, sections 349.151, subdivision 4a; 349.20; 349.21; 349.22, subdivision 3; Minnesota Statutes Second 1989 Supplement, section 349.214, subdivision 2.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 68 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Hausman	McEachern	Ozment	Solberg
Battaglia	Himle	McGuire	Pelowski	Sparby
Begich	Jacobs	Milbert	Peterson	Steenasma
Bennett	Janezich	Munger	Poppenhagen.	Svigum
Brown	Jaros	Murphy	Price	Trimble
Carlson, D.	Jefferson	Nelson, C.	Quinn	Vellenga
Carlson, L.	Johnson, A.	Nelson, K.	Reding	Wagenius
Carruthers	Kalis	O'Connor	Rice	Waltman
Clark	Kelly	Ogren	Rodosovich	Welle
Dauner	Kostohryz	Olson, E.	Reding	Wenzel
Dawkins	Krueger	Olson, K.	Sarna	Winter
Dorn	Lasley	Orenstein	Segal	Spk. Vanasek
Forsythe	Lieder	Ostrom	Simoneau	
Greenfield	Long	Otis	Skoglund	

Those who voted in the negative were:

Abrams	Girard	Kelso	Onnen	Stanius
Anderson, R.	Gruenes	Kinkel	Osthoff	Swenson
Bauerly	Gutknecht	Knickerbocker	Pauly	Tjornhom
Bertram	Hartle	Limmer	Pellow	Tompkins
Bishop	Hasskamp	Lynch	Pugh	Tunheim
Blatz	Haukoos	Macklin	Redalen	Uphus
Boo	Heap	Marsh	Rest	Valento
Burger	Henry	McDonald	Richter	Weaver
Cooper	Hugoson	McPherson	Rumbeck	Williams
Dempsey	Jennings	Morrison	Schafer	
Dille	Johnson, R.	Neuenschwander	Scheid	
Frederick	Johnson, V.	Olsen, S.	Schreiber	
Ferichs	Kahn	Omann	Seaberg	

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

SPECIAL ORDERS, Continued

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

Simoneau from the Committee on Appropriations 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 following amendments:

Page 1, line 14, delete "\$300,000" and insert "\$100,000"

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. 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.

Reported the same back with the following amendments:

Page 1, after line 14, insert:

"Sec. 2. [BOND ALLOCATION DEPOSIT REFUND; KOOCHICHING COUNTY.]

\$42,150 is appropriated from the general fund to the county of Koochiching to refund the balance of a deposit paid as part of an application for a bond allocation under Minnesota Statutes, chapter

474A. The county was unable to accept an allocation because of federal denial of a proposed urban development action grant.

Page 1, line 15, delete "2" and insert "3"

Page 1, line 16, delete "Section 1" and insert "This act"

Delete the title and insert:

"A bill for an act relating to appropriations; providing for the refund of bond allocation deposits."

With the recommendation that when so amended the bill pass.

The report was adopted.

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 2817, A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1988, section 343.21, subdivision 10, as amended.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1815, 2446 and 2817 were read for the second time.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

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 Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

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 Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2135, A bill for an act relating to Anoka county; authorizing the sale or exchange of certain land.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

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 Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2419, A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; consolidating certain funds and accounts and making conforming changes; changing the organization, operation, financing, and management of certain courts and related offices; amending Minnesota Statutes 1988, sections 2.722, subdivision 1; 3C.035, subdivision 3; 3C.11, subdivision 2; 5.13; 11A.07, subdivision 5; 14.07, subdivisions 1 and 2; 14.08; 14.26; 14.53; 15.054; 15.06, subdivision 1; 15.51; 15.52, subdivisions 2 and 3; 15.53, subdivision 1; 15.56, subdivision 5; 15.59; 16A.10, by adding a subdivision; 16A.127, subdivisions 3 and 8; 16B.24, subdivision 5, and by adding subdivisions; 16B.28, subdivision 2; 16B.48, subdivisions 4 and 5; 16B.51, subdivision 2; 16B.53, subdivision 3; 16B.85, subdivisions 2, 3, and 5; 17.102, subdivision 4; 40A.08; 40A.151; 40A.152, subdivision 3; 40A.16; 41A.04, subdivision 1; 41A.05, subdivision 2;

41A.051; 41A.066, subdivision 1; 62D.122; 62J.02, subdivisions 2 and 3; 84.027, by adding a subdivision; 84.154, subdivision 5; 84.943; 84A.53; 84A.54; 89.37, subdivision 4; 89.58; 97A.065, subdivision 2; 97C.001, subdivision 1; 105.485, subdivision 3; 110B.04, subdivision 7; 110B.08, subdivision 5; 115.103, subdivision 1; 115A.072, subdivision 1; 115A.15, subdivision 6; 116.36, subdivision 1; 116.65, subdivision 3; 116C.03, subdivisions 4 and 5; 116C.712, subdivisions 3 and 5; 116D.04, subdivisions 5a and 10; 116D.045, subdivision 3; 116J.971, by adding a subdivision; 116J.980; 116L.03, by adding a subdivision; 116P.11; 126.115, subdivision 3; 144.226, subdivision 3; 144.70, subdivision 2; 144.8093, subdivisions 2, 3, and 4; 144A.071, subdivision 5; 144A.31, subdivision 1; 144A.33, subdivision 4; 145A.02, subdivision 16; 145A.09, subdivision 6; 157.045; 169.126, subdivision 4b; 171.06, subdivision 2a; 176B.02; 176B.04; 181.953; 183.545, subdivision 9; 184.33, subdivision 1, and by adding a subdivision; 184.35; 190.08, by adding a subdivision; 192.85; 196.054, subdivision 2; 197.23, subdivision 2; 201.023; 204B.14, subdivision 5; 214.141; 240A.02, subdivisions 1 and 3; 240A.03, subdivision 13, and by adding a subdivision; 243.48, subdivision 1; 268.026, subdivision 2; 268.361, subdivision 3; 268.677, subdivision 2; 268.681, subdivision 3; 270.68, subdivision 1; 272.38, subdivision 1; 282.014; 296.06, subdivision 2; 296.12, subdivisions 1 and 2; 296.17, subdivisions 10 and 17; 297.03, subdivision 5a; 299D.03, subdivision 5; 326.37; 326.47, subdivision 3; 326.52; 326.75, subdivision 4; 349.22, subdivision 2; 349.36; 349.52, subdivision 3; 352.92, subdivision 2; 352B.02, subdivision 1c; 353D.01, subdivision 2; 354.42, subdivision 5; 363.073, by adding a subdivision; 368.01, subdivision 1a; 402.045; 462.384, subdivision 7; 477A.014, subdivision 4; 480A.01, subdivision 3; 481.14; 484.54, subdivision 1; 484.545, subdivision 1; 484.68, subdivision 2, and by adding a subdivision; 484.70, subdivision 1; 485.03; 486.01; 487.32, subdivisions 2 and 3; 487.33, by adding a subdivision; 611.20; 611.215, subdivision 1; 611.26, subdivision 3; 611.27; 611.271; 629.292, subdivision 1; Minnesota Statutes 1989 Supplement, sections 3.30, subdivisions 1 and 2; 5.18; 15A.081, subdivision 1; 16A.11, subdivision 3; 16A.133, subdivision 1; 16B.24, subdivision 6; 16B.28, subdivision 3; 16B.465, subdivision 1; 16B.48, subdivision 2; 17.49, subdivision 1; 18.0225; 41A.05, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2, and by adding a subdivision; 84A.51, subdivision 2; 85.205; 89.035; 89.036; 97A.475, subdivision 2; 103H.101, subdivision 4; 103H.175; 105.41, subdivision 5a; 115A.54, subdivision 2a; 115A.923, subdivision 2; 116.85; 116C.03, subdivision 2; 116J.01, subdivision 3; 116J.58, subdivision 1; 116J.617, subdivision 5; 116J.955, subdivision 1; 116J.9673, subdivision 4; 116J.971, subdivisions 6, 7, and 8; 116L.03, subdivision 2; 129B.13, subdivisions 2, 3, 8, 9, 10, 12, 14, 15, and 16; 144.861; 145.926, subdivisions 1, 4, 5, 7, and 8; 169.686, subdivision 3; 176.135, subdivision 1; 183.357, subdivision 4; 190.25, subdivision 3; 216D.08, subdivision 3; 245.4873, subdivision 2; 245.697, subdivision 2a; 246.18, subdivision 3a; 256H.25, subdivision 1; 270.06; 270.064; 299A.30, subdivision 2; 299A.31, subdivision 1; 299A.40, subdivision 4; 299F.641, subdivision 8; 299J.12, subdivision 1;

336.9-413; 352.04, subdivisions 2 and 3; 357.021, subdivision 2; 357.022; 357.08; 363.073, subdivision 1; 466A.05, subdivision 1; 469.203, subdivisions 4 and 5; 469.204, subdivision 2; 469.205, by adding a subdivision; 469.207; 473.156, subdivision 1; 480.242; 484.68, subdivision 5; 485.018, subdivision 5; 486.05, subdivisions 1 and 1a; 486.06; 487.31, subdivision 1; 504.34, subdivisions 5 and 6; 611.215, by adding a subdivision; and 611.26, subdivision 2; Minnesota Statutes Second 1989 Supplement, sections 3.885, subdivisions 3, 5, and 6; 275.14; 275.51, subdivision 6; 297A.44, subdivision 1; 357.021, subdivision 1a; 373.40, subdivision 1; 477A.011, subdivisions 3 and 3a; 477A.012, subdivision 4; Laws 1987, chapter 404, section 192, subdivision 2; Laws 1988, chapters 648, section 3; and 686, article 1, section 52; Laws 1989, chapter 335, article 1, sections 4, 36, and 42, subdivision 2; article 3, sections 38; and 58, as amended; and article 4, section 107; Laws 1989, First Special Session chapter 1, article 24, section 2; proposing coding for new law in Minnesota Statutes, chapters 4, 6, 15, 16A, 16B, 43A, 88, 116, 116J, 240A, 268, 462A, and 484; proposing coding for new law as Minnesota Statutes, chapter 484A; repealing Minnesota Statutes 1988, sections 3C.056; 14.32, subdivision 2; 40A.02, subdivision 2; 84A.51, subdivision 1; 85.30; 116E.01; 116E.02; 116E.04; 116J.971, subdivisions 1, 2, 4, 5, and 10; 116K.01 to 116K.03; 116K.04, as amended; 116K.05 to 116K.13; 116N.01; 116N.02, as amended; 116N.03 to 116N.07; 116N.08, as amended; 184.34; 268.681, subdivision 4; 299J.18; 326.82; 480.252; 480.254; 484.55; 485.018, subdivision 2a; 486.07; 487.10, subdivisions 2 and 4; and 487.13; Minnesota Statutes 1989 Supplement, sections 3C.035, subdivision 2; 8.15; 97B.301, subdivision 5; 116E.03; 116E.035; 116J.970; 116J.971, subdivisions 3 and 9; 116K.14; 116O.03, subdivision 2a; 357.021, subdivision 2a; 469.203, subdivision 5; 480.241; 480.242, subdivision 4, as amended; 480.256; and 484.545, subdivisions 2 and 3; Laws 1988, chapter 686, article 1, section 3, paragraph (c); Laws 1989, chapter 303, section 10; Minnesota Rules, part 4410.3800, subparts 1 and 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kahn moved that the House refuse to concur in the Senate amendments to H. F. No. 2419, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

MOTIONS AND RESOLUTIONS

Rukavina moved that the name of Anderson, R., be added as an author on H. F. No. 2656. The motion prevailed.

Weaver moved that S. F. No. 1903 be recalled from the Committee on Appropriations and together with H. F. No. 1889, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Schafer moved that H. F. No. 2624 be returned to its author. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2419:

Kahn, Simoneau, Krueger, Osthoff and Abrams.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2651:

Anderson, G.; Carlson, L.; Battaglia; Rice and Anderson, R.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1670:

Skoglund, Abrams and Munger.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1743:

Jacobs, Lasley and Vanasek.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1942:

Winter, Skoglund and Onnen.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2130:

Skoglund, Knickerbocker and Winter.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 1:00 p.m., Monday, April 9, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Monday, April 9, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

EIGHTY-SIXTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, APRIL 6, 1990

The Senate met on Friday, April 6, 1990, which was the Eighty-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

EIGHTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 9, 1990

The House of Representatives convened at 1:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by 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	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
Begich	Hausman	Marsh	Pauly	Steensma
Bennett	Heap	McDonald	Pellow	Sviggum
Bertram	Henry	McEachern	Pelowski	Swenson
Bishop	Himle	McGuire	Peterson	Tjornhom
Blatz	Hugoson	McLaughlin	Popenhagen	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
Dille	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olsen, E.	Schafer	Spk. Vanasek
Frederick	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omam	Schreiber	
Girard	Krueger	Onnen	Seaberg	
Greenfield	Lasley	Orenstein	Segal	

A quorum was present.

Beard and Dempsey were excused.

The Chief Clerk proceeded to read the Journals of the preceding

days. Murphy 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. 2812, 1453, 1884, 1887, 1889, 1898, 1965, 2060, 2061, 2198, 2238, 2323, 2420, 1854, 2817, 2446 and 1815 and S. F. Nos. 1807, 2018, 1001, 1081, 1520, 1838 and 188 have been placed in the members' files.

S. F. No. 1807 and H. F. No. 1877, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Schreiber moved that the rules be so far suspended that S. F. No. 1807 be substituted for H. F. No. 1877 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1903 and H. F. No. 1889, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Weaver moved that the rules be so far suspended that S. F. No. 1903 be substituted for H. F. No. 1889 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 29, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 1893, relating to local government; authorizing certain towns to contribute to economic development organizations.

H. F. No. 2508, relating to education; placing certain positions in special school district No. 1, Minneapolis, in the unclassified service; naming the appointing authority for the positions.

H. F. No. 2149, relating to port authorities; expanding the range of titles for certain offices.

H. F. No. 1987, relating to housing; establishing a procedure for the allocation of low-income housing tax credits.

H. F. No. 951, 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.

H. F. No. 1859, relating to transportation; exempting volunteer drivers of private passenger vehicles from certain passenger service rules of the commissioner of transportation.

H. F. No. 2594, 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.

H. F. No. 2212, relating to education; revising, updating, and making substantive changes in the laws on the county extension service.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1990 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F.</i> <i>No.</i>	<i>H.F.</i> <i>No.</i>	<i>Session Laws</i> <i>Chapter No.</i>	<i>Time and</i> <i>Date Approved</i> <i>1990</i>	<i>Date Filed</i> <i>1990</i>
2353	1893	362	16:50-March 29	March 30
		363	21:38-March 29	March 30
	2508	366	16:52-March 29	March 30
	2149	367	21:41-March 29	March 30
	1987	368	21:42-March 29	March 30
1663		369	21:44-March 29	March 30
	951	370	21:46-March 29	March 30
	1859	372	21:40-March 29	March 30
	2594	379	21:37-March 29	March 30

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 30, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 2609, relating to capital improvements; providing for emergency capital expenses at Inver Hills Community College; authorizing sale of state bonds.

H. F. No. 2143, relating to crimes; defining "crime" for purposes of crime victims reparations.

H. F. No. 2521, relating to health care; increasing the membership of the health care access commission.

H. F. No. 2336, relating to historical interpretive centers; defining the status of Farmamerica in Waseca county.

H. F. No. 2058, relating to education; changing names of state board and state director of vocational technical education and local directors of technical colleges.

H. F. No. 2062, relating to public employment; repealing the exclusion of graduate assistants from coverage under the public employment labor relations act.

H. F. No. 2045, 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.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1990 Session of the State Legislature have been received from

the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 1990</i>	<i>Date Filed 1990</i>
1922		364	19:00-March 30	April 2
	2609	365	14:00-March 30	April 2
	2143	371	19:02-March 30	April 2
	2521	373	18:59-March 30	April 2
	2336	374	18:58-March 30	April 2
	2058	375	18:55-March 30	April 2
	2212	376	22:32-March 29	March 30
	2062	377	19:04-March 30	April 2
	2045	378	19:05-March 30	April 2

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 3, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 2650, relating to cemeteries; allowing transfer of certain cemetery property to a religious corporation.

H. F. No. 2407, relating to health; changing asbestos containment standards.

H. F. No. 2156, relating to counties; regulating performance bonds.

H. F. No. 2386, 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.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1990 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 1990</i>	<i>Date Filed 1990</i>
	2650	380	20:31-April 3	April 3
	2407	381	20:32-April 3	April 3
2048		382	20:33-April 3	April 3
2159		383	20:34-April 3	April 3
2381		384	20:35-April 3	April 3
2039		385	20:36-April 3	April 3
2383		386	20:37-April 3	April 3
1968		387	20:38-April 3	April 3
1692		388	20:39-April 3	April 3
	2156	389	20:40-April 3	April 3
	2386	400	20:42-April 3	April 3

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 3, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Mr. Speaker:

I have vetoed Chapter 390, H. F. No. 2481/S. F. No. 2237, a bill that would permit a judge to sentence a criminal defendant to prison without first conducting a presentence investigation, if the sentence is in accord with the sentencing guidelines.

By eliminating presentence investigations for many defendants, this bill would remove the opportunity for the crime victim to address the court, request restitution, or express a sentencing preference. In the case of drug crimes, the bill removes the opportunity for an assessment of the impact of the crime on the community to be brought to the attention of the judge. The bill could also result in a shorter sentence for a criminal because a judge may not have complete information regarding the defendant's prior criminal history at the time of sentencing.

I understand that the purpose of this bill was to ease crowding in some county jails. However, this bill would eliminate significant rights of crime victims and weaken the sentencing process. Moreover, the bill is unnecessary because current law allows convicted felons to be moved from jail to prison while they await the results of the presentence investigation.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 4, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 1067, relating to education; providing for students on HECB advisory groups if requested.

H. F. No. 2018, relating to newspapers; changing filing requirements for qualification as a legal newspaper.

H. F. No. 1785, relating to real property; providing for plat monuments; imposing a penalty.

H. F. No. 2084, 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.

H. F. No. 2059, relating to education; designating the commissioner of transportation as agent for the Mid-American Aviation Resource Consortium; permitting special school district No. 1 to remodel the Aviation Training Center with federal funds.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1990 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F.</i> No.	<i>H.F.</i> No.	<i>Session Laws</i> <i>Chapter No.</i>	<i>Time and</i> <i>Date Approved</i> <i>1990</i>	<i>Date Filed</i> <i>1990</i>
	1067	393	21:15-April 4	April 5
	2018	395	21:52-April 4	April 5
	1785	396	21:54-April 4	April 5

	2084	401	21:56-April 4	April 5
2432		402	21:58-April 4	April 5
	2059	410	22:00-April 4	April 5

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations 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; requiring the commissioner of natural resources to complete a tree planting plan for carbon dioxide absorption; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [116.86] [CARBON DIOXIDE; LEGISLATIVE INTENT.]

The legislature recognizes that waste carbon dioxide emissions, primarily from transportation and industrial sources, may be a primary component of the global greenhouse effect that warms the earth's atmosphere and may result in untold and irreparable damage to the agricultural, water, forest, and wildlife resources of the state. The legislature further recognizes that trees are a major factor in keeping the earth's carbon cycle balanced, and planting trees and perennial shrubs and vines recycles carbon downward from the atmosphere.

Sec. 2. [TREE AND PERENNIAL SHRUBS AND VINES PLANTING FOR CARBON DIOXIDE ABSORPTION.]

By January 1, 1991, the commissioner of natural resources and the commissioner of the pollution control agency, in consultation with representatives of industry that may be affected by a surcharge on carbon dioxide emissions, and representatives of the forestry and environmental communities, shall prepare a report on the use of a surcharge on carbon dioxide emissions. The report shall:

(1) suggest an appropriate fee on sources of carbon dioxide

emissions, including motor vehicle and permitted facilities in the air emission inventory of the pollution control agency;

(2) recommend methods of encouraging tree and perennial shrubs and vines planting to be implemented in lieu of payment of part or all of a surcharge; and

(3) include a planting plan for carbon dioxide absorption that identifies the proper mix of species for adequate absorption, the proper placement of trees for energy efficiency and conservation, the areas of the state most effective for proper tree planting, the adequate production of state nursery stock, the available procurement of private nursery stock, a range of costs to plant adequate species that absorb carbon dioxide, and the current and prospective distribution system to allow adequate species to be planted.

The commissioners of the pollution control agency and the department of natural resources shall have authority to solicit and accept funds from nonstate sources to accomplish the responsibilities in this section."

Amend the title accordingly

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. 1808, 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.

Reported the same back with the following amendments:

Page 2, line 28, before the period insert "except that the commissioner and the commissioner's agents do not have authority to require grasshopper control measures on land under the jurisdiction of the commissioner of natural resources under section 84.033 or land owned by a nonprofit scientific or educational organization and maintained in a natural state"

Page 3, line 13, after "commissioner" insert "in consultation with the commissioner of natural resources,"

Page 3, after line 28, insert:

“(f) Before any grasshopper control measures, including but not limited to spraying or the deposit of pelletized controls, are applied on or to public waters, waterways, streams, or lakes, the commissioner shall seek the review and approval of the commissioner of natural resources.”

Page 4, after line 28, insert:

“(c) The commissioner, a county agricultural inspector, or a local weed inspector issuing a notice under this subdivision must provide the same number of days for compliance under paragraph (b), clause (5), for property controlled by a private land owner or occupant as for property controlled by a unit of state or local government.”

Page 5, delete lines 14 to 17

Page 5, line 18, delete “(e)” and insert “(d)”

Page 5, line 23, delete “(f)” and insert “(e)”

Page 7, delete lines 16 to 33

Page 8, line 2, after “4” insert “and 6”

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 4, delete “appropriating money;”

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations 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 orga-

nizations 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; 349.22, by adding subdivisions; 349.52, 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 recommendation that the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations 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, 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.

Reported the same back with the following amendments:

Page 17, after line 29, insert:

"Sec. 28. Minnesota Statutes 1988, section 105.37, is amended by adding a subdivision to read:

Subd. 19. [ONCE-THROUGH SYSTEM.] "Once-through system" means any space 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 or reusing it for another purpose.

Sec. 29. 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 water use permits for once-through systems after the date of enactment. Permits for once-through cooling systems shall terminate no later than December 31, 1999.~~

Sec. 30. Minnesota Statutes 1988, section 105.41, is amended by adding a subdivision to read:

Subd. 1d. [MT. SIMON-HINCKLEY AQUIFER.] (a) The commissioner may 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 must 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. 31. 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. 32. 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 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.

(c) The fee is payable based on the amount of water permitted during the year and in no case may the fee be less than \$25.

(d) Failure to pay the fee is sufficient cause for revoking a permit.

(e) A water use processing fee may not be imposed on any state agency as defined in section 16B.01, holding a water appropriation permit.

(f) For once-through systems fees payable after July 1, 1993, 50 percent of the fee deposited in the general fund may be used for grants as appropriated by the legislature to assist in financing retrofitting of permitted once-through systems. The commissioner shall promulgate rules for determining eligibility and criteria for the issuance of grants for retrofitting according to chapter 14, by July 1, 1993.

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. 33. Minnesota Statutes 1988, section 326.37, is amended to read:

326.37 [PLUMBERS; SUPERVISION BY STATE COMMISSIONER OF HEALTH; RULES; VIOLATION; PENALTY.]

Subdivision 1. The state commissioner of health may, by rule, prescribe minimum standards which shall be uniform, and which standards shall thereafter be effective for all new plumbing installations, including additions, extensions, alterations, and replacements connected with any water or sewage disposal system owned or operated by or for any municipality, institution, factory, office building, hotel, apartment building, or any other place of business regardless of location or the population of the city or town in which located. Violation of the rules shall be a misdemeanor.

The commissioner shall administer the provisions of sections 326.37 to 326.45 and for such purposes may employ plumbing inspectors and other assistants.

Subd. 2. [STANDARDS FOR CAPACITY.] By January 1, 1992, all new and replacement floor-mounted water closets may not have a flush volume of more than 1.6 gallons. The water closets must meet the standards of the commissioner and the American National Standards Institute.

Page 18, line 17, delete "and 29" and insert "30, and 35"

Page 18, line 18, delete "28" and insert "34"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon insert "limiting the issuance of water use permits for once-through cooling systems; imposing deadlines for termination of once-through cooling systems; allocating water use processing fees for retrofitting once-through systems; imposing limits on the flush volume of water closets;" and after "amending" insert "Minnesota Statutes 1988, sections 105.37, by adding a subdivision; 105.41, subdivision 4, and by adding a subdivision; and 326.37;"

Page 1, line 13, after the semicolon insert "105.41, subdivisions 1c and 5a;"

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. 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 446A.12, subdivision 1; Minnesota Statutes 1989 Supplement, section 116.16, subdivisions 2 and 5.

Reported the same back with the following amendments:

Page 4, line 11, reinstate "serving" and insert "less than six" and reinstate "dwellings"

Page 4, line 12, reinstate the stricken language

Page 4, line 25, strike "that"

Page 5, line 35, before the period insert "but not including the making of grants"

Page 6, line 2, delete "\$300,000,000" and insert "\$150,000,000"

Page 6, after line 2, insert:

"Sec. 6. [EFFECTIVE DATE.]

Section 5 is effective the day following final enactment."

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. 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; 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; appropriating money; requiring a draining system report; amending Minnesota Statutes 1988, sections 110B.28; 110B.30; 112.42, subdivision 3; 473.875; 473.876, by adding a subdivision; 473.877, subdivision 1; 473.878, subdivisions 1, 1a, 2, 3, 4, 6, 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; proposing coding for new law in Minnesota Statutes, chapters 112 and 473.

Reported the same back with the following amendments:

Page 19, line 12, delete "\$" and insert "\$57,000"

Page 19, after line 13, insert:

"The appropriation shall be taken from the amount appropriated in fiscal year 1991 for local water resources protection grants under Laws 1989, chapter 326, article 10, section 1, subdivision 4, clause (b)."

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. 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.

Simoneau from the Committee on Appropriations 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 following amendments:

Page 1, line 6, delete "APPROPRIATION;"

Page 1, line 7, delete "\$740,000 is appropriated from the general fund to"

Page 1, line 8, after "education" insert "may use funds available from any state or nonstate source"

Page 1, delete line 14

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "authorizing use of certain funds by the state board of vocational technical education for certain purposes."

Page 1, delete lines 3 and 4

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. 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; requiring a waiting list; requiring a study on cost containment; amending Minnesota Statutes 1988, section 256B.092, subdivisions 1a, 1b, and by adding subdivisions.

Reported the same back with the following amendments:

Page 3, line 12, delete "a list of" and insert "specify"

Page 3, line 13, delete "STUDY" and insert "PROPOSALS"

Page 3, line 15, delete "a proposal" and insert "proposals"

Page 3, line 17, after "to" insert "examine alternatives to"

Page 3, line 21, delete "proposal" and insert "proposals"

Page 3, line 22, after the first comma insert "respite care,"

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. 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.

Reported the same back with the following amendments:

Page 2, line 2, after "APPROPRIATION" insert "; UNENCUMBERED BALANCE"

Page 2, delete lines 3 to 6

Page 2, line 7, delete "(b)" and insert "(a)"

Page 2, line 12, delete "(c)" and insert "(b)"

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. 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 certain devices, equipment, and building modifications; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 471.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [471.471] [ACCESS REVIEW BOARD.]

Subdivision 1. [MEMBERSHIP.] The access review board consists of:

(1) a representative of the building code and standards division of the department of administration, appointed by the commissioner of administration;

(2) a representative of the state fire marshal's office, appointed by the commissioner of public safety;

(3) the commissioner of human rights or the commissioner's designee;

(4) the commissioner of labor and industry or the commissioner's designee; and

(5) the chair of the council on disability or the chair's designee.

The council shall elect a chair from among its members. Terms of members coincide with the terms of their appointing authorities or, in the case of ex officio members or their designees, with the terms of the offices by virtue of which they are members of the board. Compensation of members is governed by section 15.0575, subdivision 3.

Subd. 2. [STAFF; ADMINISTRATIVE SUPPORT.] The commissioner of administration shall furnish staff, office space, and administrative support to the board. Staff assigned to the board must be knowledgeable with respect to access codes, site surveys, plan design, and product use and eligibility.

Subd. 3. [DUTIES.] The board shall consider applications for waivers from the state building code to permit the installation of stairway chair lifts to provide limited accessibility for the physically disabled to buildings in which the provision of access by means permitted under the state building code is not architecturally or financially feasible. In considering applications, the board shall review other possible access options. The board may approve an application for installation of a stairway chair when the board determines that the installation would be appropriate and no other means of access is feasible. In determining whether to approve an application, the board shall consider:

(1) the need for limited accessibility when a higher degree of accessibility is not required by state or federal law or rule;

(2) the architectural feasibility of providing a greater degree of accessibility than would be provided by the proposed device or equipment;

(3) the applicant's demonstrated inability to afford a greater degree of accessibility;

(4) the total cost of the proposed device or equipment over its projected usable life, including installation, maintenance, and replacement costs;

(5) the reliability of the proposed device or equipment;

(6) the applicant's ability to comply with all recognized access and safety standards for installation and maintenance; and

(7) whether the proposed device or equipment can be operated and used without reducing or compromising minimum safety standards.

The board may not approve an application unless the applicant guarantees that the device or equipment will be installed and operated in accordance with nationally recognized standards for such devices or equipment and agrees to obtain any permits needed from the agency responsible for enforcing those standards.

Subd. 4. [APPLICATION PROCESS.] A person seeking a waiver shall apply to the building code and standards division of the department of administration on a form prescribed by the board and pay a \$70 fee. The division shall review the application to determine whether it appears to be meritorious, using the standards set out in subdivision 3. The division shall forward applications it considers meritorious to the board, along with a list and summary of applications considered not to be meritorious. The board may require the division to forward to it an application the division has considered not to be meritorious. The board shall issue a decision on an application within 90 days of its receipt. A board decision to approve an application must be unanimous. An application that contains false or misleading information must be rejected.

Subd. 5. [LIABILITY.] Board members are immune from liability for personal injury or death resulting from the use or misuse of a device or equipment installed and operated under a waiver granted by the board."

Delete the title and insert:

"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; proposing coding for new law in Minnesota Statutes, chapter 471."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

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.

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

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

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.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [525.5501] [RIGHT TO COUNSEL.]

Subdivision 1. [GENERAL.] A proposed ward or conservatee has the right to be represented by counsel at any proceeding under this chapter. The court shall appoint counsel to represent the proposed ward or conservatee for the initial proceeding held pursuant to section 525.551 if neither the proposed ward or conservatee nor others provide counsel unless in a meeting with a visitor the proposed ward or conservatee specifically waives the right to coun-

sel. Counsel must be appointed immediately after any petition under this chapter is served under section 525.55.

Counsel has the full right of subpoena. In all proceedings under this chapter, counsel shall:

(1) consult with the proposed ward or proposed conservatee before any hearing;

(2) be given adequate time to prepare for all hearings; and

(3) continue to represent the person throughout any proceedings under section 525.551 unless released as counsel by the court.

The court need not appoint counsel to represent the proposed ward or conservatee on a voluntary petition and the court may remove a court-appointed attorney at any time if the court finds that the proposed ward or conservatee has made a knowing and intelligent waiver of the right to counsel or has obtained private counsel.

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. This subdivision does not apply in the counties that make up the Eighth Judicial District.

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.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

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.

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

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

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.

Reported the same back with the following amendments:

Page 3, lines 2 to 8, reinstate the stricken language

Page 3, line 14, delete the new language and reinstate the stricken language

Page 3, line 19, delete the new language and reinstate the stricken language

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 2396, A bill for an act relating to the environment; regulating the disposition of property acquired for response action; appropriating money; amending Minnesota Statutes 1988, section 115B.17, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

“Section 1. Minnesota Statutes 1988, section 115B.03, is amended by adding a subdivision to read:

Subd. 4. [GOVERNMENTAL LIABILITY.] Notwithstanding any other provisions of this chapter or any other law to the contrary, the state or a political subdivision is not a responsible person and is not responsible for the release or threatened release of a hazardous substance, pollutant, or contaminant if the state or political subdivision acquired ownership or control of the property or facility involuntarily through bankruptcy, tax delinquencies, abandonment, escheat, or other circumstances in which the government involuntarily acquires title by virtue of its function as sovereign. This exclusion does not apply if the state or political subdivision has caused or substantially contributed to the release or threatened release of a hazardous substance from the facility or property.”

Page 1, line 7, delete “Section 1.” and insert “Sec. 2.”

Amend the title as follows:

Page 1, line 2, after the semicolon insert “exempting the state and political subdivisions from liability as responsible persons;”

Page 1, line 5, delete “section” and insert “sections 115B.03, by adding a subdivision; and”

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1617, 1808, 1891, 1948, 1949, 2007, 2023, 2035, 2379, 2495 and 2769 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1807, 1903, 838, 1400, 1813, 2216 and 2396 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House File was introduced:

McEachern introduced:

H. F. No. 2827, A bill for an act relating to state lands; requiring sealed bids in the sale of certain state lands; amending Minnesota Statutes 1988, section 92.67, subdivision 1.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Dempsey and McDonald introduced:

H. A. No. 52, A proposal to provide aid for low income pupils who go to nonpublic schools.

The advisory was referred to the Committee on Education.

Begich introduced:

H. A. No. 53, A proposal for a study of hiring replacement workers in strike situations.

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

Begich introduced:

H. A. No. 54, A proposal to study the practice of imposing service charges by restaurants and resorts.

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

Frerichs, Dille and Dorn introduced:

H. A. No. 55, A proposal to study and recommend standards for reverse referendums.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2419, A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; consolidating certain funds and accounts and making conforming changes; changing the organization, operation, financing, and management of certain courts and related offices; amending Minnesota Statutes 1988, sections 2.722, subdivision 1; 3C.035, subdivision 3; 3C.11, subdivision 2; 5.13; 11A.07, subdivision 5; 14.07, subdivisions 1 and 2; 14.08; 14.26; 14.53; 15.054; 15.06, subdivision 1; 15.51; 15.52, subdivisions 2 and 3; 15.53, subdivision 1; 15.56, subdivision 5; 15.59; 16A.10, by adding a subdivision; 16A.127, subdivisions 3 and 8; 16B.24, subdivision 5, and by adding subdivisions; 16B.28, subdivision 2; 16B.48, subdivisions 4 and 5; 16B.51, subdivision 2; 16B.53, subdivision 3; 16B.85, subdivisions 2, 3, and 5; 17.102, subdivision 4; 40A.08; 40A.151; 40A.152, subdivision 3; 40A.16; 41A.04, subdivision 1; 41A.05, subdivision 2; 41A.051; 41A.066, subdivision 1; 62D.122; 62J.02, subdivisions 2 and 3; 84.027, by adding a subdivision; 84.154, subdivision 5; 84.943; 84A.53; 84A.54; 89.37, subdivision 4; 89.58; 97A.065, subdivision 2; 97C.001, subdivision 1; 105.485, subdivision 3; 110B.04, subdivision 7; 110B.08, subdivision 5; 115.103, subdivision 1; 115A.072, subdivision 1; 115A.15, subdivision 6; 116.36, subdivision 1; 116.65, subdivision 3; 116C.03, subdivisions 4 and 5; 116C.712, subdivisions 3 and 5; 116D.04, subdivisions 5a and 10; 116D.045, subdivision 3; 116J.971, by adding a subdivision; 116J.980; 116L.03, by adding a subdivision; 116P.11; 126.115, subdivision 3; 144.226, subdivision 3; 144.70, subdivision 2; 144.8093, subdivisions 2, 3, and 4; 144A.071, subdivision 5; 144A.31, subdivision 1; 144A.33, subdivision 4; 145A.02, subdivision 16; 145A.09, subdivision 6; 157.045; 169.126, subdivision 4b; 171.06, subdivision 2a; 176B.02; 176B.04; 181.953; 183.545, subdivision 9; 184.33, subdivision 1, and by adding a subdivision; 184.35; 190.08, by adding a subdivision; 192.85; 196.054, subdivision 2; 197.23, subdivision 2; 201.023; 204B.14, subdivision 5; 214.141; 240A.02, subdivisions 1 and 3;

240A.03, subdivision 13, and by adding a subdivision; 243.48, subdivision 1; 268.026, subdivision 2; 268.361, subdivision 3; 268.677, subdivision 2; 268.681, subdivision 3; 270.68, subdivision 1; 272.38, subdivision 1; 282.014; 296.06, subdivision 2; 296.12, subdivisions 1 and 2; 296.17, subdivisions 10 and 17; 297.03, subdivision 5a; 299D.03, subdivision 5; 326.37; 326.47, subdivision 3; 326.52; 326.75, subdivision 4; 349.22, subdivision 2; 349.36; 349.52, subdivision 3; 352.92, subdivision 2; 352B.02, subdivision 1c; 353D.01, subdivision 2; 354.42, subdivision 5; 363.073, by adding a subdivision; 368.01, subdivision 1a; 402.045; 462.384, subdivision 7; 477A.014, subdivision 4; 480A.01, subdivision 3; 481.14; 484.54, subdivision 1; 484.545, subdivision 1; 484.68, subdivision 2, and by adding a subdivision; 484.70, subdivision 1; 485.03; 486.01; 487.32, subdivisions 2 and 3; 487.33, by adding a subdivision; 611.20; 611.215, subdivision 1; 611.26, subdivision 3; 611.27; 611.271; 629.292, subdivision 1; Minnesota Statutes 1989 Supplement, sections 3.30, subdivisions 1 and 2; 5.18; 15A.081, subdivision 1; 16A.11; subdivision 3; 16A.133, subdivision 1; 16B.24, subdivision 6; 16B.28, subdivision 3; 16B.465, subdivision 1; 16B.48, subdivision 2; 17.49, subdivision 1; 18.0225; 41A.05, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2, and by adding a subdivision; 84A.51, subdivision 2; 85.205; 89.035; 89.036; 97A.475, subdivision 2; 103H.101, subdivision 4; 103H.175; 105.41, subdivision 5a; 115A.54, subdivision 2a; 115A.923, subdivision 2; 116.85; 116C.03, subdivision 2; 116J.01, subdivision 3; 116J.58, subdivision 1; 116J.617, subdivision 5; 116J.955, subdivision 1; 116J.9673, subdivision 4; 116J.971, subdivisions 6, 7, and 8; 116L.03, subdivision 2; 129B.13, subdivisions 2, 3, 8, 9, 10, 12, 14, 15, and 16; 144.861; 145.926, subdivisions 1, 4, 5, 7, and 8; 169.686, subdivision 3; 176.135, subdivision 1; 183.357, subdivision 4; 190.25, subdivision 3; 216D.08, subdivision 3; 245.4873, subdivision 2; 245.697, subdivision 2a; 246.18, subdivision 3a; 256H.25, subdivision 1; 270.06; 270.064; 299A.30, subdivision 2; 299A.31, subdivision 1; 299A.40, subdivision 4; 299F.641, subdivision 8; 299J.12, subdivision 1; 336.9-413; 352.04, subdivisions 2 and 3; 357.021, subdivision 2; 357.022; 357.08; 363.073, subdivision 1; 466A.05, subdivision 1; 469.203, subdivisions 4 and 5; 469.204, subdivision 2; 469.205, by adding a subdivision; 469.207; 473.156, subdivision 1; 480.242; 484.68, subdivision 5; 485.018, subdivision 5; 486.05, subdivisions 1 and 1a; 486.06; 487.31, subdivision 1; 504.34, subdivisions 5 and 6; 611.215, by adding a subdivision; and 611.26, subdivision 2; Minnesota Statutes Second 1989 Supplement, sections 3.885, subdivisions 3, 5, and 6; 275.14; 275.51, subdivision 6; 297A.44, subdivision 1; 357.021, subdivision 1a; 373.40, subdivision 1; 477A.011, subdivisions 3 and 3a; 477A.012, subdivision 4; Laws 1987, chapter 404, section 192, subdivision 2; Laws 1988, chapters 648, section 3; and 686, article 1, section 52; Laws 1989, chapter 335, article 1, sections 4, 36, and 42, subdivision 2; article 3, sections 38; and 58, as amended; and article 4, section 107; Laws 1989, First Special Session chapter 1, article 24, section 2; proposing coding for new law in Minnesota Statutes, chapters 4, 6, 15, 16A, 16B, 43A, 88, 116, 116J, 240A, 268, 462A, and 484; proposing coding for new law as Minne-

sota Statutes, chapter 484A; repealing Minnesota Statutes 1988, sections 3C.056; 14.32, subdivision 2; 40A.02, subdivision 2; 84A.51, subdivision 1; 85.30; 116E.01; 116E.02; 116E.04; 116J.971, subdivisions 1, 2, 4, 5, and 10; 116K.01 to 116K.03; 116K.04, as amended; 116K.05 to 116K.13; 116N.01; 116N.02, as amended; 116N.03 to 116N.07; 116N.08, as amended; 184.34; 268.681, subdivision 4; 299J.18; 326.82; 480.252; 480.254; 484.55; 485.018, subdivision 2a; 486.07; 487.10, subdivisions 2 and 4; and 487.13; Minnesota Statutes 1989 Supplement, sections 3C.035, subdivision 2; 8.15; 97B.301, subdivision 5; 116E.03; 116E.035; 116J.970; 116J.971, subdivisions 3 and 9; 116K.14; 116O.03, subdivision 2a; 357.021, subdivision 2a; 469.203, subdivision 5; 480.241; 480.242, subdivision 4, as amended; 480.256; and 484.545, subdivisions 2 and 3; Laws 1988, chapter 686, article 1, section 3, paragraph (c); Laws 1989, chapter 303, section 10; Minnesota Rules, part 4410.3800, subparts 1 and 3.

The Senate has appointed as such committee:

Messrs. Kroening; Merriam; Luther; Frederickson, D. R., and Lessard.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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 Senate has appointed as such committee:

Messrs. Freeman, Merriam, Waldorf, Benson and Moe, R. D.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of 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. 1873, 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, sections 611A.53, subdivision 2; and 611A.57, subdivision 6; Minnesota Statutes 1989 Supplement, sections 13.84, subdivision 5a; 260.161, subdivision 2; 611A.04, subdivision 2; 611A.06; 611A.52, subdivision 8; and 629.73; proposing coding for new law in Minnesota Statutes, chapter 611A.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Mr. Cohen, Ms. Reichgott and Mr. Laidig.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Seaberg moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1873. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2018, 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; requiring local gambling taxes and prescribing uses for revenue therefrom; appropriating money; amending Minnesota Statutes 1988, sections 349.12, subdivisions 10, 18, and by adding subdivisions; 349.16, as amended; 349.17, as amended; 349.18, as amended; 349.19, as amended; 349.211, by adding a subdivision; 349.212, subdivision 5; 349.2121, subdivisions 1 and 4a; 349.2123; 349.2125, subdivision 4; 349.2127, subdivisions 1, 3, and by adding subdivisions; 349.30, subdivision 2; 349.31; 349.32; 349.34; 349.35, subdivision 1; 349.36; 349.38; 349.39; 349.50, subdivision 8; 349.52, by adding a subdivision; 349.59, subdivision 1; 349.55; 609.75, subdivision 4; Minnesota Statutes 1989 Supplement, sections 299L.03, by adding a subdivision; 349.12, subdivisions 12 and 15; 349.151, subdivision 4, and by adding a subdivision; 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; Minnesota Statutes Second 1989 Supplement, sections 349.12, subdivisions 11 and 19; 349.15; 349.212, subdivisions 1, 2, and 4; 349.2125, subdivisions 1 and 3; 349.2127, subdivisions 2, 4, and 5; 349.22, subdivision 1; 349.501, subdivision 1; 349.502, subdivision 1; 609.76, subdivision 1; 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 349.14; 349.214, subdivisions 1, 1a, 3, and 4; Minnesota Statutes 1989 Supplement, sections 349.151, subdivision 4a; 349.20; 349.21; 349.22, subdivision 3; Minnesota Statutes Second 1989 Supplement, section 349.214, subdivision 2.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Mrs. Lantry, Mr. Diessner, Mrs. McQuaid, Ms. Reichgott and Mr. Purfeerst.

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

Quinn moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2018. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 2419, 2483, 824 and 1798.

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. 2158, 2619, 2346, 1962 and 2173.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2419, 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, subdivision 1a; 256.7365, subdivision 2; 256D.01, by adding a subdivision; 256D.02, subdivisions 5, 8, and 12; 256D.052, subdivision 5; 256D.06, subdivision 2; 256H.10, subdivisions 1 and 4; 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, and 18; 256.737, subdivisions 1, 1a, and 2; 256D.01, subdivision 1a; 256D.051, subdivisions 1a, 1b, 2, 3, and 8; 256H.01, subdivisions 7, 8, and 12; 256H.09, subdivision 1; 256H.10, subdivision 3; 256H.11, subdivision 1; 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, 2a, and 17; 256.7365, subdivision 8; 256D.06, subdivision 1c; 256H.01, subdivision 14; 256H.16; 268.672, subdivision 12; 268.86, subdivision 9; 268.872, subdivision 3; and Minnesota Statutes 1989 Supplement, section 256H.05, subdivisions 1, 1a, and 3a.

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

S. F. No. 2483, 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, subdivisions 1, 2, 4, and 7; 317A.111, subdivisions 3 and 4; 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, subdivisions 1 and 2; 317A.823, subdivisions 2 and 3; and 354A.021, subdivision 2.

The bill was read for the first time.

Pugh moved that S. F. No. 2483 and H. F. No. 2678, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 824, A bill for an act relating to environment; requiring recycling of CFCs under certain conditions; providing an exemption for medical devices; prohibiting the sale of certain motor vehicle coolants and certain solvents; requiring recapture and recycling of halons from fire extinguishers; amending Minnesota Statutes 1988, sections 116.70, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 116 and 325E.

The bill was read for the first time.

Trimble moved that S. F. No. 824 and H. F. No. 1025, now on

General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1798, A bill for an act relating to health; providing limited prescription privileges for physician assistants; requiring permanent registration for certain physician assistants; amending Minnesota Statutes 1988, section 151.37, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 147.

The bill was read for the first time.

Dauner moved that S. F. No. 1798 and H. F. No. 1887, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2158, A bill for an act relating to utilities; regulating flexible gas utility rates; repealing sunset provisions relating to flexible gas utility rates; appropriating money; amending Minnesota Statutes 1988, section 216B.163; and Laws 1987, chapter 371, section 4.

The bill was read for the first time.

Jacobs moved that S. F. No. 2158 and H. F. No. 2520, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2619, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

The bill was read for the first time.

Lieder moved that S. F. No. 2619 and H. F. No. 2812, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2346, 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.

Kalis moved that S. F. No. 2346 and H. F. No. 2769, now on

Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1962, A bill for an act relating to appropriations; canceling an appropriation for a cooperative agreement with the Cuyuna Development Corporation; restoring the wild rice management account; amending Laws 1989, chapter 335, article 4, section 109, subdivision 1.

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

S. F. No. 2173, 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 for chlorofluorocarbon reduction; requiring an air pollution study; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 116 and 325E; proposing coding for new law as Minnesota Statutes, chapter 115D.

The bill was read for the first time.

Munger moved that S. F. No. 2173 and H. F. No. 2198, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Anderson, R., was excused while in conference.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON 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.

April 4, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1857, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1857 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 161.315, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] The terms used in this section have the meanings given them in this subdivision.

(a) "Affiliate" means a predecessor or successor of a person under the same or substantially the same control by merger, reorganization, or otherwise, who is, or that has as an officer or director an individual who is, a relative of the person or an individual over whose actions the person exercises substantial influence or control, or a group of entities so connected or associated that one entity controls or has the power to control each of the other entities. "Affiliate" includes the affiliate's principals. One person's ownership of a controlling interest in another entity or a pooling of equipment or income among entities is prima facie evidence that one entity is an affiliate of another.

(b) "Contract crime" means a violation of state or federal antitrust law, fraud, theft, embezzlement, bribery, forgery, misrepresentation, making false statements, falsification or destruction of records, or other criminal offense in connection with obtaining, attempting to obtain, or performing a public or private contract or subcontract.

(c) "Conviction" has the meaning given it in section 609.02, subdivision 5.

(d) "Debar" means to disqualify from receiving a contract or from serving as a subcontractor or material supplier as provided by Laws 1984, chapter 654, article 2, section 8.

(e) "Person" means a natural person or a business, corporation, association, partnership, sole proprietorship, or other entity formed

to do business as a contractor, subcontractor, or material supplier and includes an affiliate of a person.

(f) "Pooling" means a combination of persons engaged in the same business or combined for the purpose of engaging in a particular business or commercial venture and who all contribute to a common fund or place their holdings of a given stock or other security in the hand and control of a managing member or committee of the combination.

(g) "Suspend" means to temporarily disqualify from receiving a contract or from serving as a subcontractor or material supplier as provided by Laws 1984, chapter 654, article 2, section 8.

(h) "Relative" means an individual related by consanguinity within the second degree as determined by the common law, a spouse, or an individual related to a spouse within the second degree as determined by the common law, and includes an individual in an adoptive relationship within the second degree as determined by the common law.

Sec. 2. Minnesota Statutes 1988, section 161.315, subdivision 3, is amended to read:

Subd. 3. [PROHIBITIONS.] Except as provided in subdivision 4:

(1) neither the commissioner nor a county, town, or home rule or statutory city may award or approve the award of a contract for goods or services to a person who is suspended or debarred;

(2) neither the commissioner nor a county, town, or home rule or statutory city may award or approve the award of a contract for goods or services under which a debarred or suspended person will serve as a subcontractor or material supplier; and

(3) a person to whom a contract for goods or services has been awarded may not subcontract with or purchase materials or services from a debarred or suspended person for performance of that contract; and

(4) when a debarred person sells or otherwise transfers to a relative or to any other party over whose actions the debarred person exercises substantial influence or control, a business, corporation, association, partnership, sole proprietorship, or other entity, or an affiliate of the entity, that is ineligible by virtue of the debarment to contract with a governmental entity, the sold or transferred entity remains ineligible for these contracts for the duration of the seller's or transferor's debarment.

Sec. 3. Minnesota Statutes 1989 Supplement, section 221.022, is amended to read:

221.022 [METROPOLITAN TRANSIT COMMISSION; EXCEPTION.]

The powers granted to the board under sections 221.011 to 221.296 do not include the power to regulate any service or vehicles operated by the metropolitan transit commission or to regulate passenger transportation service provided under contract to the department or the regional transit board. A provider of passenger transportation service under contract to the department or the regional transit board may not provide charter service without first having obtained a permit to operate as a charter carrier.

Sec. 4. Minnesota Statutes 1989 Supplement, section 221.025, is amended to read:

221.025 [EXEMPTIONS.]

Except as provided in sections 221.031 and 221.033, the provisions of this chapter do not apply to the intrastate transportation described below:

(a) the transportation of students to or from school or school activities in a school bus inspected and certified under section 169.451;

(b) the transportation of rubbish as defined in section 443.27;

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

(d) authorized emergency vehicles as defined in section 169.01, subdivision 5, including ambulances, and tow trucks when picking up and transporting disabled or wrecked motor vehicles and when carrying proper and legal warning devices;

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

(f) the delivery of agricultural lime;

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

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

(i) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator evergreens, wood chips, sawdust, shavings, and bark

from the place where the products are produced to the point where they are to be used or shipped;

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

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

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

(m) a person engaged in transporting agricultural, horticultural, dairy, livestock, or other farm products within an area having a 25-mile radius from the person's home post office and the carrier may transport other commodities within the 25-mile radius if the destination of each haul is a farm;

(n) a person providing limousine service that is not regular route service in a passenger automobile that is not a van, and that has a seating capacity, excluding the driver, of not more than 12 persons;

(o) passenger transportation service that is not charter service and that is under contract to and with operating assistance from the department or the regional transit board.

Sec. 5. Minnesota Statutes 1989 Supplement, section 221.031, subdivision 3a, is amended to read:

Subd. 3a. [CONTRACTORS OR RECIPIENTS OF TRANSPORTATION ASSISTANCE.] Notwithstanding subdivision 3, providers of passenger transportation service under contract to and with operating assistance from the department or the regional transit board must comply with rules of the commissioner for driver qualifications, safe operation of vehicles, equipment, parts and accessories, maximum hours of service of drivers, inspection, repair and maintenance, and accident reporting. This subdivision does not apply to a local transit commission, a transit authority created by the legislature, or special transportation service certified by the commissioner under section 174.30.

Sec. 6. Minnesota Statutes 1989 Supplement, section 221.601, subdivision 1, is amended to read:

221.601 [AGREEMENTS WITH OTHER STATES.]

Subdivision 1. [AUTHORITY.] The commissioner may enter into agreements with representatives of other states to allow the cooperative registration of motor carriers transporting property or passengers for hire in interstate commerce. The agreement may authorize representatives of other states to issue interstate registration stamps and trip permits; accept the filing of insurance certificates, insurance cancellation notices, and interstate commerce commission orders; issue suspension and reinstatement orders or notices; and collect and disburse fees prescribed by this chapter. The agreement may allow the exchange of information for audit, reporting, and enforcement purposes, and the collection and disbursement of fees provided under this chapter and the laws of other states that participate in the agreement. The agreement and all amendments must be in writing. The agreement may provide for the gradual adoption of a base state registration system. It may provide that a motor carrier based in another state participating in the agreement, that has filed evidence of financial responsibility in that state that meets the requirements of this chapter and of the agreement, need not file evidence of financial responsibility with the commissioner for its interstate operations in this state.

Sec. 7. [FIBER OPTIC CABLE ALONG I-94; I-494.]

Notwithstanding Minnesota Rules 1989, part 8810.3300, subpart 4, a utility, as defined in Minnesota Rules 1989, part 8810.3100, subpart 4, may lay a fiber optic cable or a conduit containing one or more fiber optic cables inside the control-of-access lines along the portion of the interstate highway designated as I-94 that runs between Maple Grove in Hennepin county and St. Cloud in Stearns county, and the portion of the interstate highway designated as I-494 that runs between Plymouth in Hennepin county and Maple Grove in Hennepin county. The commissioner of transportation may impose reasonable conditions on the time, place, and manner of the utility's installation and maintenance of the cable or conduit and may also charge reasonable fees therefor notwithstanding Minnesota Statutes, chapters 14 and 16A. If the cable or conduit must be relocated because of reconstruction or maintenance work on an interstate highway, the utility shall bear the entire cost of the relocation.

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 transportation; providing greater restrictions on eligibility of debarred persons for certain public contracts; exempting provision of passenger transportation service under contract with regional transportation board from some regulation; increasing scope of interstate motor carrier registration agreements; permitting fiber optic cable to be laid along portions of certain interstate highways; amending Minnesota Statutes 1988, section 161.315, subdivisions 2 and 3; Minnesota Statutes 1989 Supplement, sections 221.022; 221.025; 221.031, subdivision 3a; and 221.601, subdivision 1."

We request adoption of this report and repassage of the bill.

House Conferees: BERNARD L. LIEDER, ANDY STEENSMA AND DOUG CARLSON.

Senate Conferees: JIM VICKERMAN, BETTY A. ADKINS AND MEL FREDERICK.

Lieder moved that the report of the Conference Committee on H. F. No. 1857 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Carruthers	Hartle	Johnson, R.	Lynch
Anderson, G.	Clark	Hasskamp	Johnson, V.	Macklin
Battaglia	Cooper	Haukoos	Kahn	Marsh
Bauerly	Dauner	Hausman	Kalis	McDonald
Begich	Dawkins	Heap	Kelly	McEachern
Bennett	Dille	Henry	Kelso	McGuire
Bertram	Dorn	Himle	Kinkel	McLaughlin
Bishop	Forsythe	Hugoson	Knickerbocker	McPherson
Blatz	Frederick	Jacobs	Kostohryz	Milbert
Boo	Frerichs	Janezich	Krueger	Miller
Brown	Girard	Jaros	Lasley	Morrison
Burger	Greenfield	Jefferson	Lieder	Munger
Carlson, D.	Gruenes	Jennings	Limmer	Murphy
Carlson, L.	Gutknecht	Johnson, A.	Long	Nelson, C.

Nelson, K.	Otis	Reding	Simoneau	Uphus
Neuenschwander	Ozment	Rest	Skoglund	Valento
O'Connor	Pappas	Rice	Solberg	Vellenga
Ogren	Pauly	Richter	Sparby	Wagenius
Olsen, S.	Pellow	Rodosovich	Stanius	Waltman
Olson, E.	Pelowski	Rukavina	Steensma	Weaver
Olson, K.	Peterson	Runbeck	Sviggum	Welle
Omnn	Poppenhagen	Sarna	Swenson	Wenzel
Onnen	Price	Schafer	Tjornhom	Williams
Orenstein	Pugh	Schreiber	Tompkins	Winter
Osthoff	Quinn	Seaberg	Trimble	Spk. Vanasek
Ostrom	Redalen	Segal	Tunheim	

The bill was repassed, as amended by Conference, and its title agreed to.

CONFERENCE COMMITTEE REPORT ON 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.

April 2, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1846, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1846 be further amended as follows:

Pages 1 and 2, delete sections 2 and 3 and insert:

"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 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 as follows:

- (1) to pay a fine of at least \$1,500; and
- (2) to serve 20 hours of community work service.

The court may waive the mandatory community work service if it makes specific, written findings that the community work service is not feasible or appropriate under the circumstances of the case.

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 subdivision 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. Community work service ordered under this subdivision is in addition to any mandatory community work service ordered under subdivision 3."

Page 3, delete section 5 and insert:

"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 for a violation of section 609.324, subdivision 2, or a misdemeanor violation of section 609.324, subdivision 3, otherwise the court shall impose an assessment of \$500. The

assessment is to be used for the purposes described in section 626.558, subdivision 2a. This assessment and is in addition to the assessment or surcharge required by section 609.101."

We request adoption of this report and repassage of the bill.

House Conferees: JEAN WAGENIUS, RANDY C. KELLY, KATHLEEN VELLENGA, KATHLEEN BLATZ AND MARCUS MARSH.

Senate Conferees: LAWRENCE J. POGEMILLER, PATRICK D. MCGOWAN, CAROL FLYNN, WILLIAM V. BELANGER, JR. AND EMBER D. REICHGOTT.

Wagenius moved that the report of the Conference Committee on H. F. No. 1846 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Stanius
Steensma
Sviggum
Swenson

Tjornhom
Tompkins
Trimble
Tunheim

Uphus
Valento
Vellenga
Wagenius

Waltman
Weaver
Welle
Wenzel

Williams
Winter
Spk. Vanasek

Those who voted in the negative were:

Kahn

The bill was repassed, as amended by Conference, and its title agreed to.

CONFERENCE COMMITTEE REPORT ON 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.

April 3, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1913, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1913 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 49.24, subdivision 9, is amended to read:

Subd. 9. [DIVIDENDS ON CLAIMS.] At any time after the expiration of the date fixed for the presentation of claims the commissioner may, out of the funds remaining on hand after the payment of expenses and amounts due to depositors, declare one or more dividends, and after the expiration of one year from the first publication of notice to creditors, may declare a final dividend, such dividends to be paid to such persons in such amounts as may be directed by the district court.

If any dividend on any claim shall be less than \$1, the commis-

sioner may hold that dividend until it with subsequent dividends amounts to the sum of \$1 or more. The commissioner shall pay all dividends so withheld with the final dividend.

Sec. 2. Minnesota Statutes 1988, section 56.131, subdivision 1, is amended to read:

Subdivision 1. [INTEREST RATES AND CHARGES.] (a) On any loan in a principal amount not exceeding \$35,000 or ten percent of a corporate licensee's contributed capital and appropriated reserves as defined in section 53.015, if greater, a licensee may contract for and receive interest, calculated according to the actuarial method, not exceeding the equivalent of the greater of any of the following:

(1) the total of: (i) 33 percent per year on that part of the unpaid balance of the principal amount not exceeding ~~\$350~~ \$750; and (ii) 19 percent per year on that part of the unpaid balance of the principal amount exceeding ~~\$350~~ \$750; or

(2) 21.75 percent per year on the unpaid balance of the principal amount.

(b) On any loan where interest has been calculated according to the method provided for in paragraph (a), clause (1), interest must be contracted for and earned as provided in that provision or at the single annual percentage rate computed to the nearest 1/100 of one percent that would earn the same total interest at maturity of the contract as would be earned by the application of the graduated rates provided in paragraph (a), clause (1), when the debt is paid according to the agreed terms and the calculations are made according to the actuarial method.

(c) Loans may be interest-bearing or precomputed.

(d) To compute time on interest-bearing and precomputed loans, including, but not limited to the calculation of interest, a day is considered 1/30 of a month when calculation is made for a fraction of a calendar month. A year is 12 calendar months. A calendar month is that period from a given date in one month to the same numbered date in the following month, and if there is no same numbered date, to the last day of the following month. When a period of time includes a whole month and a fraction of a month, the fraction of a month is considered to follow the whole month.

In the alternative, for interest-bearing loans, a licensee may charge interest at the rate of 1/365 of the agreed annual rate for each actual day elapsed.

(e) With respect to interest-bearing loans:

(1) Interest must be computed on unpaid principal balances outstanding from time to time, for the time outstanding. Each payment must be applied first to the accumulated interest and the remainder of the payment applied to the unpaid principal balance; provided however, that if the amount of the payment is insufficient to pay the accumulated interest, the unpaid interest continues to accumulate to be paid from the proceeds of subsequent payments and is not added to the principal balance.

(2) Interest must not be payable in advance or compounded. However, if part or all of the consideration for a new loan contract is the unpaid principal balance of a prior loan, then the principal amount payable under the new loan contract may include any unpaid interest which has accrued. The unpaid principal balance of a precomputed loan is the balance due after refund or credit of unearned interest as provided in paragraph (f), clause (3). The resulting loan contract is deemed a new and separate loan transaction for all purposes.

(f) With respect to precomputed loans:

(1) Loans must be repayable in substantially equal and consecutive monthly installments of principal and interest combined, except that the first installment period may be more or less than one month by not more than 15 days, and the first installment payment amount may be larger than the remaining payments by the amount of interest charged for the extra days and must be reduced by the amount of interest for the number of days less than one month to the first installment payment; and monthly installment payment dates may be omitted to accommodate borrowers with seasonal income.

(2) Payments may be applied to the combined total of principal and precomputed interest until the loan is fully paid. Payments must be applied in the order in which they become due.

(3) When any loan contract is paid in full by cash, renewal or refinancing, or a new loan, one month or more before the final installment due date, a licensee shall refund or credit the borrower with the total of the applicable charges for all fully unexpired installment periods, as originally scheduled or as deferred, which follow the day of prepayment; if the prepayment is made other than on a scheduled payment date, the nearest scheduled installment payment date must be used in the computation; provided further, if the prepayment occurs prior to the first installment due date, the licensee may retain 1/30 of the applicable charge for a first installment period of one month for each day from the date of the loan to the date of prepayment, and shall refund or credit the borrower with the balance of the total interest contracted for. If the maturity of the loan is accelerated for any reason and judgment is entered, the licensee shall credit the borrower with the same refund as if

prepayment in full had been made on the date the judgment is entered.

(4) If an installment, other than the final installment, is not paid in full within ten days of its scheduled due date, a licensee may contract for and receive a default charge not exceeding five percent of the amount of the installment, but not less than \$4.

A default charge under this subdivision may not be collected on an installment paid in full within ten days of its scheduled due date, or deferred installment due date with respect to deferred installments, even though a default or deferral charge on an earlier installment has not been paid in full. A default charge may be collected at the time it accrues or at any time thereafter.

(5) If the parties agree in writing, either in the loan contract or in a subsequent agreement, to a deferment of wholly unpaid installments, a licensee may grant a deferment and may collect a deferment charge as provided in this section. A deferment postpones the scheduled due date of the earliest unpaid installment and all subsequent installments as originally scheduled, or as previously deferred, for a period equal to the deferment period. The deferment period is that period during which no installment is scheduled to be paid by reason of the deferment. The deferment charge for a one-month period may not exceed the applicable charge for the installment period immediately following the due date of the last undeferred payment. A proportionate charge may be made for deferment for periods of more or less than one month. A deferment charge is earned pro rata during the deferment period and is fully earned on the last day of the deferment period. Should a loan be prepaid in full during a deferment period, the licensee shall make or credit to the borrower a refund of the unearned deferment charge in addition to any other refund or credit made for prepayment of the loan in full.

(6) If two or more installments are delinquent one full month or more on any due date, and if the contract so provides, the licensee may reduce the unpaid balance by the refund credit which would be required for prepayment in full on the due date of the most recent maturing installment in default. Thereafter, and in lieu of any other default or deferment charges, the single annual percentage rate permitted by this subdivision may be charged on the unpaid balance until fully paid.

(7) Following the final installment as originally scheduled or deferred, the licensee, for any loan contract which has not previously been converted to interest-bearing under paragraph (f), clause (6), may charge interest on any balance remaining unpaid, including unpaid default or deferment charges, at the single annual percentage rate permitted by this subdivision until fully paid.

(8) With respect to a loan secured by an interest in real estate, and having a maturity of more than 60 months, the original schedule of installment payments must fully amortize the principal and interest on the loan. The original schedule of installment payments for any other loan secured by an interest in real estate must provide for payment amounts that are sufficient to pay all interest scheduled to be due on the loan.

Sec. 3. Minnesota Statutes 1988, section 56.131, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL CHARGES.] In addition to the charges provided for by this section and section 56.155, no further or other amount whatsoever, shall be directly or indirectly charged, contracted for, or received for the loan made, except actual out of pocket expenses of the licensee to realize on a security after default, and except for the following additional charges which may be included in the principal amount of the loan:

(a) lawful fees and taxes paid to any public officer to record, file, or release security;

(b) with respect to a loan secured by an interest in real estate, the following closing costs, if they are bona fide, reasonable in amount, and not for the purpose of circumvention or evasion of this section; provided the costs do not exceed one percent of the principal amount or \$250, whichever is greater:

(1) fees or premiums for title examination, abstract of title, title insurance, surveys, or similar purposes;

(2) fees, if not paid to the licensee, an employee of the licensee, or a person related to the licensee, for preparation of a mortgage, settlement statement, or other documents, fees for notarizing mortgages and other documents, and appraisal fees;

(c) the premium for insurance in lieu of perfecting and releasing a security interest to the extent that the premium does not exceed the fees described in paragraph (a);

(d) discount points and appraisal fees may not be included in the principal amount of a loan secured by an interest in real estate when the loan is a refinancing for the purpose of bringing the refinanced loan current and is made within 24 months of the original date of the refinanced loan. For purposes of this paragraph, a refinancing is not considered to be for the purpose of bringing the refinanced loan current if new funds advanced to the customer, not including closing costs or delinquent installments, exceed \$1,000.

Sec. 4. Minnesota Statutes 1988, section 56.14, is amended to read:

56.14 [DUTIES OF LICENSEE.]

Every licensee shall:

(1) deliver to the borrower (or if there are two or more borrowers to one of them) at the time any loan is made a statement making the disclosures and furnishing the information required by the federal Truth-in-Lending Act, United States Code, title 15, sections 1601 to 1667e, as amended from time to time, with respect to the contract of loan. A copy of the loan contract may be delivered in lieu of a statement if it discloses the required information;

(2) deliver or mail to the borrower without request, a written receipt within 30 days following payment for each payment by coin or currency made on account of any loan wherein charges are computed and paid on unpaid principal balances for the time actually outstanding, specifying the amount applied to charges and the amount, if any, applied to principal, and stating the unpaid principal balance, if any, of the loan; and wherein precomputed charges have been added to the principal of the loan specifying the amount of the payment applied to principal and charges combined, the amount applied to default or extension charges, if any, and stating the unpaid balance, if any, of the precomputed loan contract. A periodic statement showing a payment received by mail complies with this clause;

(3) permit payment to be made in advance in any amount on any contract of loan at any time, but the licensee may apply the payment first to all charges in full at the agreed rate up to the date of the payment;

(4) upon repayment of the loan in full, mark indelibly every obligation and security, other than a mortgage or security agreement which secures a new loan to the licensee, signed by the borrower with the word "Paid" or "Canceled," and release any mortgage or security agreement which no longer secures a loan to the licensee, restore any pledge, and cancel and return any note, and any assignment given to the licensee which does not secure a new loan to the licensee within 20 days after the repayment;

(5) display prominently in each licensed place of business a full and accurate schedule, to be approved by the commissioner, of the charges to be made and the method of computing the same; furnish a copy of the contract of loan to any person obligated on it or who may become obligated on it at any time upon the request of that person;

(6) show in the loan contract or statement of loan the rate or rates of charge on which the charge in the contract is based, expressed in terms of rate or rates per annum. The rate expression shall be printed in at least 8-point type on the loan statement or copy of the loan contract given to the borrower.

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.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment."

We request adoption of this report and repassage of the bill.

House Conferees: LINDA SCHEID, TOM OSTHOFF, ANDY DAWKINS, BOB NEUENSCHWANDER AND BEN BOO.

Senate Conferees: SAM G. SOLON, ALLAN H. SPEAR, JAMES P. METZEN, CAL LARSON AND GREGORY L. DAHL.

Scheid moved that the report of the Conference Committee on H. F. No. 1913 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 93 yeas and 31 nays as follows:

Those who voted in the affirmative were:

Abrams	Boo	Cooper	Girard	Himle
Anderson, G.	Brown	Dawkins	Gruenes	Hugoson
Battaglia	Burger	Dille	Gutknecht	Janezich
Begich	Carlson, D.	Forsythe	Hartle	Jennings
Bennett	Carlson, L.	Frederick	Haukoos	Johnson, R.
Blatz	Carruthers	Frerichs	Heap	Johnson, V.

Kalis	McDonald	Orenstein	Reding	Sviggun
Kelly	McPherson	Osthoff	Rest	Swenson
Kelso	Miller	Ostrom	Rodosovich	Tjornhom
Kinkel	Morrison	Otis	Runbeck	Tompkins
Knickerbocker	Munger	Ozment	Schafer	Uphus
Kostohryz	Murphy	Pauly	Scheid	Valento
Krueger	Nelson, C.	Pellow	Schreiber	Waltman
Lieder	Neuenschwander	Pelowski	Seaberg	Weaver
Limmer	Olsen, S.	Peterson	Segal	Welle
Long	Olsen, E.	Poppenhagen	Solberg	Wenzel
Lynch	Olsen, K.	Price	Sparby	Spk. Vanasek
Macklin	Omann	Pugh	Stanius	
Marsh	Onnen	Redalen	Steensma	

Those who voted in the negative were:

Bauerly	Jaros	McLaughlin	Richter	Vellenga
Bertram	Jefferson	Nelson, K.	Rukavina	Wagenius
Clark	Johnson, A.	O'Connor	Sarna	Winter
Dauner	Kahn	Ogren	Simoneau	
Hasskamp	Lasley	Pappas	Skoglund	
Henry	McEachern	Quinn	Trimble	
Jacobs	McGuire	Rice	Tunheim	

The bill was repassed, as amended by Conference, and its title agreed to.

CONFERENCE COMMITTEE REPORT ON 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.

April 3, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1952, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1952 be further amended as follows:

Delete everything after the enacting clause and insert;

“Section 1. [168.346] [PRIVACY OF RESIDENCE ADDRESS.]

The registered 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 a signed statement by the owner that the classification is required for the safety of the owner or the owner's family, if the statement also provides a valid, existing address where the owner consents to receive service of process. 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, other than the mailing address, are private data on individuals and may be provided to requesting law enforcement agencies.

Sec. 2. Minnesota Statutes 1988, section 171.12, is amended by adding a subdivision to read:

Subd. 7. [PRIVACY OF RESIDENCE ADDRESS.] An applicant for a driver's license or a Minnesota identification card may request 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 a signed statement by the individual that the classification is required for the safety of the applicant or the applicant's family, if the statement also provides a valid, existing address where the applicant consents to receive service of process. 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, other than the mailing address, are private data on individuals and may be provided to requesting law enforcement agencies.

Sec. 3. Minnesota Statutes 1988, section 609.713, subdivision 1, is amended to read:

Subdivision 1. Whoever threatens, directly or indirectly, to commit any crime of violence with purpose to terrorize another or to cause evacuation of a building, place of assembly or facility of public transportation or otherwise to cause serious public inconvenience, or in a reckless disregard of the risk of causing such terror or inconvenience may be sentenced to imprisonment for not more than five years.

Sec. 4. [609.747] [HARASSMENT; ENHANCED PENALTIES.]

Subdivision 1. [MULTIPLE ACTS OF HARASSMENT.] It is a gross misdemeanor for a person to commit more than one act of harassment in violation of section 609.605, subdivision 1, paragraph

(b), clause (7), against the same individual within six consecutive months. As used in this subdivision, "individual" means a natural person.

Subd. 2. [HARASSMENT FOLLOWING ASSAULT OR TERRORISTIC THREAT.] (a) It is a gross misdemeanor for a person who has been convicted of assault or terroristic threat to commit harassment:

(1) against the same victim, within five consecutive years after the conviction; or

(2) against any victim, within two consecutive years after the conviction.

(b) In this subdivision:

(1) "assault" means a violation of section 609.221, 609.222, 609.223, 609.2231, or 609.224;

(2) "harassment" means a violation of section 609.605, subdivision 1, paragraph (b), clause (7); 609.746, subdivision 2; 609.79, subdivision 1, clause (1)(b); or 609.795, subdivision 1, clause (3); and

(3) "terroristic threat" means a violation of section 609.713, subdivision 1 or 3.

Sec. 5. [609.748] [HARASSMENT; RESTRAINING ORDER.]

Subdivision 1. [DEFINITION.] As used in this section, "harassment" means repeated, intrusive, or unwanted acts, words, or gestures that are intended to adversely affect the safety, security, or privacy of another, regardless of the relationship between the actor and the intended target.

Subd. 2. [RESTRAINING ORDER; JURISDICTION.] A person who is a victim of harassment may seek a restraining order from the district court in the manner provided in this section. The parent or guardian of a minor who is a victim of harassment may seek a restraining order from the juvenile court on behalf of the minor.

Subd. 3. [CONTENTS OF PETITION.] A petition for relief must allege facts sufficient to show the following:

(1) the name of the alleged harassment victim;

(2) the name of the respondent; and

(3) that the respondent has engaged in harassment.

The petition shall be accompanied by an affidavit made under oath stating the specific facts and circumstances from which relief is sought. The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

Subd. 4. [TEMPORARY RESTRAINING ORDER.] (a) The court may issue a temporary restraining order ordering the respondent to cease or avoid the harassment of another person or to have no contact with that person if the petitioner files a petition in compliance with subdivision 3 and if the court finds reasonable grounds to believe that the respondent has engaged in harassment.

(b) Notice need not be given to the respondent before the court issues a temporary restraining order under this subdivision. A temporary restraining order may be entered only against the respondent named in the petition.

(c) The temporary restraining order is in effect until a hearing is held on the issuance of a restraining order under subdivision 5. The court shall hold the hearing on the issuance of a restraining order within seven days after the temporary restraining order is issued unless (1) the time period is extended upon written consent of the parties; or (2) the time period is extended by the court for one additional seven-day period upon a showing that the respondent has not been served with a copy of the temporary restraining order despite the exercise of due diligence.

Subd. 5. [RESTRAINING ORDER.] (a) The court may grant a restraining order ordering the respondent to cease or avoid the harassment of another person or to have no contact with that person if all of the following occur:

(1) the petitioner has filed a petition under subdivision 3;

(2) the sheriff has served respondent with a copy of the temporary restraining order obtained under subdivision 4, and with notice of the time and place of the hearing, or service has been made by publication under paragraph (b); and

(3) the court finds at the hearing that there are reasonable grounds to believe that the respondent has engaged in harassment.

A restraining order may be issued only against the respondent named in the petition. Relief granted by the restraining order must be for a fixed period of not more than two years.

(b) The order may be served on the respondent by means of a one-week published notice under section 645.11, if:

(1) the petitioner files an affidavit with the court stating that an attempt at personal service made by a sheriff was unsuccessful because the respondent is avoiding service by concealment or otherwise; and

(2) a copy of the order is mailed to the respondent at the respondent's residence or the respondent is not known to the petitioner.

Service under this paragraph is complete seven days after publication.

Subd. 6. [VIOLATION OF RESTRAINING ORDER.] (a) When a temporary restraining order or a restraining order is granted under this section and the respondent knows of the order, violation of the order 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 issued under subdivision 4 or 5 if the existence of the order can be verified by the officer.

Subd. 7. [COPY TO LAW ENFORCEMENT AGENCY.] An order granted under this section shall be forwarded by the court administrator within 24 hours to the local law enforcement agency with jurisdiction over the residence of the applicant. Each appropriate law enforcement agency shall make available to other law enforcement officers through a system for verification, information as to the existence and status of any order issued under this section.

Subd. 8. [NOTICE.] An order granted under this section must contain a conspicuous notice to the respondent:

(1) of the specific conduct that will constitute a violation of the order;

(2) that violation of an order is a misdemeanor punishable by imprisonment for up to 90 days or a fine of up to \$700 or both; and

(3) that a peace officer must arrest without warrant and take into custody a person if the peace officer has probable cause to believe the person has violated a restraining order.

Sec. 6. [EFFECTIVE DATE.]

Sections 3 to 5 are effective August 1, 1990, and apply to acts committed on or after that date."

Delete the title and insert:

"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; clarifying that terroristic threats include those made indirectly; 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."

We request adoption of this report and repassage of the bill.

House Conferees: RANDY C. KELLY, ARTHUR W. SEABERG AND SANDY PAPPAS.

Senate Conferees: JOHN J. MARTY, ALLAN H. SPEAR AND WILLIAM V. BELANGER, JR.

Kelly moved that the report of the Conference Committee on H. F. No. 1952 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Carlson, L.	Gruenes	Jefferson	Lieder
Anderson, G.	Carruthers	Gutknecht	Jennings	Limmer
Battaglia	Clark	Hartle	Johnson, A.	Long
Bauerly	Cooper	Hasskamp	Johnson, R.	Lynch
Begich	Dauner	Haukoos	Johnson, V.	Macklin
Bennett	Dawkins	Hausman	Kalis	Marsh
Bertram	Dille	Heap	Kelly	McDonald
Bishop	Dorn	Henry	Kelso	McEachern
Blatz	Forsythe	Himle	Kinkel	McGuire
Boo	Frederick	Hugoson	Knickerbocker	McLaughlin
Brown	Frerichs	Jacobs	Kostohryz	McPherson
Burger	Girard	Janezich	Krueger	Milbert
Carlson, D.	Greenfield	Jaros	Lasley	Miller

Morrison	Orenstein	Quinn	Seaberg	Tunheim
Munger	Osthoff	Redalen	Segal	Uphus
Murphy	Ostrom	Reding	Simoneau	Valento
Nelson, C.	Otis	Rest	Skoglund	Vellenga
Nelson, K.	Ozment	Rice	Solberg	Wagenius
Neuenschwander	Pappas	Richter	Sparby	Waltman
O'Connor	Pauly	Rodosovich	Stanius	Weaver
Ogren	Pellow	Rukavina	Steenma	Welle
Olsen, S.	Pelowski	Runbeck	Svigum	Wenzel
Olson, E.	Peterson	Sarna	Swenson	Williams
Olson, K.	Poppenhagen	Schafer	Tjornhom	Winter
Omann	Price	Scheid	Tompkins	Spk. Vanasek
Onnen	Pugh	Schreiber	Trimble	

The bill was repassed, as amended by Conference, and its title agreed to.

CONFERENCE COMMITTEE REPORT ON 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.

April 3, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1730, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1730 be further amended as follows:

Delete everything after the enacting clause and insert:

“FLAMMABILITY STANDARDS FOR SEATING FURNITURE

Section 1. [299F.840] [CITATION.]

Sections 1 to 9 may be cited as the “furniture fire safety act.”

Sec. 2. [299F.841] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in sections 1 to 9, have the meanings given them in this section.

Subd. 2. [SELL.] "Sell" includes sell, offer or expose for sale, barter, trade, deliver, give away, rent, consign, lease, or possess with an intent to sell or dispose of in any other commercial manner.

Subd. 3. [SEATING FURNITURE.] "Seating furniture" means movable or stationery furniture, manufactured on or after January 1, 1992, including children's furniture, that is made of or with loose or attached cushions or pillows or is itself stuffed or filled in whole or in part with filling material; is or can be stuffed or filled in whole or in part with any substance or material, hidden or concealed by fabric or other covering, including cushions or pillows belonging to or forming a part of the furniture; together with the structural units, the filling material, and its container and its covering that can be used as a support for the body of a human being or a person's limbs and feet when sitting or resting in an upright or reclining position.

Subd. 4. [FILLING MATERIAL.] "Filling material" includes cotton, wool, kapok, feathers, down, hair, liquid, or other natural or man-made material, substance, or prefabricated form, concealed or not concealed, to be used or that could be used in seating furniture.

Subd. 5. [MANUFACTURER.] "Manufacturer" means a person or the person's employee or agent who makes an article of seating furniture in whole or in part.

Subd. 6. [PUBLIC OCCUPANCIES.] "Public occupancies" means:

- (1) jails, prisons, and penal institutions;
- (2) hospitals, mental health facilities, and similar health care facilities;
- (3) nursing care and convalescent homes;
- (4) child day-care centers;
- (5) public auditoriums and stadiums; and
- (6) public assembly areas of hotels and motels containing more than ten articles of seating furniture.

Sec. 3. [299F.842] [EXEMPT ARTICLES.]

Articles of upholstered furniture, other than juvenile furniture and furniture used for and in facilities designed for the care or treatment of humans, that meet any of the following criteria are exempt from compliance with sections 1 to 9:

- (1) cushions and pads intended solely for outdoor use;

(2) articles that are smooth-surfaced and contain no more than one-half inch of filling material, provided that the article does not have a horizontal surface meeting a vertical surface; and

(3) articles manufactured solely for recreational use or physical fitness purposes, such as weightlifting benches, gymnasium mats or pads, sidehorses, and similar articles.

Sec. 4. [299F.843] [ENFORCEMENT.]

The state fire marshal shall enforce sections 1 to 9 in accordance with the laws of this state.

Sec. 5. [299F.844] [RULES.]

The state fire marshal shall adopt rules necessary for the enforcement of sections 1 to 9 within six months of the effective date of sections 1 to 9. The fire marshal, in adopting rules, shall consider the testing and labeling procedures and requirements set forth in Technical Bulletin 133 of the state of California, "Flammability Testing and Labeling Procedures for Use in Public Occupancies," published in April 1988 by the California Bureau of Home Furnishings and Thermal Insulation and periodically the deletions, revisions, and updates of California Technical Bulletin 133. An amendment to a rule does not apply to seating furniture manufactured before the effective date of the amendment. New seating furniture sold for use in a public occupancy that meets the test criteria under rules adopted by the fire marshal must conform to the labeling requirements specified under the adopted rules.

Sec. 6. [299F.845] [SCOPE.]

Sections 1 to 9 apply to seating furniture manufactured on or after the effective date of sections 1 to 9 that is sold or intended for use in public occupancies in this state regardless of its point of origin. New seating furniture sold or intended for use in public occupancies after the effective date of sections 1 to 9 that fails to conform to the applicable flammability standard and labeling requirement provided under sections 1 to 9, or rule of the state fire marshal adopted under section 5, is prohibited from being sold or used for public occupancies.

Sec. 7. [299F.846] [PERFORMANCE STANDARDS; TESTING.]

The applicable flammability requirements of sections 1 to 9 or rules adopted under section 5 are to be considered as performance standards. Testing under these standards is at the discretion of the manufacturer. However, new seating furniture offered for sale in this state on or after the effective date of sections 1 to 9 must meet

applicable flammability requirements as set out by rule adopted under section 5.

Sec. 8. [299F.847] [TEST INSPECTIONS, AUDITS.]

The state fire marshal may inspect or audit the testing of seating furniture as may be considered necessary under rules adopted under section 5.

Sec. 9. [299F.848] [CIVIL ACTION.]

The state fire marshal may institute a civil action or proceeding to enjoin a person from selling seating furniture on or after the effective date of sections 1 to 9, that does not meet the requirements of sections 1 to 8, and that is sold or intended for use in public occupancies.

Sec. 10. [EFFECTIVE DATE.]

This act is effective January 1, 1992."

We request adoption of this report and repassage of the bill.

House Conferees: RICH O'CONNOR, LINDA SCHEID AND TONY L. BENNETT.

Senate Conferees: MARILYN M. LANTRY, SAM G. SOLON AND PHYLLIS W. MCQUAID.

O'Connor moved that the report of the Conference Committee on H. F. No. 1730 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was repassed, as amended by Conference, and its title agreed to.

SPECIAL ORDERS

S. F. No. 1874 was reported to the House.

Carruthers moved to amend S. F. No. 1874, as follows:

Page 2, line 34, delete “shall” and insert “may”

Page 3; line 14, delete “law enforcement agency;” and insert “state agency, political subdivision, or statewide system;”

The motion prevailed and the amendment was adopted.

S. F. No. 1874, 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 or evaluations of government employees;

amending Minnesota Statutes 1988, sections 13.43, subdivision 2; and 471.705, by adding subdivisions.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

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 third 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	Gruenes	Lasley	Orenstein	Seaberg
Anderson, G.	Gutknecht	Lieder	Osthoff	Segal
Battaglia	Hartle	Limmer	Ostrom	Simoneau
Bauerly	Hasskamp	Long	Otis	Skoglund
Begich	Haukoos	Lynch	Ozment	Solberg
Bennett	Hausman	Macklin	Pappas	Sparby
Bertram	Heap	Marsh	Pauly	Stanius
Bishop	Henry	McDonald	Pellow	Steensma
Blatz	Himle	McEachern	Pelowski	Sviggum
Boo	Hugoson	McGuire	Peterson	Swenson
Brown	Jacobs	McLaughlin	Poppenhagen	Tjornhom
Burger	Janezich	McPherson	Price	Tompkins
Carlson, D.	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
Dille	Kalis	Neuenschwander	Rodosovich	Weaver
Dorn	Kelly	O'Connor	Rukavina	Welle
Forsythe	Kelso	Olsen, S.	Runbeck	Wenzel
Frederick	Kinkel	Olsen, E.	Sarna	Williams
Frerichs	Knickerbocker	Olson, K.	Schafer	Winter
Girard	Kostohryz	Omann	Scheid	Spk. Vanasek
Greenfield	Krueger	Onnen	Schreiber	

The bill was passed and its title agreed to.

The Speaker called Quinn to the Chair.

H. F. No. 1894 was reported to the House.

Johnson, R., moved that H. F. No. 1894 be continued on Special Orders. The motion prevailed.

S. F. No. 1150 was reported to the House.

Pugh moved to amend S. F. No. 1150, as follows:

Page 17, delete lines 12 to 14 and insert "(Note: Any indebtedness to you incurred within ten days prior to your receipt of the first execution levy on a debt may not be set off against the earnings otherwise subject to this levy. Any wage assignment made by the judgment debtor within ten days prior to your receipt of the first execution levy on a debt is void.)"

Page 22, delete lines 22 to 24 and insert "(Note: Any indebtedness to you incurred within ten days prior to your receipt of the first execution levy may not be set off against the earnings otherwise subject to this levy. Any wage assignment made by the judgment

debtor within ten days prior to your receipt of the first execution levy is void.)”

Page 25, line 24, delete “a managing” and insert “an authorized”

Page 40, delete lines 34 to 36 and insert “indebtedness to you incurred by the judgment debtor within ten days prior to the receipt of the first execution levy on a debt may not be claimed as a setoff, defense, lien, or claim against the amount set forth on line (1).”

Page 65, delete lines 22 to 25 and insert “to you incurred within ten days prior to your receipt of the first execution levy on a debt may not be set off against the earnings otherwise subject to this levy. Any wage assignment made by the judgment debtor within ten days prior to your receipt of the first execution levy on a debt is void.”

Page 72, delete lines 6 to 8 and insert “(Note: Any indebtedness to you incurred within ten days prior to your receipt of the first execution levy on a debt may not be set off against the earnings otherwise subject to this levy. Any wage assignment made by the judgment debtor within ten days prior to your receipt of the first execution levy on a debt is void.)”

Page 75, line 11, delete “a managing” and insert “an authorized”

Page 79, line 5, after “creditor,” insert “until the creditor authorizes release to the debtor,”

Page 79, delete lines 10 to 13 and insert:

“(7) that an assignment of wages made by the debtor within ten days before the service of the first garnishment summons on a debt is void and that any indebtedness to the garnishee incurred with ten days before the service of the first garnishment summons on a debt may not be set off against amounts otherwise subject to the garnishment.”

Page 86, delete lines 2 to 5 and insert:

“Any assignment of earnings made by the debtor to any party within ten days before the receipt of the first garnishment on a debt is void. Any indebtedness to you incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment.”

Page 91, line 1, delete the comma

Page 91, delete lines 2 to 5 and insert "incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment. Any assignment of earnings made by the debtor to any party within ten days before the receipt of the first garnishment on a debt is void."

Page 96, delete lines 19 to 21 and insert "assignment of earnings made by the debtor to any party within ten days before the receipt of the first garnishment on a debt is void. Any indebtedness to you incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment."

Page 99, delete lines 22 and 23 and insert "debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment."

Page 104, delete lines 22 to 25 and insert "assignment of earnings made by the debtor to any party within ten days before the receipt of the first garnishment on a debt is void. Any indebtedness to you incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment."

Page 130, line 31, delete "1989" and insert "1990"

The motion prevailed and the amendment was adopted.

Pugh moved to amend S. F. No. 1150, as amended, as follows:

Page 36, line 29, delete "1989" and insert "1990"

Page 76, line 2, delete "1989" and insert "1990"

Page 130, line 31, delete "1989" and insert "1990"

The motion prevailed and the amendment was adopted.

Pugh and Kelly moved to amend S. F. No. 1150, as amended, as follows:

Page 130, after line 22, insert:

"Sec. 39. Minnesota Statutes 1988, section 609.535, is amended by adding a subdivision to read:

Subd. 2b. [SENTENCING.] Upon conviction of the offense of issuing a dishonored check, if sentence is deferred or suspended, the court, as a condition of probation, shall require the defendant to make restitution on all checks issued by the defendant which are unpaid as of the date of conviction and any service charge paid by the payee or holder of the worthless checks in addition to other terms and conditions appropriate for the treatment or rehabilitation of the defendant, and shall require the defendant to pay processing fees pursuant to this section, class fees, or other handling charges.

If the defendant is accepted pursuant to a preprosecution diversion program after an allegation or charge, the program, as a condition of its supervision, shall require the defendant to make restitution on all checks issued by the defendant which are unpaid as of the date of the commencement of the supervision, or which the defendant writes during the period of supervision, and any service charge paid by the payee or holder of the worthless checks in addition to other terms and conditions appropriate for the treatment and rehabilitation of the defendant, and shall require the defendant to pay processing fees assessed under this subdivision and the costs, not exceeding \$75, of attending the preprosecution diversion program.

A prosecuting attorney may assess a processing fee against any person who is convicted of violating this section and against any person who does not contest a charge under this section but for whom prosecution is waived by the prosecuting attorney. The processing fee assessed under this section shall not exceed \$25 per check.

Sec. 40. Minnesota Statutes 1988, section 609.535, subdivision 3, is amended to read:

Subd. 3. [PROOF OF INTENT.] Any of the following is evidence sufficient to sustain a finding that the person at the time the person issued the check intended it should not be paid:

(1) proof that, at the time of issuance, the issuer did not have an account with the drawee;

(2) proof that, at the time of issuance, the issuer did not have sufficient funds or credit with the drawee to pay in full the check as well as other checks outstanding at the time of issuance and that the issuer failed to pay the check together with reasonable costs within five business days after mailing of notice of nonpayment or dishonor as provided in this subdivision; or

(3) proof that, when presentment was made within a reasonable time, the issuer did not have sufficient funds or credit with the drawee to pay in full the check as well as other checks outstanding at the time of presentment and that the issuer failed to pay the check

together with reasonable costs within five business days after mailing of notice of nonpayment or dishonor as provided in this subdivision.

Notice of nonpayment or dishonor that includes a citation to and a description of the penalties in this section shall be sent by the payee or holder of the check to the maker or drawer by certified mail, return receipt requested, or by regular mail, supported by an affidavit of service by mailing, to the address printed of the issuer as shown on the check. Refusal by the maker or drawer of the check to accept certified mail notice or failure to claim certified or regular mail notice is not a defense that notice was not received.

The notice may state that unless the check together with all reasonable costs is paid in full within five business days after mailing of the notice of nonpayment or dishonor, the payee or holder of the check will or may refer the matter to proper authorities for prosecution under this section. Notice may be given by the actual victim or by any agency directed to do so by either the victim or the state. The notice is not coercion under section 609.27.

An affidavit of service by mailing shall be retained by the payee or holder of the check.

Sec. 41. Minnesota Statutes 1988, section 609.535, subdivision 5, is amended to read:

Subd. 5. [EXCEPTIONS.] This section does not apply ~~to a post-dated check or to a check given for a past consideration, except a payroll check or a check issued to a fund for employee benefits if an~~ insufficiency of funds results from an adjustment to the person's account by the institution without notice to the person.

Sec. 42. [609.536] [CHECK PROSECUTION DIVERSION.]

Subdivision 1. [DIVERSION PROGRAM.] A prosecuting attorney may create within the office a diversion program for persons who write worthless checks. For purposes of this section, "writing a worthless check" means making, drawing, uttering, or delivering any check or draft upon any bank or depository for the payment of money when there is probable cause to believe there is a violation of section 609.535. The program may be conducted by the prosecuting attorney or by a private entity under contract with the prosecuting attorney. If the program is conducted by a private entity, no prosecutorial discretion shall vest in that entity.

Subd. 2. [REFERRAL.] The prosecuting attorney may refer a worthless check case to the diversion program. Except as provided in subdivision 5, this section does not limit the power of the prosecuting attorney to prosecute worthless check complaints.

Subd. 3. [REFERRAL FACTORS.] The prosecuting attorney shall determine whether a bad check case is one that is appropriate to be referred to the worthless check diversion program. In determining whether to refer a case, the prosecuting attorney shall consider all of the following and any other appropriate matters:

- (1) the amount of the bad check;
- (2) if the person has a prior criminal record or has previously been diverted;
- (3) the number of worthless check complaints against the person previously received by the prosecuting attorney;
- (4) whether there are other worthless check complaints currently pending against the person; and
- (5) the strength of the evidence, if any, of intent to defraud the victim.

Subd. 4. [NOTIFICATION OF REFERRAL.] On referral of a case to the diversion program, a notice shall be forwarded by mail to the person alleged to have written the worthless check which contains all of the following:

- (1) the date and amount of the worthless check;
- (2) the name of the payee;
- (3) the date before which the person must contact the office of the prosecuting attorney or an entity designated by the prosecuting attorney concerning the check;
- (4) a statement of the penalty for issuing a dishonored check;
- (5) a statement advising the accused of the right to counsel, the right to a hearing, and to all the other rights of a defendant in a criminal trial; and
- (6) a statement of how the person can enter an agreement to forego prosecution.

Subd. 5. [AGREEMENT TO FOREGO PROSECUTION.] The prosecuting attorney may enter a written agreement with the person to forego prosecution on the worthless check for a period to be determined by the prosecuting attorney, not to exceed six months, pending notification that all of the following terms have been completed:

(1) a rehabilitation class or classes conducted by the prosecuting attorney or private entity under contract with the prosecuting attorney;

(2) restitution to the victim of the bad check; and

(3) payment of the collection fee specified in subdivision 6.

The written agreement shall be kept by the prosecuting attorney for no less than three years.

Subd. 6. [WORTHLESS CHECK FEE.] A prosecuting attorney may collect a fee if the prosecuting attorney's office collects and processes a worthless check. The amount of the fee shall not exceed \$25 for each worthless check.

Fees collected under this section shall be deposited in the local government unit treasury in a special fund to be administered by the prosecuting attorney. The money in the fund shall be used only for expenditures associated with the performance of the prosecuting attorney's duties.

If a nonstate agency or entity is used by the prosecuting attorney to run the worthless check prosecution diversion program, the nonstate agency or entity may be funded by costs assessed to the check writers enrolled in the program. Program costs assessed to a check writer shall not exceed \$75.

Subd. 7. [COERCION EXCEPTION.] Action under this section is not coercion under section 609.27."

Page 130, line 31, delete "39" and insert "38 and 43"

Page 130, after line 32, insert:

"Sections 39 to 42 take effect the day after final enactment."

ReNUMBER the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

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

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

S. F. No. 1739 was reported to the House.

McLaughlin, Skoglund and Carruthers moved to amend S. F. No. 1739, as follows:

Page 3, line 24, delete "This act" and insert "Sections 1 to 4"

Page 3, after line 25, insert:

"Sec. 6. [375.065] [MEETINGS, PAY.]

A member of the county board of a county who is paid a salary that is more than 50 percent of the salary of the governor may not be paid any amount, by per diem or otherwise, except as reimbursement for expenses, for attendance at meetings related to the business of any local government unit.

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the McLaughlin 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	Gutknecht	Lieder	Osthoff	Skoglund
Anderson, G.	Hartle	Limmer	Ostrom	Solberg
Battaglia	Hasskamp	Long	Otis	Sparby
Bauerly	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	Redalen	Valento
Carlson, L.	Jennings	Munger	Reding	Vellenga
Carruthers	Johnson, A.	Murphy	Rest	Wagenius
Clark	Johnson, R.	Nelson, C.	Richter	Waltman
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Weaver
Dauner	Kahn	Neuenschwander	Rukavina	Welle
Dawkins	Kalis	O'Connor	Runbeck	Wenzel
Dille	Kelly	Ogren	Sarna	Williams
Dorn	Kelso	Olsen, S.	Schafer	Winter
Frederick	Kinkel	Olson, E.	Scheid	Spk. Vanasek
Frerichs	Knickerbocker	Olson, K.	Schreiber	
Girard	Kostohryz	Omann	Seaberg	
Greenfield	Krueger	Onnen	Segal	
Gruenes	Lasley	Orenstein	Simoneau	

Those who voted in the negative were:

Quinn

The motion prevailed and the amendment was adopted.

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

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

S. F. No. 2213 was reported to the House.

Olson, K., and Kalis moved to amend S. F. No. 2213, as follows:

Page 3, after line 28, insert:

"Sec. 4. [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 January 1, 1991, on the results of its activities and any recommendations of the joint subcommittee for changes in motor carrier laws.

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.

Schreiber moved to amend S. F. No. 2213, as amended, as follows:

Page 3, after line 28, insert:

"(d) Paragraph (a) applies from the effective date of this act until April 1, 1991. After April 1, 1991, 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 with a close-fitting tarpaulin or other appropriate cover."

A roll call was requested and properly seconded.

The question was taken on the Schreiber amendment and the roll was called. There were 36 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Abrams	Haukoos	Marsh	Price	Tjornhom
Blatz	Henry	McDonald	Sarna	Tompkins
Boo	Himle	McPherson	Schafer	Valento
Burger	Johnson, R.	Milbert	Scheid	Weaver
Carruthers	Kahn	Onnen	Schreiber	
Forsythe	Kostohryz	Orenstein	Sparby	
Frerichs	Lynch	Osthoff	Stanius	
Gutknecht	Macklin	Pauly	Swenson	

Those who voted in the negative were:

Battaglia	Gruenes	Limmer	Otis	Simoneau
Bauerly	Hartle	Long	Pappas	Skoglund
Begich	Hasskamp	McEachern	Pellow	Solberg
Bennett	Hugoson	McGuire	Pelowski	Steensma
Bertram	Jacobs	McLaughlin	Peterson	Sviggum
Bishop	Janezich	Miller	Poppenhagen	Trimble
Brown	Jaros	Munger	Pugh	Tunheim
Carlson, D.	Jefferson	Murphy	Quinn	Uphus
Carlson, L.	Jennings	Nelson, C.	Redalen	Vellenga
Clark	Johnson, A.	Nelson, K.	Reding	Waltman
Cooper	Johnson, V.	Neuenschwander	Rest	Welle
Dauner	Kalis	O'Connor	Rice	Wenzel
Dawkins	Kelly	Ogren	Richter	Williams
Dille	Kelso	Olsen, S.	Rodosovich	Winter
Dorn	Kinkel	Olson, E.	Rukavina	Spk. Vanasek
Frederick	Krueger	Olson, K.	Runbeck	
Girard	Lasley	Omman	Seaberg	
Greenfield	Lieder	Ostrom	Segal	

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

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 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	Frédéric	Kahn	Morrison	Peterson
Anderson, G.	Frerichs	Kalis	Munger	Poppenhagen
Battaglia	Girard	Kelly	Murphy	Price
Bauerly	Greenfield	Kelso	Nelson, C.	Pugh
Begich	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	Omman	Runbeck
Carlson, D.	Himle	Lynch	Onnen	Sarna
Carlson, L.	Hugoson	Macklin	Orenstein	Schafer
Carruthers	Jacobs	Marsh	Osthoff	Scheid
Clark	Janezich	McDonald	Ostrom	Schreiber
Cooper	Jaros	McEachern	Otis	Seaberg
Dauner	Jefferson	McGuire	Ozment	Segal
Dawkins	Jennings	McLaughlin	Pappas	Simoneau
Dille	Johnson, A.	McPherson	Pauly	Skoglund
Dorn	Johnson, R.	Milbert	Pellow	Solberg
Forsythe	Johnson, V.	Miller	Pelowski	Sparby

Stanius	Tjornhom	Uphus	Weaver	Winter
Steensma	Tompkins	Valento	Welle	Spk. Vanasek
Sviggum	Trimble	Vellenga	Wenzel	
Swenson	Tunheim	Waltman	Williams	

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

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

The bill was passed and its title agreed to.

S. F. No. 1366 was reported to the House.

Pappas moved that S. F. No. 1366 be continued on Special Orders. The motion prevailed.

S. F. No. 488 was reported to the House.

Simoneau moved to amend S. F. No. 488, the unofficial engrossment, as follows:

Page 2, after line 7, insert:

“Sec. 3. Minnesota Statutes 1988, section 471.992, is amended by adding a subdivision to read:

Subd. 4. [COLLECTIVE BARGAINING.] This law shall not be construed to limit the ability of the parties to collectively bargain in good faith.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sviggum moved to amend S. F. No. 488, the unofficial engrossment, as amended, as follows:

Page 1, after line 15, 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 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

(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."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 7, after the semicolon insert "providing for special levies;"

Page 1, line 8, after "sections" insert "275.125, by adding a subdivision;"

Page 1, line 12, before "repealing" insert "Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5;"

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 44 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Bennett	Frerichs	Johnson, V.	Ozment	Stanius
Boo	Girard	Kinkel	Pellow	Sviggum
Burger	Gruenes	Knickerbocker	Pelowski	Swenson
Carlson, D.	Gutknecht	Limmer	Redalen	Tompkins
Carruthers	Hasskamp	Marsh	Richter	Uphus
Cooper	Haukoos	McDonald	Runbeck	Valento
Dille	Heap	Miller	Schafer	Waltman
Dorn	Hugoson	Omann	Schreiber	Weaver
Forsythe	Johnson, R.	Onnen	Solberg	

Those who voted in the negative were:

Abrams	Janezich	McGuire	Ostrom	Simoneau
Anderson, G.	Jaros	McLaughlin	Otis	Skoglund
Battaglia	Jefferson	McPherson	Pappas	Sparby
Bauerly	Jennings	Milbert	Pauly	Steensma
Begich	Johnson, A.	Morrison	Peterson	Tjornhom
Bertram	Kahn	Munger	Poppenhagen	Trimble
Bishop	Kalis	Murphy	Price	Tunheim
Blatz	Kelly	Nelson, C.	Pugh	Vellenga
Brown	Kelso	Nelson, K.	Reding	Welle
Clark	Kostohryz	Neuenschwander	Rest	Wenzel
Dauner	Krueger	O'Connor	Rice	Williams
Dawkins	Lasley	Ogren	Rodosovich	Winter
Frederick	Lieder	Olsen, S.	Rukavina	Spk. Vanasek
Greenfield	Long	Olson, E.	Sarna	
Hausman	Lynch	Olson, K.	Scheid	
Henry	Macklin	Orenstein	Seaberg	
Himle	McEachern	Osthoff	Segal	

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

Gutknecht offered an amendment to S. F. No. 488, the unofficial engrossment, as amended.

POINT OF ORDER

Krueger raised a point of order pursuant to rule 3.9 that the Gutknecht amendment was not in order. Speaker pro tempore Quinn ruled the point of order well taken and the amendment out of order.

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 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	Gruenes	Lasley	Orenstein	Seaberg
Anderson, G.	Gutknecht	Lieder	Osthoff	Segal
Battaglia	Hartle	Limmer	Ostrom	Simoneau
Bauerly	Hasskamp	Long	Otis	Skoglund
Begich	Haukoos	Lynch	Ozment	Solberg
Bennett	Hausman	Macklin	Pappas	Sparby
Bertram	Heap	Marsh	Pauly	Stanius
Bishop	Henry	McDonald	Pellow	Steensma
Blatz	Himle	McEachern	Pelowski	Sviggum
Boo	Hugoson	McGuire	Peterson	Swenson
Brown	Jacobs	McLaughlin	Poppenhagen	Tjornhom
Burger	Janezich	McPherson	Price	Tompkins
Carlson, D.	Jaros	Milbert	Pugh	Trimble
Carlson, L.	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	Waltman
Dawkins	Kahn	Neuenschwander	Richter	Weaver
Dille	Kalis	O'Connor	Rodosovich	Welle
Dorn	Kelly	Ogren	Rukavina	Wenzel
Forsythe	Kelso	Olsen, S.	Runbeck	Williams
Frederick	Kinkel	Olsen, E.	Sarna	Winter
Frerichs	Knickerbocker	Olson, K.	Schafer	Spk. Vanasek
Girard	Kostohryz	Omann	Scheid	
Greenfield	Krueger	Onnen	Schreiber	

Those who voted in the negative were:

Miller

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

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

The bill was passed and its title agreed to.

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 third 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	Cooper	Heap	Knickerbocker	Miller
Anderson, G.	Dauner	Henry	Kostohryz	Morrison
Battaglia	Dawkins	Hugoson	Krueger	Munger
Bauerly	Dille	Jacobs	Lasley	Murphy
Begich	Dorn	Janezich	Lieder	Nelson, C.
Bennett	Forsythe	Jaros	Limmer	Nelson, K.
Bertram	Frederick	Jefferson	Long	Neuenschwander
Bishop	Frerichs	Jennings	Lynch	O'Connor
Blatz	Girard	Johnson, A.	Macklin	Ogren
Boo	Greenfield	Johnson, R.	Marsh	Olsen, S.
Brown	Gruenes	Johnson, V.	McDonald	Olson, E.
Burger	Gutknecht	Kahn	McEachern	Olson, K.
Carlson, D.	Hartle	Kalis	McGuire	Omann
Carlson, L.	Hasskamp	Kelly	McLaughlin	Onnen
Carruthers	Haukoos	Kelso	McPherson	Orenstein
Clark	Hausman	Kinkel	Milbert	Osthoff

Ostrom	Pugh	Sarna	Stanius	Vellenga
Otis	Quinn	Schafer	Steensma	Waltman
Ozment	Redalen	Scheid	Sviggum	Weaver
Pappas	Reding	Schreiber	Swenson	Welle
Pauly	Rest	Seaberg	Tjornhom	Wenzel
Pellow	Rice	Segal	Tompkins	Williams
Pelowski	Richter	Simoneau	Trimble	Winter
Peterson	Rodosovich	Skoglund	Tunheim	Spk. Vanasek
Poppenhagen	Rukavina	Solberg	Uphus	
Price	Runbeck	Sparby	Valento	

The bill was passed and its title agreed to.

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

The bill was passed and its title agreed to.

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 third 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	Lasley	Onnen	Seaberg
Anderson, G.	Gutknecht	Lieder	Orenstein	Segal
Battaglia	Hartle	Limmer	Osthoff	Simoneau
Bauerly	Hasskamp	Long	Ostrom	Skoglund
Begich	Haukoos	Lynch	Otis	Solberg
Bennett	Hausman	Macklin	Ozment	Sparby
Bertram	Heap	Marsh	Pappas	Stanius
Bishop	Henry	McDonald	Pauly	Steensma
Blatz	Himle	McEachern	Pellow	Swiggum
Boo	Hugoson	McGuire	Pelowski	Swenson
Brown	Jacobs	McLaughlin	Peterson	Tjornhom
Burger	Janezich	McPherson	Poppenhagen	Tompkins
Carlson, D.	Jaros	Milbert	Price	Trimble
Carlson, L.	Jefferson	Miller	Pugh	Tunheim
Carruthers	Jennings	Morrison	Quinn	Uphus
Clark	Johnson, A.	Munger	Redalen	Valento
Cooper	Johnson, R.	Murphy	Reding	Vellenga
Dauner	Johnson, V.	Nelson, C.	Rest	Waltman
Dawkins	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	Kinickerbocker	Olsen, E.	Schafer	Spk. Vanasek
Girard	Kostohryz	Olson, K.	Scheid	
Greenfield	Krueger	Omann	Schreiber	

The bill was passed and its title agreed to.

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

The bill was passed and its title agreed to.

S. F. No. 2317 was reported to the House.

Jacobs moved to amend S. F. No. 2317, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 216B.62, subdivision 5, is amended to read:

Subd. 5. The commission and department shall be authorized to charge cooperative electric associations and municipal electric utilities their proportionate share of the expenses incurred in the adjudication of service area disputes and all of the costs incurred in the adjudication of complaints over service standards and, practices, and rates. Cooperative electric associations electing to become subject to rate regulation by the commission pursuant to section 216B.02 216B.026, subdivision 4, shall also be subject to this section.”

Delete the title and insert:

“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 motion prevailed and the amendment was adopted.

S. F. No. 2317, A bill for an act relating to utilities; providing for the assessment of expenses for adjudicating service area disputes to municipal electric utilities; providing for civil penalties for violations of chapter 237; reestablishing the position of program administrator of the telecommunications access for communication-impaired persons board; extending the electric utility service area task force until 1992; requiring a study; appropriating money; amending Minnesota Statutes 1988, sections 216B.62, subdivision 5; and 237.51, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 237.

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

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

The Speaker resumed the Chair.

S. F. No. 2108 was reported to the House.

Jacobs moved to amend S. F. No. 2108, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 340A.101, subdivision 10, is amended to read:

Subd. 10. [EXCLUSIVE LIQUOR STORE.] “Exclusive liquor store” is an establishment used exclusively for the sale of intoxicating liquor except for the incidental sale of ice, tobacco, nonintoxicating malt liquor, beverages for mixing with intoxicating liquor, soft drinks, liqueur-filled candies, cork extraction devices, and books and videos on the use of alcoholic beverages in the preparation of food, and the establishment may offer recorded or live entertainment. “Exclusive liquor store” also includes an on-sale or combination on-sale and off-sale intoxicating liquor establishment which sells food for on-premise consumption when authorized by the municipality issuing the license.

Sec. 2. Minnesota Statutes 1988, section 340A.308, is amended to read:

340A.308 [PROHIBITED TRANSACTIONS.]

(a) No brewer or malt liquor wholesaler may directly or indirectly, or through an affiliate or subsidiary company, or through an officer, director, stockholder, or partner:

- (1) give, or lend money, credit, or other thing of value to a retailer;
- (2) give, lend, lease, or sell furnishing or equipment to a retailer;
- (3) have an interest in a retail license; or
- (4) be bound for the repayment of a loan to a retailer.

(b) This section does not prohibit a manufacturer or wholesaler from:

- (1) furnishing, lending, or renting to a retailer outside signs, of a cost of up to \$400 excluding installation and repair costs;
- (2) furnishing, lending, or renting to a retailer inside signs and other promotional material, of a cost of up to \$300 in a year;
- (3) furnishing to or maintaining for a retailer equipment for dispensing malt liquor, including tap trailers, cold plates and other dispensing equipment, of a cost of up to \$100 per tap in a year;
- (4) using or renting property owned continually since November 1,

1933, for the purpose of selling intoxicating or nonintoxicating malt liquor at retail; or

(5) extending customary commercial credit to a retailer in connection with a sale of nonalcoholic beverages only, or engaging in cooperative advertising agreements with a retailer in connection with the sale of nonalcoholic beverages only.

(c) The limitations on the cost of outside signs and inside signs and other promotional materials do not apply in the case of an indoor arena with a seating capacity of at least 14,000.

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.

Sec. 5. Minnesota Statutes 1988, section 340A.404, is amended by adding a subdivision to read:

Subd. 11. [REMOVAL OF WINE FROM RESTAURANT.] A restaurant licensed to sell intoxicating liquor or wine at on-sale under 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.

Sec. 11. [REPEALER.]

Minnesota Statutes 1988, section 340A.601, subdivision 2, is repealed.

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."

Delete the title and insert:

"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; 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; 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; 340A.404, subdivision 3, and by adding a subdivision; 340A.405, subdivision 2; 340A.504, subdivision 1; Minnesota Statutes 1989 Supplement, section 340A.404, subdivision 2; repealing Minnesota Statutes 1988, section 340A.601, subdivision 2."

The motion prevailed and the amendment was adopted.

Jacobs moved to amend S. F. No. 2108, as amended, as follows:

Page 1, after line 23, insert a section to read:

"Section 1. Minnesota Statutes 1988, section 31.121, is amended to read:

31.121 [FOOD ADULTERATION.]

A food shall be deemed to be adulterated:

(a) If it bears or contains any poisonous or deleterious substance which may render it injurious to health; but in case the substance is not an added substance such food shall not be considered adulterated under this clause if the quantity of such substance in such food does not ordinarily render it injurious to health; or

(b) If it bears or contains any added poisonous or added deleterious substance, other than one which is a pesticide chemical in or on a raw agricultural commodity; a food additive; or a color additive, which is unsafe within the meaning of section 31.122; or

(c) If it is a raw agricultural commodity and it bears or contains a pesticide chemical which is unsafe within the meaning of section 31.122; or

(d) If it is or it bears or contains any food additive which is unsafe within the meaning of section 31.122; provided that where a pesticide chemical has been used in or on a raw agricultural commodity in conformity with an exemption granted or tolerance prescribed under section 31.122, and such raw agricultural commodity has been subjected to processing such as canning, cooking, freezing, dehydrating, or milling, the residue of such pesticide chemical remaining in or on such processed food shall, notwithstanding the provisions of section 31.122 and this clause, not be deemed unsafe if such residue in or on the raw agricultural commodity has been removed to the extent possible in good manufacturing practice, and the concentration of such residue in the processed food when ready to eat is not greater than the tolerance prescribed for the raw agricultural commodity; or

(e) If it consists in whole or in part of a diseased, contaminated, filthy, putrid, or decomposed substance, or if it is otherwise unfit for food; or

(f) If it has been produced, prepared, packed, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered diseased, unwholesome, or injurious to health; or

(g) If it is in whole or in part the product of a diseased animal or of an animal which has died otherwise than by slaughter, or of an animal that has been fed upon the uncooked offal from a slaughterhouse; or

(h) If its container is composed in whole or in part of any poisonous or deleterious substance which may render the contents injurious to health; or

(i) If it has been intentionally subjected to radiation, unless the use of the radiation was in conformity with a rule or exemption in effect pursuant to section 31.122 or section 409 of the federal act; or

(j) If any valuable constituent has been in whole or in part omitted or abstracted therefrom; or

(k) If any substance has been substituted wholly or in part therefor; or

(l) If damage or inferiority has been concealed in any manner; or

(m) If any substance has been added thereto or mixed or packed therewith so as to increase its bulk or weight, or reduce its quality or strength or make it appear better or of greater value than it is; or

(n) If it is confectionery, and (1) has partially or completely imbedded therein any nonnutritive object; provided, that this clause shall not apply in the case of any nonnutritive object if in the judgment of the commissioner, as provided by rules, such object is of practical functional value to the confectionery product and would not render the product injurious or hazardous to health; or (2) bears or contains any alcohol, other than alcohol not in excess of one half of one percent by volume derived solely from the use of flavoring extracts; or (3) bears or contains any nonnutritive substance; provided, that this clause shall not apply to a safe nonnutritive substance which is in or on confectionery by reason of its use for some practical functional purpose in the manufacture, packaging, or storing of such confectionery if the use of the substance does not promote deception of the consumer or otherwise result in adulteration or misbranding in violation of any provision of the Minnesota food law; and provided further, that the commissioner may, for the purpose of avoiding or resolving uncertainty as to the application of this clause, issue rules allowing or prohibiting the use of particular nonnutritive substances; or

(o) If it is or bears or contains any color additive which is unsafe within the meaning of section 31.122; or

(p) If it is oleomargarine or margarine or butter and any of the raw material used therein consisted in whole or in part of any filthy, putrid, or decomposed substance, or such oleomargarine or margarine or butter is otherwise unfit for food."

Page 7, line 27, delete "section" and insert "sections 340A.405, subdivision 5; and"

Page 7, line 27, after "2" delete the comma and insert a semicolon

Page 7, line 28, delete "is" and insert "are"

Renumber the remaining sections

Amend the title as follows:

Page 8, line 3, after "liqueurs" insert "and removing prohibition against confectioneries containing alcohol"

Page 8, line 16, after "sections" insert "31.121,"

Page 8, line 17, delete "340A.308,"

Page 8, line 21, delete "section" and insert "sections 340A.405, subdivision 5; and"

The motion prevailed and the amendment was adopted.

Quinn moved to amend S. F. No. 2108, as amended, as follows:

Page 7, after line 25, insert:

"Sec. 11. [ANOKA COUNTIES; LIQUOR LICENSING.]

The county board of Anoka county may, by resolution, delegate to the town board of towns located within the county, powers possessed by the county to issue nonintoxicating malt liquor licenses under Minnesota Statutes, section 340A.403, on-sale intoxicating liquor licenses under section 340A.404, and off-sale intoxicating liquor licenses under section 340A.405, within the unincorporated area of the county; provided that the town board of the respective town consents to the delegation of powers. License fees must be paid to the town and the town board shall assume all powers and duties of the county board in regard to licensing.

Sec. 12. [EFFECTIVE DATE.]

Pursuant to Minnesota Statutes, section 645.023, subdivision 1, clauses (a) and (c), section 11 is effective without local approval the day following final enactment.

Renumber the sections in sequence

Amend the title as follows:

Page 8, line 15, after "change," insert "authorizing Anoka county to delegate liquor licensing authority to town boards within the county;"

The motion prevailed and the amendment was adopted.

Nelson, C., moved to amend S. F. No. 2108, as amended, as follows:

Page 7, after line 25, insert a section to read:

"Sec. 13. [CITY OF EVANSVILLE; SUNDAY LIQUOR LICENSE.]

Notwithstanding Minnesota Statutes, section 340A.504, subdivision 3, paragraph (d), the city of Evansville may issue a license authorizing on-sales of intoxicating liquor on Sunday to a restaurant in the city without authorization by the voters of the city. All other provisions of Minnesota Statutes, chapter 340A, apply to a license issued under this section."

Renumber the remaining sections

Page 8, line 2, after the period insert "Section 13 is effective on approval by the Evansville city council and compliance with section 645.021."

Amend the title as follows:

Page 8, line 5, after the semicolon insert "authorizing issuance of a Sunday on-sale license in Evansville without voter approval;"

The motion prevailed and the amendment was adopted.

Long moved to amend S. F. No. 2108, as amended, as follows:

Page 2, after line 3, insert sections to read:

"Sec. 3. Minnesota Statutes 1988, section 340A.301, subdivision 1, is amended to read:

Subdivision 1. [LICENSES REQUIRED.] No person may directly or indirectly manufacture or sell at wholesale intoxicating liquor, or nonintoxicating malt liquor without obtaining an appropriate license from the commissioner, except where otherwise provided in

this chapter. A manufacturer's license includes the right to import. A licensed brewer of malt liquor may sell products at wholesale without an additional license. A licensed brewer may sell the brewer's products at wholesale only if the brewer has been issued a wholesaler's license. The commissioner shall issue a wholesaler's license to a brewer only if the commissioner determines that the brewer was selling the brewer's own products at wholesale in Minnesota on January 1, 1991. A licensed wholesaler of intoxicating malt liquor may sell nonintoxicating malt liquor at wholesale without an additional license. The business of manufacturer and wholesaler may be combined and carried on under a single manufacturer's license.

Sec. 4. Minnesota Statutes 1988, section 340A.301, subdivision 7, is amended to read:

Subd. 7. [INTEREST IN OTHER BUSINESS.] (a) Except as provided in this subdivision, a holder of a license as a manufacturer, brewer, or wholesaler may not have any ownership, in whole or in part, in a business holding a retail intoxicating liquor or nonintoxicating malt liquor license, but a manufacturer or wholesaler of intoxicating liquor may use or have property rented for retail intoxicating liquor sales if the manufacturer or wholesaler has owned the property continuously since November 1, 1933.

(b) A licensed brewer of malt liquor described in subdivision 6, clause (d) may be issued an on-sale intoxicating liquor or nonintoxicating malt liquor license by a municipality for a restaurant operated in or immediately adjacent to the place of manufacture.

(c) A licensed brewer may not have any ownership, in whole or in part, directly or indirectly, in a business holding a wholesale license for the sale of malt liquor.

(d) Notwithstanding paragraph (c), a licensed brewer which was selling the brewer's own products at wholesale in Minnesota on January 1, 1991, may continue to sell those products in the area of distribution existing on January 1, 1991."

Re-number the remaining sections

Amend the title as follows:

Page 8, line 4, after the semicolon insert "placing restrictions on wholesaling of beer by brewers;"

Page 8, line 17, after "10;" insert "340A.301, subdivisions 2 and 7;"

The motion prevailed and the amendment was adopted.

Tunheim moved to amend S. F. No. 2108, as amended, as follows:

Page 2, after line 3, insert:

"Sec. 3. Minnesota Statutes 1988, section 340A.101, subdivision 25, is amended to read:

Subd. 25. [RESTAURANT] "Restaurant" is an establishment, other than a hotel, under the control of a single proprietor or manager, where meals are regularly served at tables to the general public, and having seating capacity for guests in the following minimum numbers:

- | | |
|---|-----|
| (a) First class cities | 50 |
| (b) Second and third class cities
and statutory cities of over
10,000 population | 30 |
| (c) Unincorporated or unorganized
territory other than in Cook,
Itasca, Lake, and St. Louis
counties | 100 |
| (d) Unincorporated or unorganized
territory in Cook, Itasca, Lake,
<u>Lake of the Woods</u> , and St. Louis
counties | 50 |

In the case of classes (b) and (c) above, the governing body of a city or county may prescribe a higher minimum number. In fourth class cities and statutory cities under 10,000 population, minimum seating requirements are those prescribed by the governing body of the city."

Re-number the remaining sections

Amend the title as follows:

Page 8, line 17, delete "subdivision 10" and insert "subdivisions 10 and 25"

The motion prevailed and the amendment was adopted.

O'Connor, Pappas, Dempsey, Knickerbocker, Omann, Begich, Vellenga, Hausman and Trimble moved to amend S. F. No. 2108, as amended, as follows:

Page 7, after line 25, insert:

"Sec. 14. [SALE OF MINNESOTA BEER AT PUBLIC FACILITIES.]

Subdivision 1. [MINNESOTA-PRODUCED BEER; REQUIRED AVAILABILITY.] At any permanent or temporary building or structure owned or operated by the state, a political subdivision, or an instrumentality thereof, where beer is sold for on-premise consumption, the entity owning or operating the building or structure must insure that a Minnesota-produced beer is available for purchase at each station where beer is sold. This section applies to all such permanent or temporary buildings or structures without regard to whether sales of beer are made by the owning or operating government entity or employees thereof or by a person holding a lease or concession contract with the government entity.

Subd. 2. [EXCEPTIONS.] This section does not apply to:

(1) municipal liquor stores; or

(2) persons holding an event on property owned by a government entity where (a) the event is conducted under a temporary permit from that government entity, and (b) alcoholic beverages are provided to persons attending the event, at no cost to those persons."

Renumber the remaining sections

Amend the title as follows:

Page 8, line 15, after the semicolon, insert "requiring public facilities that sell beer to sell Minnesota-produced beer;"

The motion prevailed and the amendment was adopted.

Otis offered an amendment to S. F. No. 2108, as amended.

POINT OF ORDER

Schreiber raised a point of order pursuant to rule 3.9 that the Otis amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

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 third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 114 yeas and 9 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dille	Haukoos	Onnen	Schafer	Sviggum
Frerichs	Lasley	Richter	Seaberg	

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 Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

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; limiting certain contribution receipts by congressional candidates; 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.02, subdivision 1; 10A.04, subdivisions 2, 4, and 4a; 10A.05; 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Scheid moved that the House refuse to concur in the Senate amendments to H. F. No. 2666, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

MOTIONS AND RESOLUTIONS

Sparby moved that the name of Schreiber be added as an author on H. F. No. 2720. The motion prevailed.

Pappas moved that H. F. No. 1258 be returned to its author. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2666:

Scheid, Vanasek, Solberg, Osthoff and Bishop.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2018:

Quinn, Long, Kostohryz, Himle and Janezich.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 1:00 p.m., Wednesday, April 11, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Wednesday, April 11, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

EIGHTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 11, 1990

The House of Representatives convened at 1:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Alcyd N. Soderfelt, Mount Bethel United Methodist Church, Inver Grove Heights, 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
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	Schreiber	
Girard	Krueger	Onnen	Seaberg	

A quorum was present.

Dempsey 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.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1891, 2023, 1617, 1808, 1948, 1949, 2007, 2035, 2379, 2495 and 2769 and S. F. Nos. 2419, 2483, 824, 1798, 2158, 2619, 2346, 1962, 2173, 1400, 2216 and 2396 have been placed in the members' files.

S. F. No. 824 and H. F. No. 1025, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Trimble moved that the rules be so far suspended that S. F. No. 824 be substituted for H. F. No. 1025 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1798 and H. F. No. 1887, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Dauner moved that the rules be so far suspended that S. F. No. 1798 be substituted for H. F. No. 1887 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2158 and H. F. No. 2520, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jacobs moved that the rules be so far suspended that S. F. No. 2158 be substituted for H. F. No. 2520 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2346 and H. F. No. 2769, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Kalis moved that the rules be so far suspended that S. F. No. 2346 be substituted for H. F. No. 2769 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2483 and H. F. No. 2678, 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. 2483 be substituted for H. F. No. 2678 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2619 and H. F. No. 2812, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Lieder moved that S. F. No. 2619 be substituted for H. F. No. 2812 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2173 and H. F. No. 2198, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Munger moved that the rules be so far suspended that S. F. No. 2173 be substituted for H. F. No. 2198 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 5, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 1989, relating to motor vehicles; allowing tax-exempt license plates for vehicles used for driver education programs at nonpublic high schools.

H. F. No. 2242, relating to insurance; no-fault auto; exempting certain antique automobiles and recreational vehicles from rental vehicle coverage.

H. F. No. 2002, relating to veterans; repealing provisions prohibiting cemeteries near veterans home and university.

H. F. No. 2637, relating to insurance; clarifying the law prohibiting insurers from maintaining subrogation actions against insureds.

H. F. No. 1883, relating to natural resources; providing legislative approval of certain consumptive uses of water over 2,000,000 gallons per day; exempting legislative approval for consumptive uses over 2,000,000 gallons per day for construction dewatering and pollution abatement or remediation.

H. F. No. 1921, 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.

H. F. No. 2124, relating to traffic regulations; changing allowed dimensions of travel trailers; requiring brakes on certain vehicles weighing 3,000 pounds or more; requiring a study and report.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 6, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 1983, relating to insurance; making changes in policy conversions to conform to federal law; regulating coverages under Medicare supplement plans; clarifying regulatory authority requiring insurers to submit claims experience and earned premiums data.

H. F. No. 1984, relating to insurance; accident and health; providing for coordination of benefits between group and individual contracts.

H. F. No. 1919, relating to ethnic Minnesotans; designating Ethnic American Day.

H. F. No. 2305, relating to agriculture; providing requirements for light butter, reduced fat cheese, light cheese, frozen yogurt, frozen low-fat yogurt, frozen nonfat yogurt, reduced-fat ice cream, low-fat ice cream, and nonfat ice cream.

H. F. No. 2321, relating to consumer protection; requiring an itemized statement for certain automobile purchase price refunds.

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

H. F. No. 1673, relating to occupations and professions; regulating the practice of pharmacy.

H. F. No. 1977, relating to veterans; providing for an executive director appointed by the veterans homes board.

H. F. No. 1985, relating to insurance; regulating cease and desist orders and communications with the department of commerce; providing for a waiver of the 30-day waiting period for purchasing insurance from certain associations.

H. F. No. 2462, 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.

H. F. No. 2374, relating to agriculture; changing the makeup of potato research and promotion councils.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1990 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F.</i> <i>No.</i>	<i>H.F.</i> <i>No.</i>	<i>Session Laws</i> <i>Chapter No.</i>	<i>Time and</i> <i>Date Approved</i> <i>1990</i>	<i>Date Filed</i> <i>1990</i>
	1989	392	14:48-April 5	April 6
	2242	394	14:50-April 5	April 6
	2002	397	14:51-April 5	April 6
2370		398	15:45-April 5	April 6
	2637	399	15:49-April 5	April 6
	1983	403	10:30-April 6	April 6

	1984	404	10:34-April 6	April 6
	1919	405	10:29-April 6	April 6
	1883	406	21:20-April 5	April 6
	2305	407	11:02-April 6	April 6
	2321	408	11:03-April 6	April 6
	1921	409	21:17-April 5	April 6
	1841	411	11:05-April 6	April 6
	1673	412	11:11-April 6	April 6
	1977	413	11:29-April 6	April 6
	1985	415	11:34-April 6	April 6
	2124	416	21:22-April 5	April 6
2541		420	11:43-April 6	April 6
	2462	422	11:45-April 6	April 6

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 9, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 2393, relating to consumer protection; regulating automatic garage door systems in residential buildings; providing standards; providing penalties and remedies.

H. F. No. 1839, relating to employment; raising the minimum wage.

H. F. No. 2042, relating to consumer protection; limiting the locations in which sales of tobacco by vending machine may be made.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1990 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F.</i> <i>No.</i>	<i>H.F.</i> <i>No.</i>	<i>Session Laws</i> <i>Chapter No.</i>	<i>Time and</i> <i>Date Approved</i> <i>1990</i>	<i>Date Filed</i> <i>1990</i>
60		391	18:52-April 6	April 9
	2393	414	10:13-April 9	April 9
	2374	417	18:47-April 6	April 9
	1839	418	10:21-April 9	April 9
2355		419	18:50-April 6	April 9
	2042	421	10:17-April 9	April 9

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1990 Session of the State Legislature have been received from

the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 1990</i>	<i>Date Filed 1990</i>
2373		438	16:00-April 9	April 9

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

SECOND READING OF SENATE BILLS

S. F. Nos. 824, 1798, 2158, 2346, 2483, 2619 and 2173 were read for the second time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Munger moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2173 be given its third reading and be placed upon its final passage. The motion prevailed.

Munger moved that the Rules of the House be so far suspended that S. F. No. 2173 be given its third reading and be placed upon its final passage. The motion prevailed.

Munger moved to amend S. F. No. 2173, as follows:

Delete everything after the enacting clause and insert:

"MINNESOTA TOXIC POLLUTION PREVENTION ACT

Section 1. [115D.01] [CITATION.]

Sections 1 to 11 may be cited as the "Minnesota toxic pollution prevention act."

Sec. 2. [115D.02] [POLICY.]

(a) To protect the public health, welfare, and the environment, the legislature declares that it is the policy of the state to encourage toxic pollution prevention. The preferred means of preventing toxic pollution are techniques and processes that are implemented at the

source and that minimize the transfer of toxic pollutants from one environmental medium to another.

(b) The legislature intends that the programs developed under this act shall encourage and lead to a greater awareness of the need for and benefits of toxic pollution prevention, and to a greater degree of cooperation and coordination among all elements of government, industry, and the public in encouraging and carrying out pollution prevention activities.

Sec. 3. [115D.03] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this chapter.

Subd. 2. [COMMISSION.] "Commission" means the emergency response commission under section 299K.03.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of the pollution control agency.

Subd. 4. [DIRECTOR.] "Director" means the director of the office of waste management.

Subd. 5. [ELIGIBLE RECIPIENTS.] "Eligible recipients" means persons who use, generate, or release toxic pollutants, hazardous substances, and hazardous wastes.

Subd. 6. [FACILITY.] "Facility" means all buildings, equipment, structures, and other stationary items that are located on a single site or on contiguous or adjacent sites and that are owned or operated by the same person, or by any person who controls, is controlled by, or is under common control with such person.

Subd. 7. [PERSON.] "Person" has the meaning given it in section 115B.02, subdivision 12.

Subd. 8. [POLLUTION PREVENTION OR PREVENT POLLUTION.] "Pollution prevention" or "prevent pollution" means eliminating or reducing at the source the use, generation, or release of toxic pollutants, hazardous substances, and hazardous wastes.

Subd. 9. [REDUCE, REDUCING, OR REDUCTION.] "Reduce," "reducing," or "reduction" means lessening the quantity or toxicity of toxic pollutants, hazardous substances, and hazardous wastes used, generated, or released at the source. Methods of reducing pollution include, but are not limited to, process modification, inventory control measures, feedstock substitutions, various house-keeping and management practices, and improved efficiency of machinery. Decreases in quantity or toxicity are not reductions where the decrease is solely the result of a decrease in the output of the facility.

Subd. 10. [RELEASE.] "Release" has the meaning given it in section 115B.02, subdivision 15.

Subd. 11. [TOXIC POLLUTANT.] "Toxic pollutant" means a chemical identified in United States Code, title 42, section 11023(c).

Sec. 4. [115D.04] [POLLUTION PREVENTION ASSISTANCE PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The director shall establish a pollution prevention assistance program to assist eligible recipients in preventing pollution. The program must emphasize techniques and processes that minimize the transfer of pollutants from one environmental medium to another and must focus primarily on toxic pollutants.

Subd. 2. [ASSISTANCE.] The pollution prevention assistance program must include at least the following:

(1) a program to assemble, catalog, and disseminate information on pollution prevention;

(2) a program to provide technical research and assistance, including on-site consultations to identify alternative methods that may be applied to prevent pollution and to provide assistance for planning under section 7, excluding design engineering services; and

(3) outreach programs including seminars, workshops, training programs, and other similar activities designed to provide pollution prevention information and assistance to eligible recipients.

Subd. 3. [ADMINISTRATION.] The pollution prevention assistance program must be coordinated with other public and private programs that provide management and technical assistance to eligible recipients. The director may make grants to public or private entities to operate elements of the program. Grantees shall provide periodic reports on their efforts to assist eligible recipients to reduce pollution.

Sec. 5. [115D.05] [POLLUTION PREVENTION GRANTS.]

Subdivision 1. [PURPOSE.] The director may make grants to study or demonstrate the feasibility of applying specific technologies and methods to prevent pollution.

Subd. 2. [ELIGIBILITY.] (a) Eligible recipients may receive grants under this section.

(b) Grants may be awarded up to a maximum of two-thirds of the total cost of the project. Grant money awarded under this section may not be spent for capital improvements or equipment.

Subd. 3. [PROCEDURE FOR AWARDING GRANTS.] (a) In determining whether to award a grant, the director shall consider at least the following:

(1) the potential of the project to prevent pollution;

(2) the likelihood that the project will develop techniques or processes that will minimize the transfer of pollution from one environmental medium to another;

(3) the extent to which information to be developed through the project will be applicable to other persons in the state;

(4) the willingness of the grant applicant to implement feasible methods and technologies developed under the grant;

(5) the willingness of the grant applicant to assist the director in disseminating information about the pollution prevention methods to be developed through the project; and

(6) the extent to which the project will conform to the pollution prevention policy established in section 2.

(b) The director shall adopt rules to administer the grant program. Prior to completion of any new rulemaking, the director may administer the program under the procedures established in rules promulgated under section 115A.154.

Sec. 6. [115D.06] [GOVERNOR'S AWARD FOR EXCELLENCE IN POLLUTION PREVENTION.]

The governor may issue annual awards in the form of a commendation for excellence in pollution prevention. Applications for these awards shall be administered by the director.

Sec. 7. [115D.07] [TOXIC POLLUTION PREVENTION PLANS.]

Subdivision 1. [REQUIREMENT TO PREPARE AND MAINTAIN A PLAN.] (a) Persons who operate a facility required by United States Code, title 42, section 11023, to submit a toxic chemical release form shall prepare a toxic pollution prevention plan for that facility. The plan must contain the information listed in subdivision 2.

(b) Except for facilities that release less than a total of 10,000 pounds of toxic pollutants annually, the plan must be completed as follows:

(1) on or before July 1, 1991, for facilities having a two-digit standard industrial classification of 35 to 39;

(2) by January 1, 1992, for facilities having a two-digit standard industrial classification of 28 to 34; and

(3) by July 1, 1992, for all other persons required to prepare a plan under this subdivision.

Facilities that release less than a total of 10,000 pounds of toxic pollutants annually must complete their plans by July 1, 1992.

(c) Each plan must be updated every two years and must be maintained at the facility to which it pertains.

Subd. 2. [CONTENTS OF PLAN.] Each toxic pollution prevention plan must establish a program identifying the specific technically and economically practicable steps that could be taken during at least the three years following the date the plan is due, to eliminate or reduce the generation or release of toxic pollutants reported by the facility. Toxic pollutants resulting solely from research and development activities need not be included in the plan. At a minimum, each plan must include:

(1) a policy statement articulating upper management support for eliminating or reducing the generation or release of toxic pollutants at the facility;

(2) a description of the current processes generating or releasing toxic pollutants that specifically describes the types, sources, and quantities of toxic pollutants currently being generated or released by the facility;

(3) a description of the current and past practices used to eliminate or reduce the generation or release of toxic pollutants at the facility and an evaluation of the effectiveness of these practices;

(4) an assessment of technically and economically practicable options available to eliminate or reduce the generation or release of toxic pollutants at the facility, including options such as changing the raw materials, operating techniques, equipment and technology, personnel training, and other practices used at the facility. The assessment may include a cost benefit analysis of the available options;

(5) a statement of objectives based on the assessment in clause (4) and a schedule for achieving those objectives. Wherever technically and economically practicable, the objectives for eliminating or reducing the generation or release of each toxic pollutant at the facility must be expressed in numeric terms. Otherwise, the objectives must include a clearly stated list of actions designed to lead to the establishment of numeric objectives as soon as practicable;

(6) an explanation of the rationale for each objective established for the facility;

(7) a listing of options that were considered not to be economically and technically practicable; and

(8) a certification, signed and dated by the facility manager and an officer of the company under penalty of section 609.63, attesting to the accuracy of the information in the plan.

Sec. 8. [115D.08] [PROGRESS REPORTS.]

Subdivision 1. [REQUIREMENT TO SUBMIT PROGRESS REPORT.] All persons required to prepare a toxic pollution prevention plan under section 7 shall submit an annual progress report to the commissioner that may be drafted in a manner that does not disclose proprietary information. Progress reports are due on October 1 of each year. The first progress reports are due in 1992. At a minimum, each progress report must include:

(1) a summary of each objective established in the plan including the schedule for meeting the objective;

(2) a summary of progress made during the past year, if any, toward meeting each objective established in the plan including the quantity of each toxic pollutant eliminated or reduced;

(3) a statement of the methods through which elimination or reduction has been achieved;

(4) if necessary, an explanation of the reasons objectives were not achieved during the previous year, including identification of any technological, economic, or other impediments the facility faced in its efforts to achieve its objectives; and

(5) a certification, signed and dated by the facility manager and an officer of the company under penalty of section 609.63, attesting that a plan meeting the requirements of section 7 has been prepared and also attesting to the accuracy of the information in the progress report.

Subd. 2. [REVIEW OF PROGRESS REPORTS.] (a) The commissioner shall review all progress reports to determine if they meet the requirements of subdivision 1. If the commissioner determines that a progress report does not meet the requirements, the commissioner shall notify the facility in writing and shall identify specific deficiencies and specify a reasonable time period of not less than 90 days for the facility to modify the progress report.

(b) The commissioner shall be given access to a facility plan

required under section 7 if the commissioner determines that the progress report for that facility does not meet the requirements of subdivision 1. Twenty-five or more persons living within ten miles of the facility may submit a petition to the commissioner that identifies specific deficiencies in the progress report and requests the commissioner to review the facility plan. Within 30 days after receipt of the petition, the commissioner shall respond in writing. If the commissioner agrees that the progress report does not meet requirements of subdivision 1, the commissioner shall be given access to the facility plan.

(c) After reviewing the plan and the progress report with any modifications submitted, the commissioner shall state in writing whether the progress report meets the requirements of subdivision 1. If the commissioner determines that a modified progress report still does not meet the requirements of subdivision 1, the commissioner shall schedule a public meeting. The meeting shall be held in the county where the facility is located. The meeting is not subject to the requirements of chapter 14.

(d) The facility shall be given the opportunity to amend the progress report within a period of not less than 30 days after the public meeting.

(e) If the commissioner determines that a modified progress report still does not meet the requirements of subdivision 1, action may be taken under section 115.071 to obtain compliance with sections 1 to 11.

Sec. 9. [115D.09] [CONFIDENTIALITY.]

Information and techniques developed under section 4, the reduction information and techniques under section 5, and the progress reports required under section 8 are public data under chapter 13. The plans required under section 7 are nonpublic data under chapter 13.

Sec. 10. [115D.10] [TOXIC POLLUTION PREVENTION EVALUATION REPORT.]

The director, in cooperation with the commissioner and commission, shall report to the environment and natural resources committees of the legislature annually on progress being made in achieving the objectives of sections 1 to 11. The report must be submitted by December 15 of each year, beginning in 1992.

Sec. 11. [115D.12] [POLLUTION PREVENTION ACCOUNT.]

Subdivision 1. [REVENUE SOURCES.] Revenue from the following sources must be deposited in the environmental fund:

- (1) the proceeds of the fees imposed by subdivision 2;
- (2) interest attributable to investment of money generated by the fees in subdivision 2; and
- (3) money received by the director in the form of gifts, grants other than federal grants, and reimbursements.

Subd. 2. [FEES.] The following pollution prevention fees are established:

(a) Persons required by United States Code, title 42, section 11023, to submit a toxic chemical release form to the commission shall pay a pollution prevention fee of \$150 for each toxic pollutant reported released and a fee based on the total pounds of toxic pollutants reported released per facility. Facilities reporting less than 25,000 pounds annually of toxic pollutants released per facility shall be assessed a fee of \$500. Facilities reporting annual releases of toxic pollutants in excess of 25,000 pounds shall be assessed a graduated fee at the rate of two cents per pound of toxic pollutants reported, not to exceed a total of \$30,000 per facility.

(b) Persons who generate more than 1,000 kilograms of hazardous waste per month but who are not subject to the fee under paragraph (a) must pay a pollution prevention fee of \$500 per facility. Hazardous waste as used in this paragraph has the meaning given it in section 116.06, subdivision 13, and Minnesota Rules, chapter 7045.

(c) Fees required under this subdivision must be paid to the director by January 1 of each year.

Sec. 12. [REPORTS TO THE LEGISLATURE.]

Subdivision 1. [REPORT ON BARRIERS TO POLLUTION PREVENTION.] By January 1, 1991, the director shall prepare and submit a report to the environment and natural resources committees of the legislature analyzing the barriers to pollution prevention. At a minimum, the director shall report on regulatory, economic, educational, and institutional barriers and shall recommend strategies to overcome these barriers. Further, the report shall describe ways in which government may serve as a role model in pollution prevention.

Subd. 2. [REPORT ON TOXIC POLLUTANTS USE REPORTING.] By January 1, 1993, the director shall prepare and submit a report to the environment and natural resources committees of the legislature evaluating the utility of requiring companies to prepare toxic pollutant use reports and reduction plans. The report shall discuss, among other information, the potential uses of the data and the potential impact of such requirements on pollution prevention

efforts. The report also shall discuss the need for a chemical accident prevention program to promote safety initiatives by industry. The report shall contain a recommendation as to whether to require toxic pollutant use reports and reduction plans.

Sec. 13. [APPROPRIATIONS.]

Subdivision 1. [OFFICE OF WASTE MANAGEMENT.] \$847,000 is appropriated as follows to the office of waste management for fiscal year 1991:

<u>(a) For pollution prevention assistance eligible recipients</u>	<u>\$560,000;</u>
<u>(b) For pollution prevention grants</u>	<u>150,000; and</u>
<u>(c) For reports to the legislature and administration of sections 1 to 11</u>	<u>137,000.</u>

The approved complement of the office is increased by three positions.

Subd. 2. [POLLUTION CONTROL AGENCY.] \$45,000 is appropriated from the environmental fund to the pollution control agency for fiscal year 1991, for the purposes specified in sections 1 to 11. The approved complement of the agency is increased by one position.

Subd. 3. [DEPARTMENT OF PUBLIC SAFETY.] \$48,000 is appropriated to the department of public safety from the environmental fund for fiscal year 1991, to assure timely and accurate submittal of the toxic chemical release forms. The approved complement of the department of public safety is increased by one position.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 12 are effective the day after final enactment."

Delete the title and insert:

"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 motion prevailed and the amendment was adopted.

Munger moved to amend S. F. No. 2173, as amended, as follows:

Page 10, line 8; after "appropriated" insert "from the environmental fund"

Page 10, line 9, delete "fiscal year" and insert "the biennium ending June 30,"

Page 10, line 28, after "for" delete "fiscal year" and insert "the biennium ending June 30,"

The motion prevailed and the amendment was adopted.

Pellow moved to amend S. F. No. 2173, as amended, as follows:

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1988, section 115B.03, subdivision 3, is amended to read:

Subd. 3. [OWNER OF REAL PROPERTY.] An owner of real property is not a person responsible for the release or threatened release of a hazardous substance from a facility in or on the property unless that person:

(a) was engaged in the business of generating, transporting, storing, treating, or disposing of a hazardous substance at the facility or disposing of waste at the facility, or knowingly permitted others to engage in such a business at the facility;

(b) knowingly permitted any person to make regular use of the facility for disposal of waste;

(c) knowingly permitted any person to use the facility for disposal of a hazardous substance;

(d) knew or reasonably should have known that a hazardous substance was located in or on the facility at the time right, title, or interest in the property was first acquired by the person and engaged in conduct associating that person with the release; or

(e) took action which significantly contributed to the release after that person knew or reasonably should have known that a hazardous substance was located in or on the facility.

For the purpose of clause (d), a written warranty, representation, or undertaking, which is set forth in an instrument conveying any right, title or interest in the real property and which is executed by the person conveying the right, title or interest, or which is set forth in any memorandum of any such instrument executed for the purpose of recording, is admissible as evidence of whether the person

acquiring any right, title, or interest in the real property knew or reasonably should have known that a hazardous substance was located in or on the facility.

Any liability which accrues to an owner of real property under sections 115B.01 to 115B.15 does not accrue to any other person who is not an owner of the real property merely because the other person holds some right, title, or interest in the real property.

An owner of real property on which a public utility easement is located is not a responsible person with respect to any release caused by any act or omission of the public utility which holds the easement in carrying out the specific use for which the easement was granted.

A lender that becomes an owner of real property through mortgage foreclosure or contract for deed termination is not a responsible person with respect to any release occurring before, during, or after the lender's ownership of the real property unless the lender exercised significant control over the management of the property or unless the lender knew or should have known, at the time the lender became the owner of the property, of the presence of any hazardous substance on the property.

Sec. 2. Minnesota Statutes 1988, section 115B.17, subdivision 14, is amended to read:

Subd. 14. [REQUESTS FOR REVIEW, INVESTIGATION, AND OVERSIGHT.] (a) The commissioner of the pollution control agency may, upon request, assist a person in determining whether real property has been the site of a release or threatened release of a hazardous substance, pollutant, or contaminant. The commissioner of the pollution control agency may also assist in, or supervise, the development and implementation of reasonable and necessary response actions. Assistance may include review of agency records and files, and review and approval of a requester's investigation plans and reports and response action plans and implementation.

(b) The person requesting assistance under this subdivision shall pay the agency for the agency's cost, as determined by the commissioner of the pollution control agency, of providing assistance. Money received by the agency for assistance under this section must be deposited in the environmental response, compensation, and compliance fund.

(c) A person who tests any real property in the state for the presence of a hazardous waste, hazardous substance, pollutant, or contaminant shall report the results of the test to the commissioner for inclusion in the commissioner's data base for the purpose of this subdivision. Reports may be made for each piece of property tested or may be made periodically for all the pieces of property tested over a period of time and must include a legal description of each

property tested and the results of the test or tests. The commissioner may adopt rules to specify the form and content of the reports and the frequency with which reports must be made."

Renumber the remaining sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Krueger raised a point of order pursuant to rule 3.9 that the Pellow amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

The question recurred on the Pellow amendment and the roll was called. There were 90 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Kalis	Olson, E.	Schafer
Anderson, G.	Dille	Kelly	Olson, K.	Scheid
Anderson, R.	Dorn	Kinkel	Omann	Schreiber
Battaglia	Forsythe	Knickerbocker	Onnen	Seaberg
Bauerly	Frederick	Kostohryz	Orenstein	Sparby
Beard	Frerichs	Krueger	Osthoff	Stanius
Begich	Girard	Limmer	Ostrom	Steensma
Bennett	Gutknecht	Lynch	Ozment	Sviggum
Bertram	Hartle	Macklin	Pellow	Swenson
Bishop	Hasskamp	Marsh	Pelowski	Tjornhom
Blatz	Haukoos	McDonald	Peterson	Tompkins
Boo	Heap	McPherson	Popenhagen	Uphus
Brown	Henry	Miller	Pugh	Valento
Burger	Himle	Morrison	Redalen	Waltman
Carlson, D.	Hugoson	Murphy	Reding	Weaver
Carlson, L.	Jacobs	Nelson, C.	Rest	Wenzel
Cooper	Jennings	Neuenschwander	Richter	Williams
Dauner	Johnson, V.	Olsen, S.	Runbeck	Winter

Those who voted in the negative were:

Carruthers	Johnson, R.	Munger	Rice	Tunheim
Clark	Kahn	Nelson, K.	Rodosovich	Vellenga
Greenfield	Lieder	O'Connor	Rukavina	Wagenius
Janezich	Long	Ogren	Sarna	Welle
Jaros	McEachern	Pauly	Skoglund	Spk. Vanasek
Jefferson	McLaughlin	Price	Solberg	
Johnson, A.	Milbert	Quinn	Trimble	

The motion prevailed and the amendment was adopted.

Stanisus, Jennings, Osthoff, Scheid and Kelly moved to amend S. F. No. 2173, as amended, as follows:

Page 10, after line 5, insert:

“Sec. 13. [YARD WASTE COMPOSTING.]

Each county in the metropolitan area, as defined in section 473.121, subdivision 2, shall establish at least one yard waste composting facility within the county that accepts yard waste at no charge from licensed solid waste collectors. The county shall fund at least 50 percent of the operation of the facility from funds received under section 115A.557.”

Page 10, line 33, delete “12” and insert “13”

Renumber sections accordingly

A roll call was requested and properly seconded.

The question was taken on the Stanisus et al amendment and the roll was called. There were 77 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kostohryz	Olsen, S.	Schafer
Anderson, R.	Frerichs	Lasley	Olson, E.	Scheid
Bennett	Girard	Lieder	Omann	Schreiber
Bishop	Gruenes	Limmer	Onnen	Seaberg
Blatz	Gutknecht	Lynch	Orenstein	Simoneau
Boo	Hartle	Macklin	Osthoff	Solberg
Burger	Haukoos	Marsh	Otis	Stanisus
Carlson, D.	Heap	McDonald	Pauly	Sviggum
Carlson, L.	Henry	McEachern	Pellow	Swenson
Carruthers	Himle	McGuire	Poppenhagen	Tjornhom
Clark	Hugoson	McPherson	Pugh	Tompkins
Cooper	Jennings	Milbert	Rest	Valento
Dawkins	Johnson, V.	Miller	Richter	Weaver
Dille	Kelly	Morrison	Rodosovich	
Dorn	Kelso	Neuenschwander	Runbeck	
Forsythe	Knickerbocker	O'Connor	Sarna	

Those who voted in the negative were:

Anderson, G.	Jacobs	McLaughlin	Price	Vellenga
Battaglia	Janezich	Munger	Quinn	Wagenius
Bauerly	Jaros	Murphy	Redalen	Waltman
Beard	Jefferson	Nelson, C.	Reding	Welle
Begich	Johnson, A.	Nelson, K.	Rukavina	Wenzel
Bertram	Johnson, R.	Ogren	Skoglund	Williams
Brown	Kahn	Olson, K.	Sparby	Winter
Dauner	Kalis	Ostrom	Steenasma	Spk. Vanasek
Greenfield	Kinkel	Ozment	Trimble	
Hasskamp	Krueger	Pelowski	Tunheim	
Hausman	Long	Peterson	Uphus	

The motion prevailed and the amendment was adopted.

McGuire moved to amend S. F. No. 2173, as amended, as follows:

Page 9, after line 19, insert:

“Sec. 12. [299K.085] [TOXICS USE REPORT.]

(a) Each facility subject to section 299K.08 shall submit to the commission an annual report for each toxic pollutant, as defined in section 3, subdivision 11, or hazardous substance manufactured, processed, or otherwise used at that facility. The report must include the quantities of the toxic pollutant or hazardous substance that are manufactured, processed, or otherwise used at the facility.

Reporting must be expressed in terms of the mass of each toxic pollutant or hazardous substance.

(b) Toxic use reports must be submitted on forms required by regulations adopted under the federal act or, to the extent that information required by this section is not included in those forms, on supplemental forms established by the commission not later than December 31, 1990.

(c) Facilities shall submit their initial forms as follows:

(1) by July 1, 1991, for facilities having a two digit standard industrial classification of 35 to 39;

(2) by January 1, 1992, for facilities having a two digit standard industrial classification of 28 to 34; and

(3) by July 1, 1992, for all other facilities required to prepare a toxic use report under this section.”

Page 9, line 30, after “By” insert “January 1, 1992, the director of the office of waste management shall prepare and submit a report to the environment and natural resources committees of the legislature that evaluates the need for required toxic use reduction plans. The report also must discuss the need for a chemical accident prevention program to promote safety initiatives by industry.”

Page 9, delete lines 31 to 36

Page 10, delete lines 1 to 5

Renumber the remaining sections in sequence

Correct internal references

Amend the title accordingly

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

S. F. No. 2173, 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 for chlorofluorocarbon reduction; requiring an air pollution study; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 116 and 325E; proposing coding for new law as Minnesota Statutes, chapter 115D.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Milbert and Ozment introduced:

H. F. No. 2828, A bill for an act relating to education; allowing appointed board members of intermediate school district No. 917 to continue to serve for up to three years beyond June 30, 1992, if reappointed by a local board; amending Minnesota Statutes 1989 Supplement, section 136D.82, subdivision 1.

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

Reding introduced:

H. F. No. 2829, A bill for an act relating to waste; placing waste stream diversion requirements on counties applying for new permits for facilities that incinerate mixed municipal solid wastes or that process or burn refuse-derived fuel; requiring a study of the environmental effects of existing 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.

Reding introduced:

H. F. No. 2830, A bill for an act relating to waste; placing a moratorium on new permits for facilities that incinerate mixed municipal solid wastes or that process or burn refuse-derived fuel.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

McLaughlin, Krueger, Marsh, Sparby and Otis introduced:

H. A. No. 56, A proposal for a legislative working group on Minnesota's human resources strategies for the 1990's.

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

Gruenes; Johnson, V., and Bertram introduced:

H. A. No. 57, A proposal to examine the licensing of Retail Food Handlers in the Department of Agriculture.

The advisory was referred to the Committee on Commerce.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

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 Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

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 Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

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 Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 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; limiting certain contribution receipts by congressional candidates; 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.02, subdivision 1; 10A.04,

subdivisions 2, 4, and 4a; 10A.05; 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.

The Senate has appointed as such committee:

Messrs. Luther, Dahl, Cohen, Marty and Pogemiller.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

Senate Concurrent Resolution No. 10, A senate concurrent resolution supporting the efforts of the volunteers working to build a Minnesota Vietnam Veterans Memorial.

PATRICK E. FLAHAVEN, Secretary of the Senate

SUSPENSION OF RULES

Kostohryz moved that the rules be so far suspended that Senate Concurrent Resolution No. 10 be now considered and be placed upon its adoption. The motion prevailed.

SENATE CONCURRENT RESOLUTION NO. 10

A senate concurrent resolution supporting the efforts of the volunteers working to build a Minnesota Vietnam Veterans Memorial.

Whereas, over 68,000 men and women from Minnesota served in our nation in the Vietnam War; and

Whereas, 1,029 service personnel were killed in the defense of freedom and 43 are still missing in action; and

Whereas, we must never forget the price these service personnel paid with their lives and their families continue to pay with their hearts; and

Whereas, the Minnesota Vietnam Veterans Memorial will be dedicated in 1991 on the State Capitol grounds and will honor and thank those who served our country and state, will strengthen the common bond of all veterans, and will be visited by generations of grateful Minnesotans; *Now, Therefore*,

Be It Resolved by the Senate of the State of Minnesota, the House of Representatives concurring, that the Senate and House support the efforts of the volunteers working to build a Minnesota Vietnam Veterans Memorial.

Be It Further Resolved that the Secretary of the Senate is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and those of the Chair of the Senate Rules and Administration Committee and the Speaker of the House of Representatives, and present it to the Minnesota Vietnam Veterans Memorial, Inc.

Kostohryz moved that Senate Concurrent Resolution No. 10 be now adopted. The motion prevailed and Senate Concurrent Resolution No. 10 was adopted.

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. 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; amending Minnesota Statutes 1988, sections 13.03, subdivision 3; 13.10, subdivision 3; 13.41, subdivision 2; 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; 13.84, subdivision 5a; 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Pugh moved that the House refuse to concur in the Senate amendments to H. F. No. 2365, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House

requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Williams moved that the House refuse to concur in the Senate amendments to H. F. No. 2162, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 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 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Jefferson moved that the House refuse to concur in the Senate amendments to H. F. No. 2230, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 2390, A bill for an act relating to children; providing improved procedures to protect the safety and welfare of abused and neglected children; 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; amending Minnesota Statutes 1988, sections 147.09; 259.40, subdivisions 1 and 4; 260.011, subdivision 2; 260.155, subdivision 1; 609.2231, by adding a subdivision; 626.556, subdivisions 1, 3, 4, and by adding a subdivision; 626.559, subdivision 2; Minnesota Statutes 1989 Supplement, sections 179A.03, subdivision 7; 245A.04, subdivision 3; 260.015, subdivision 2a; 260.161, subdivision 2; 260.171, subdivision 4; 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 120; 144; and 245.

PATRICK E. FLAHAVERN, Secretary of the Senate

Vellenga moved that the House refuse to concur in the Senate amendments to H. F. No. 2390, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the 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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Reding moved that the House refuse to concur in the Senate amendments to H. F. No. 2103, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the 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. 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 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; 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Reding moved that the House refuse to concur in the Senate amendments to H. F. No. 2081, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House

requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the 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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 2204 and that the bill be repassed as amended by the Senate. The motion prevailed.

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, 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, 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	Carlson, L.	Hartle	Johnson, V.	McGuire
Anderson, G.	Carruthers	Hasskamp	Kahn	McLaughlin
Anderson, R.	Clark	Haukoos	Kelly	McPherson
Battaglia	Cooper	Hausman	Kelso	Milbert
Bauerly	Dauner	Heap	Kinkel	Miller
Beard	Dawkins	Henry	Knickerbocker	Morrison
Begich	Dille	Himle	Krueger	Murphy
Bennett	Dorn	Hugoson	Lasley	Nelson, C.
Bertram	Forsythe	Jacobs	Limmer	Nelson, K.
Bishop	Frederick	Janezich	Long	Neuenschwander
Blatz	Frerichs	Jaros	Lynch	O'Connor
Boo	Girard	Jefferson	Macklin	Ogren
Brown	Greenfield	Jennings	Marsh	Olsen, S.
Burger	Gruenes	Johnson, A.	McDonald	Olson, E.
Carlson, D.	Gutknecht	Johnson, R.	McEachern	Olson, K.

Omann	Peterson	Runbeck	Stanius	Wagenius
Onnen	Poppenhagen	Sarna	Steensma	Waltman
Orenstein	Price	Schafer	Sviggum	Weaver
Osthoff	Pugh	Scheid	Swenson	Welle
Ostrom	Quinn	Schreiber	Tjornhom	Wenzel
Otis	Redalen	Seaberg	Tompkins	Williams
Ozment	Reding	Segal	Trimble	Winter
Pappas	Rest	Simoneau	Tunheim	Spk. Vanasek
Pauly	Rice	Skoglund	Uphus	
Pellow	Richter	Solberg	Valento	
Pelowski	Rukavina	Sparby	Vellenga	

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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Tunheim moved that the House concur in the Senate amendments to H. F. No. 2401 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2401, A bill for an act relating to traffic regulations; increasing from a petty misdemeanor to a misdemeanor the penalty for driving past railroad crossing warning devices and flaggers; providing a gross misdemeanor penalty for a railroad crossing violation committed while intoxicated; 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; Minnesota Statutes 1989 Supplement, section 169.121, subdivision 3; 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, 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 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	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
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	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 House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Reding moved that the House concur in the Senate amendments

to H. F. No. 1918 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1918, A bill for an act relating to waste control; providing for criminal and civil penalties for violations of criteria of the metropolitan waste control commission and the Western Lake Superior Sanitary District board; amending Minnesota Statutes 1988, section 115A.97, subdivision 4; 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, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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	Himle	McGuire	Peterson	Swenson
Boo	Hugoson	McLaughlin	Poppenhagen	Tjornhom
Brown	Jacobs	McPherson	Price	Tompkins
Burger	Janezich	Milbert	Pugh	Trimble
Carlson, D.	Jaros	Miller	Quinn	Tunheim
Carlson, L.	Jefferson	Morrison	Redalen	Uphus
Carruthers	Jennings	Murphy	Reding	Valento
Clark	Johnson, A.	Nelson, C.	Rest	Vellenga
Cooper	Johnson, R.	Nelson, K.	Rice	Waggium
Dauner	Johnson, V.	Neuenschwander	Richter	Waltman
Dawkins	Kahn	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

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Ms. Berglin, Messrs. Freeman and Marty.

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

Simoneau 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. 488. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Luther, Spear and Knaak.

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

Pugh 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. 1150. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1896, 2060, 1925 and 1894.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1896, 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; authorizing an emergency medical services advisory committee; regulating the provision of special transportation services; requiring studies; encouraging rural medical school applicants; requiring a study of medical assistance reimbursement for physicians; creating a rural hospital planning and transition grant program; creating a rural hospital subsidy fund; allowing counties authority to exceed levy limits; appropriating money; amending Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 9; 116.78, by adding subdivisions; 144.804, subdivisions 1 and 7; 144.809; 144.8091; Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 136A; 144; and 174.

The bill was read for the first time.

Cooper moved that S. F. No. 1896 and H. F. No. 1965, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2060, A bill for an act relating to drivers' licenses; defining gross vehicle weight and commercial motor vehicle; allowing holder of class CC driver's license with school bus endorsement to operate a small school bus; changing effective dates of requirements 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.

Lasley moved that S. F. No. 2060 and H. F. No. 2238, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1925, A bill for an act relating to the environment; changing certain requirements for municipal wastewater treatment grants; increasing bonding authority; amending Minnesota Statutes 1988, sections 116.18, subdivision 3c; 446A.07, subdivision 2; 446A.12, subdivision 1; and Minnesota Statutes 1989 Supplement, section 116.16, subdivisions 2 and 5.

The bill was read for the first time.

Winter moved that S. F. No. 1925 and H. F. No. 1949, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1894, 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; authorizing management and financing of drainage systems under certain laws; 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; requiring a draining system report; appropriating money; amending Minnesota Statutes 1988, sections 110B.28; 110B.30; 112.42, 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; proposing coding for new law in Minnesota Statutes, chapters 112 and 473.

The bill was read for the first time.

Price moved that S. F. No. 1894 and H. F. No. 2007, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Beard was excused between the hours of 2:40 p.m. and 5:00 p.m.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON 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.

April 6, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 2025, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

We request adoption of this report and repassage of the bill.

House Conferees: JIM TUNHEIM, JERRY J. BAUERLY AND BERNARD L. LIEDER

Senate Conferees: LEROY A. STUMPF AND KEITH LANGSETH.

Tunheim moved that the report of the Conference Committee on H. F. No. 2025 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, 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	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
Begich	Hausman	Marsh	Pauly	Steenasma
Bennett	Heap	McDonald	Pellow	Svigum
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
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	Schreiber	
Girard	Krueger	Onnen	Seaberg	
Greenfield	Lasley	Orenstein	Segal	

The bill was repassed, as amended by Conference, and its title agreed to.

CONFERENCE COMMITTEE REPORT ON 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.

April 9, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 2131, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that H. F. No. 2131 be further amended as follows (page and line references are to S. F. No. 2175, the second engrossment):

Page 1, line 21, delete "felony" and insert "gross misdemeanor"

Page 2, line 4, delete "three years" and insert "one year"

Page 2, line 5, delete "\$5,000" and insert "\$3,000"

We request adoption of this report and repassage of the bill.

House Conferees: BOB JOHNSON, RANDY C. KELLY, DAVE BISHOP,
DENNIS OZMENT AND TOM RUKAVINA.

Senate Conferees: GREGORY L. DAHL, GENE MERRIAM, FRITZ KNAAK,
RANDOLPH W. PETERSON AND BOB LESSARD.

Johnson, R., moved that the report of the Conference Committee on H. F. No. 2131 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 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
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
Dille	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olsen, E.	Schafer	Spk. Vanasek
Frederick	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omamm	Schreiber	
Girard	Krueger	Onnen	Seaberg	
Greenfield	Lasley	Orenstein	Segal	

The bill was repassed, as amended by Conference, and its title agreed to.

CONFERENCE COMMITTEE REPORT ON 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.

April 5, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1928, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1928 be further amended as follows:

Delete everything after the enacting clause and 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 certified; 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.

An employee may not carry or use a weapon while undergoing on-the-job training under this subdivision.

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. The board shall issue an identification card to a person certified under this subdivision. A certified

employee shall have the card in the employee's possession while working as an armed employee.

Subd. 4. [FULL-TIME PEACE OFFICERS.] A person licensed as a peace officer by the board of peace officer standards and training meets the training requirements of this section.

Sec. 3. Minnesota Statutes 1988, section 326.3384, is amended by adding a subdivision to read:

Subd. 1b. [ACTS PROHIBITED DURING LABOR DISPUTES, STRIKES, AND LOCKOUTS.] (a) This subdivision applies to (1) a license holder or an employee of a license holder who is primarily performing the duties of a protective agent; or (2) a security guard who is primarily performing the duties of a security guard.

(b) A person described in paragraph (a) is prohibited from doing any of the activities described in clauses (1) to (5) during a labor dispute, strike, or lockout as defined in section 179.01, subdivisions 7, 8, and 9:

(1) inciting, encouraging, or aiding in the incitement or encouragement of any participant to do unlawful acts against the person or property of anyone;

(2) photographing a participant when neither that person nor the photographer is on the premises being protected by the persons described in paragraph (a);

(3) stopping or detaining any vehicle unless the vehicle is on premises being protected by the persons described in paragraph (a);

(4) conducting surveillance of participants, 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 their businesses, or homes; or

(5) any other activities that are outside of the scope of the duties described in sections 326.32, subdivision 13, and 326.338, subdivision 4, and have the purpose of intimidating or provoking a participant.

Sec. 4. Minnesota Statutes 1989 Supplement, section 326.3384, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] (a) A license holder person violating subdivision 1 or 1a this section is guilty of a gross misdemeanor.

(b) The board shall suspend the license of a license holder for the periods described in paragraph (c) if the license holder or an

employee of the license holder is convicted of a violation of subdivision 1b. The board shall prohibit an employee of a license holder from working for any license holder for the periods described in paragraph (c) if the employee is convicted of a violation of subdivision 1b.

(c) The periods described in paragraph (b) are as follows:

- (1) 60 days for the first violation;
- (2) six months for the second violation; and
- (3) one year for the third violation."

Amend the title as follows:

Page 1, line 8, delete "and amending"

We request adoption of this report and repassage of the bill.

House Conferees: JOSEPH BEGICH, JOHN J. SARNA AND DAVE BISHOP.

Senate Conferees: RONALD R. DICKLICH, JOHN J. MARTY AND PATRICK D. MCGOWAN.

Begich moved that the report of the Conference Committee on H. F. No. 1928 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 76 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Hasskamp	Long	Ozment	Skoglund
Battaglia	Hausman	McEachern	Pappas	Solberg
Bauerly	Jacobs	McGuire	Pelowski	Steensma
Begich	Janezich	McLaughlin	Peterson	Trimble
Bertram	Jaros	Milbert	Price	Tunheim
Bishop	Jefferson	Morrison	Pugh	Vellenga
Brown	Johnson, A.	Munger	Quinn	Wagenius
Carlson, D.	Johnson, R.	Murphy	Reding	Welle
Carlson, L.	Kahn	Nelson, C.	Rest	Wenzel
Carruthers	Kelly	Nelson, K.	Rice	Williams
Clark	Kelso	O'Connor	Rodosovich	Winter
Cooper	Kinkel	Ogren	Rukavina	Spk. Vanasek
Dauner	Kostohryz	Olson, K.	Sarna	
Dawkins	Krueger	Orenstein	Scheid	
Dorn	Lasley	Osthoff	Segal	
Greenfield	Lieder	Ostrom	Simoneau	

Those who voted in the negative were:

Abrams	Gutknecht	Limmer	Pellow	Swenson
Anderson, G.	Hartle	Lynch	Poppenhagen	Tjornhom
Bennett	Haukoos	Macklin	Redalen	Tompkins
Blatz	Heap	McDonald	Richter	Uphus
Burger	Henry	McPherson	Runbeck	Valento
Dille	Himle	Miller	Schafer	Waltman
Forsythe	Hugoson	Neuenschwander	Schreiber	Weaver
Frederick	Jennings	Olsen, S.	Seaberg	
Frerichs	Johnson, V.	Omann	Sparby	
Girard	Kalis	Onnen	Stanuis	
Gruenes	Knickerbocker	Pauly	Sviggum	

The bill was repassed, as amended by Conference, and its title agreed to.

Anderson, R., was excused while in conference.

CONFERENCE COMMITTEE REPORT ON 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; 299E.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.

April 7, 1990

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 2480, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2480 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
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. [GENERALLY; INDIVIDUALS.] (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 as determined 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 preparation 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, notwithstanding 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); the total amount of remuneration subject to withholding under section 290.92, subdivision 20; 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 the amount of royalties subject to withholding under section 290.923, subdivision 2; 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 that furnishes the information required under section 290.05, subdivision 4, paragraph (a), 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 section 289A.021, subdivision 2, 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 concerning 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 commissioner 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. A claim filed after the original or extended due date shall be allowed if the initial claim is filed within one year after the original due date for filing the claim, subject to the provisions of section 289A.14, subdivision 12, paragraph (e).

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; and

(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 (b), 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; or

(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, CORPORATE FRANCHISE TAX.] Where good cause exists, the commissioner may extend the time for payment of the amount determined as an individual or fiduciary income tax or corporate franchise 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; and

(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 1, 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; and

(3) in addition to other remedies that may be available, bring an action in equity by the state against a taxpayer for an injunction ordering the taxpayer to file a complete and proper return or amended return. The district courts of this state have jurisdiction over the action and disobedience of an injunction issued under this clause will be punished as a contempt of district court.

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, instead of the single joint notice mailed to the last known address of the husband and wife, 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 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 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 expiration of the period of limitation for the assessment of 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 attorney 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, attorney fees, and costs are owed may petition the district or county court for an order providing for the withholding of the amount of child support, attorney fees, and costs unpaid and owing as determined by court order. The person from whom the refund may be withheld must be notified of the petition under the rules of civil procedure before the issuance of an order under this subdivision. The order may be granted on a showing to the court that required support payments, attorney 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, attorney fees, and costs that had been the subject of the claim under this subdivision that has been paid by the taxpayer before the diversion of the refund, must be paid to the person entitled to the money. If the refund is based on a joint return, the part of the refund that must be paid to the petitioner is the proportion of the total refund that equals the proportion of the total federal adjusted gross income of the spouses that is the federal adjusted gross income of the spouse who is delinquent in making the child support payments.

(c) A petition filed under this subdivision remains in effect with respect to any refunds due under this section until the support money, attorney fees, and costs have been paid in full or the court orders the commissioner to discontinue withholding the money from the refund due the person obligated to pay the support, attorney 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 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, chapter 270A, and this section, 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, subdivision 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, that person 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. 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 clause 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. 29. 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)(e), 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) (f) To the extent that income is exempt from withholding under paragraph (e) (d), 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) (d), 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. 30. 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. 31. 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 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 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 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 subdivi-
sion shall must be in such the form as the commissioner may determine determines.

(d) 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. 32. 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. 33. 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. 34. 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. 35. 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. 36. 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. 37. 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. 38. 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.

(e) 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. 39. 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. 40. 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. 41. 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. 42. 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. 43. 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. 44. [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. 45. [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; 290.923, 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; 290.974; 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 290.9201, subdivisions 4, 5, 9, and 10; 290.9705, subdivision 2; 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. 46. [INSTRUCTIONS TO REVISOR.]

(a) If a provision of a section of Minnesota Statutes repealed or amended by this article 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

60A.15, subd. 6
60A.15, subd. 9a
60A.15, subd. 9b
60A.15, subd. 9c
60A.15, subd. 9d

60A.199, subd. 4
60A.199, subd. 5
60A.199, subd. 6
69.59
115B.24, subd. 4
270.10, subd. 1

270A.07, subd. 5

290.01, subd. 10
290.05, subd. 4

290.095, subd. 7
290.095, subd. 9
290.095, subd. 9
290.30
290.371, subd. 2
290.923, subd. 3

290.923, subd. 4
290A.24
291.09, subd. 3a
297.09, subd. 1

297.37, subd. 1
297A.04
297A.15, subd. 5
297A.211, subd. 2

297A.211, subd. 3
299F.21, subd. 2
299F.23, subd. 2
299F.23, subd. 3
299F.23, subd. 4

Column B

290.53, subd. 1
290.53, subd. 2
290.53, subd. 3a
290.53, subd. 3
290.53, subd. 4

290.53, subd. 2
290.53, subd. 3a
290.53, subd. 3
290.53
290.936
290.42, clause (6)

290.92, subd. 13,
clause (1)
290.40(2)
290.56

290.37, subd. 1
290.46
290.50
290.29
290.37
290.92, subd. 6

290.92, subd. 7
290.93
291.11

Minnesota Statutes
1945, 290.56 to
290.58
290.56 to 290.58
297A.27, subd. 2
297A.34
297A.26 and
297A.27

297A.35
290.53, subd. 1
290.53, subd. 2
290.53, subd. 3a
290.53, subd. 3

Column C

289A.14, subd. 1
289A.14, subd. 2
289A.14, subd. 6
289A.14, subd. 5
289A.15,
subs. 1 and 3
289A.14, subd. 2
289A.14, subd. 6
289A.14, subd. 5
289A.14
289A.11
289A.024,
subs. 1 and 2
289A.13, subd. 2

289A.021, subd. 5
289A.06,
subs. 8 and 9

289A.021, subd. 9
289A.08
289A.11
289A.029, subd. 3
289A.021
289A.0212 and
289A.025, subd. 2
289A.0212, subd. 2
289A.026
289A.10, subd. 1

270.06

270.06
289A.0216, subd. 3
289A.08
289A.025, subd. 4
and 289A.0216

289A.08
289A.14, subd. 1
289A.14, subd. 2
289A.14, subd. 6
289A.14, subd. 5

<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, subs. 4</u> <u>and 11</u> <u>290.92, subd. 15</u> <u>290A.11, subd. 2</u> <u>297A.08</u> <u>297A.39, subs. 4</u> <u>and 8</u>	<u>289A.15, subs. 1,</u> <u>2, 4, and 6</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. 47. [EFFECTIVE DATES.]

Sections 1, 2, and 44 are effective the day following final enactment.

Sections 15 and 16 are effective for audits or investigations initiated on or after August 1, 1990.

Section 17 is 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, 28 to 43, and 45 are effective August 1, 1990.

ARTICLE 2
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 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 admissi-

ble 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(c)(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, 16, 17, and 18, paragraph (d), are effective August 1, 1990.

Sections 5, 6, 7, 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 3

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, or 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.

ARTICLE 4

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 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 world championship football game sponsored by the national football league, and the privilege of having access to and the use of amusement devices, tanning facilities, reducing salons, steam baths, turkish baths, 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. 4. 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. 5. 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. 6. 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. 7. 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. 8. 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. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective July 1, 1990.

ARTICLE 5

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.~~

(c) 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 290.00, 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 or carryforward or a capital loss carryback or carryforward allowed for the year.

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, sections 101(a), 102, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(c) surplus food or other relief in kind supplied by a governmental agency;

(d) relief granted under this chapter; or

(e) child support payments received under a temporary or final decree of dissolution or legal separation.

(3) The sum of the following amounts 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 prior 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 6

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 com-

panies, 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 7

TECHNICAL AND ADMINISTRATIVE CHANGES

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; and

(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 under section 414.01, subdivision 14, 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 that is losing area by the annexation. 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 personally 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 that 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 273.124, subdivision 6, is amended to read:

Subd. 6. [LEASEHOLD COOPERATIVES.] When one or more dwellings or one or more buildings which each contain several dwelling units is owned by a nonprofit corporation subject to the provisions of chapter 317 and qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1988, or a limited partnership which corporation or partnership operates the property in conjunction with a cooperative association, homestead treatment may be claimed by the cooperative association on behalf of the members of the cooperative for each dwelling unit occupied by a member of the cooperative. The cooperative association must provide the assessor with the social security numbers of those members. To qualify for the treatment provided by this subdivision, the following conditions must be met:

(a) the cooperative association must be organized under chapter 308A and all voting members of the board of directors must be resident tenants of the cooperative and must be elected by the resident tenants of the cooperative;

(b) the cooperative association must have a lease for occupancy of the property for a term of at least 20 years, which permits the cooperative association, while not in default on the lease, to participate materially in the management of the property, including material participation in establishing budgets, setting rent levels, and hiring and supervising a management agent;

(c) to the extent permitted under state or federal law, the cooperative association must have a right under a written agreement with the owner to purchase the property if the owner proposes to sell it; if the cooperative association does not purchase the property it is offered for sale, the owner may not subsequently sell the property to another purchaser at a price lower than the price at which it was offered for sale to the cooperative association unless the cooperative association approves the sale;

(d) the cooperative must meet one of the following criteria with respect to the income of its members: (1) a minimum of 75 percent of members must have incomes at or less than 80 percent of area median income, (2) a minimum of 40 percent of members must have incomes at or less than 60 percent of area median income, or (3) a minimum of 20 percent of members must have incomes at or less than 50 percent of area median income. For purposes of this clause, "member income" means the income of a member existing at the time the member acquires his or her cooperative membership, and "median income" means the St. Paul-Minneapolis metropolitan area median income as determined by the United States Department of Housing and Urban Development;

(e) if a limited partnership owns the property, it must include as the managing general partner a nonprofit organization operating under the provisions of chapter 317 and qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1988, and the limited partnership agreement must provide that the managing general partner have sufficient powers so that it materially participates in the management and control of the limited partnership;

(f) prior to becoming a member of a leasehold cooperative described in this subdivision, a person must have received notice that (1) describes leasehold cooperative property in plain language, including but not limited to the effects of classification under this subdivision on rents, property taxes and tax credits or refunds, and operating expenses, and (2) states that copies of the articles of incorporation and bylaws of the cooperative association, the lease between the owner and the cooperative association, a sample sub-

lease between the cooperative association and a tenant, and, if the owner is a partnership, a copy of the limited partnership agreement, can be obtained upon written request at no charge from the owner, and the owner must send or deliver the materials within seven days after receiving any request;

(g) if a dwelling unit of a building was occupied on the 60th day prior to the date on which the unit became leasehold cooperative property described in this subdivision, ~~then (1) the notice described in paragraph (f) must have been sent by first class mail to the occupant of the unit at least 60 days prior to the date on which the unit became leasehold cooperative property, and (2) prior to the mailing of the notice.~~ For purposes of the notice under this paragraph, the copies of the documents referred to in paragraph (f) may be in proposed version, provided that any subsequent material alteration of those documents made after the occupant has requested a copy shall be disclosed to any occupant who has requested a copy of the document. Copies of the documents identified in the notice must have been articles of incorporation and certificate of limited partnership shall be filed with the secretary of state after the expiration of the 60-day period unless the change to leasehold cooperative status does not proceed; and

(h) the county attorney of the county in which the property is located must certify to the assessor that the property meets the requirements of this subdivision.

Homestead treatment must be afforded to units occupied by members of the cooperative association and the units must be assessed as provided in subdivision 3, provided that any unit not so occupied shall be classified and assessed pursuant to the appropriate class. No more than three acres of land may, for assessment purposes, be included with each dwelling unit that qualifies for homestead treatment under this subdivision.

Sec. 7. 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. 8. 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 taxonite 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. 9. 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 jurisdic-

tion 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. 10. 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 proper-

ties, 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. 11. Minnesota Statutes Second 1989 Supplement, section 273.1398, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL HOMESTEAD AND AGRICULTURAL CREDIT GUARANTEE.] Beginning with taxes payable in 1990, each unique taxing jurisdiction may receive additional homestead and agricultural credit guarantee payments.

(1) Each year, the commissioner shall determine the total educational aids paid under chapters 124 and 124A, homestead and agricultural credit aid and disparity reduction aid paid under section 273.1398, local government aid to cities, counties, and towns paid under chapter 477A, and ~~income maintenance aid~~ human services aids, including for aids paid in 1991 and thereafter, the amount paid under subdivision 5b, paid to counties for each taxing jurisdiction. The commissioner shall apportion each local government's aids to the unique taxing jurisdiction based upon the proportion that the unique taxing jurisdiction's tax capacity bears to the total tax capacity of the local government.

(2) Each year, the commissioner will compute a gross tax capacity rate for each taxing jurisdiction equal to its total levy divided by its gross tax capacity under Minnesota Statutes 1988, section 273.13. For each unique taxing jurisdiction, a total gross tax capacity rate will be determined. This total gross tax capacity rate will be applied against the gross tax capacity of property that would have been eligible for the homestead credit or the agricultural credit for taxes payable in 1989. An estimated credit amount will be determined for all qualifying parcels based upon the credit rate structure in effect for taxes payable in 1989. The resulting credit amounts will be summed for all parcels in the unique taxing jurisdiction.

If the amount determined in clause (2) is greater than the amount determined in clause (1), the difference will be additional homestead and agricultural credit guarantee payments for the unique taxing jurisdiction. The additional credit amount shall proportionately reduce the tax capacity rates of all local governments levying taxes within the unique taxing jurisdiction in the following year. The commissioner shall certify the amounts of additional credits determined under this subdivision to the county auditor at the time provided in subdivision 6.

Sec. 12. 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~~ equally from the July and December payments 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. 13. 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. 14. 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 that 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. 15. 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. 16. 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. 17. 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. 18. 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. 19. 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. 20. 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. 21. 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. 22. 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. [ADJUSTMENTS AFTER ANNEXATION.] 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, must 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) of subdivision 3h, but before any other paragraphs in section 275.51, subdivision 3h, shall be increased by the percentage calculated in paragraph (a) of this subdivision.

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. 23. 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. 24. 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. 25. Minnesota Statutes 1989 Supplement, section 298.28, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] (a) 27.5 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c).

(b) 5.5 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was pro-

duced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(c)(i) 22 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts in which the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 124.17 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values that is less than the amount of its levy reduction under section 275.125, subdivision 9, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause (i).

(d) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by paragraph (c) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988, the increase over the amount established for 1987 shall be determined as if there had been an increase in the tax rate under section 298.24, subdivision 1, paragraph (b), according to the increase in the implicit price deflator. On July 15, 1989, and subsequent years, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of ~~0.04234~~ 1.8 percent times the district's taxable ~~market value~~ net tax capacity in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 124A.03, subdivision 2, in the previous year, to the product of ~~0.04231~~ 1.8 percent times the district's taxable ~~market value~~ net tax capacity in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 124A.23 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in subdivision 11.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

Sec. 26. 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. 27. 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. 28. 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. 29. 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. 30. 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 (e), 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. 31. 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. 32. 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. 33. 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. 34. [REPEALER.]

Minnesota Statutes 1988, section 272.70, is repealed.

Sec. 35. [EFFECTIVE DATE.]

Sections 1, 4, 6, 14 to 16, and 32 to 34 are effective the day following final enactment.

Sections 2, 5, 8 to 11, 13, 17, 18, 20, and 26 to 28 are effective for taxes levied in 1989 and thereafter, payable in 1990 and thereafter, except as otherwise provided.

Section 12 is effective January 1, 1991.

Sections 7, 19, 21, and 22 are effective for taxes levied in 1990 and thereafter, payable in 1991 and thereafter.

Sections 23 and 24 are effective for deed taxes collected after November 30, 1990.

Section 25 is effective for production year 1989 and thereafter, taxes payable in 1990 and thereafter.

Sections 29 to 31 are effective for aid paid in 1991 and thereafter.

ARTICLE 8

PROPERTY TAX PAYMENTS, INTEREST RATES, AND SETTLEMENTS

Section 1. 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 26 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. 2. 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 apportioned 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 from the tax capacity rate that existed for the year of the delinquency.

Sec. 3. 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 28 calendar days after the postmark date on the envelopes containing real or personal property tax statements, whichever is latest, 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, unless the school district elects to receive 50 percent of the estimated collections arising from taxes levied by and belonging to the school district after making a proportionate reduction to reflect any loss in collections as the result of any delay in mailing tax statements. In that case, 50 percent of those adjusted, estimated collections shall be paid by the county treasurer to the treasurer of the school district within seven business days of the due date. The remaining 50 percent of the estimated collections must be paid to the treasurer of the school district within the next seven business days of the later of the dates in the preceding sentence, unless the school district elects to receive the remainder of its estimated collections after a proportionate reduction has been made to reflect any loss in collections as the result of any delay in mailing tax statements. In that case, the remaining 50 percent of those adjusted, estimated collections shall be paid by the county treasurer to the treasurer of the school district within 14 days of the due date. 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. 4. 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. 5. 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, or section 273.19, the first half shall become delinquent if not paid before May 16 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 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. 6. Minnesota Statutes Second 1989 Supplement, section 277.02, is amended to read:

277.02 [DELINQUENT LIST FILED IN COURT.]

By June 15 Within 30 days of the due date under section 277.01, subdivision 1, 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, or section 273.19 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. 7. 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 the taxes, 30 days after the date in section 277.02. 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, or section 273.19 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 thereafter Within ten days after the list has been filed by the sheriff, the court administrator shall deliver such the 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, or section 273.19 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. 8. 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, or section 273.19 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. 9. 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 January 1, 1991.~~ Thereafter interest will be payable at the rate provided in section 279.03, subdivision 1a.

Sec. 10. Minnesota Statutes 1989 Supplement, section 279.01, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3, on May 16, of each year, with respect to property actually occupied and used as a homestead by the owner of the property, or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, 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.~~ The penalty shall be at a rate of three percent on homestead property and seven percent on nonhomestead property, except that. This penalty shall not accrue until June 1 of each year, or 21 days after the postmark date on the envelope containing the property tax statements, whichever is later, 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 June 1, or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, 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 provided that if the due date was extended beyond May 15 as the result of any delay in mailing property tax statements no additional penalty shall accrue if the tax is paid by the extended due date. If the tax is not paid by the extended due date, then all penalties that would have accrued if the due date had been May 15 shall be charged. When the taxes against

any tract or lot exceed \$50, one-half thereof may be paid prior to May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later; 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 May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, 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. 11. 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. If the rate so determined is less than ten percent, the rate of interest shall be ten percent. The maximum per annum rate shall be 14 percent if the rate specified under section 270.75, subdivision 5, exceeds 14 percent. The rate shall be subject to change on January 1 of each year.

Sec. 12. 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 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 provides or subdivision 1a, whichever is applicable, 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. 13. Minnesota Statutes 1988, section 279.37, subdivision 1a, is amended to read:

Subd. 1a. The delinquent taxes upon a parcel of property which was classified class 4c pursuant to section 273.13, subdivision 9, or for taxes assessed in 1986 and thereafter, classified class 3a, for the previous year's assessment and had a total market value of less than \$100,000 for that same assessment shall be eligible to be composed into a confession of judgment. Property qualifying under this subdivision shall be subject to the same provisions as provided in this section except as herein provided.

(a) The down payment shall include all special assessments due in the current tax year, all delinquent special assessments, and 20 percent of the ad valorem tax, penalties, and interest accrued against the parcel. The balance remaining shall be payable in four equal annual installments; and

(b) The amounts entered in judgment shall bear interest at the rate provided in section ~~270.75, subdivision 5~~ 279.03, subdivision 1a, commencing with the date the judgment is entered. The interest rate is subject to change each year on the unpaid balance in the manner provided in section ~~270.75, subdivision 5~~, except that the interest change will be implemented on January 1 of each year 279.03, subdivision 1a.

Sec. 14. 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. 15. Minnesota Statutes 1988, section 282.09, subdivision 1, is amended to read:

Subdivision 1. [MONEYS PLACED IN FUND.] The county auditor and county treasurer shall place all moneys received through the operation of sections 282.01 to 282.13 in a fund to be known as the forfeited tax sale fund and all disbursements and costs shall be charged against that fund, when allowed by the county board. Members of the county board may be paid a per diem pursuant to section 375.055, subdivision 1, and reimbursed for their necessary expenses, and may receive mileage as now or hereafter fixed by law. Compensation of a land commissioner and assistants, if a land commissioner is appointed, shall be in such the amount as shall be determined by the county board. The county auditor shall receive 50 cents for each certificate of sale, each contract for deed and each lease executed by the auditor, and, in counties where no land commissioner is appointed such, additional annual compensation, not exceeding \$300, as shall be fixed by the county board. Compensation of any other clerical help that may be needed by the county auditor or land commissioner shall be in such the amount as shall be determined by the county board. All compensation provided for herein shall be in addition to other compensation allowed by law. Fees so charged in addition to the fee imposed in section 282.014

shall be included in the annual settlement by the county auditor as hereinafter provided. On or before February 1 ~~in~~ each year, the commissioner of revenue shall certify to the commissioner of finance, by counties, the total number of state deeds issued and reissued during the preceding calendar year for which such fees are charged and the total amount thereof. When disbursements are made from the fund for repairs, refundments, expenses of actions to quiet title, or any other purpose which particularly affects specific parcels of forfeited lands, the amount of such disbursements shall be charged to the account of the taxing districts interested in such parcels. The county auditor shall make an annual settlement of the net proceeds received from sales and rentals by the operation of sections 282.01 to 282.13, ~~at on the regular March settlement day determined in section 276.09~~, for the preceding calendar year.

Sec. 16. 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 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. 17. [1990 TAX PAYMENTS.]

The amendment of Minnesota Statutes Second 1989 Supplement, section 277.01, subdivision 1, in section 5 does not require sending of revised tax statements for taxes payable in 1990 by the county auditor, but payments of taxes by the dates provided in that section shall be accepted as timely paid.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 8, 10, and 14 are effective for taxes levied in 1989, payable in 1990, and thereafter.

Sections 9, 11 to 13, 15, and 16 are effective January 1, 1991.

Section 17 is effective the day following final enactment.

ARTICLE 9

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 $1\frac{1}{4}$ 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 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 presentation. 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. 15. 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. 16. 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. 17. 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. 18. 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. 19. 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. 20. 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. 21. 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. 22. 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 $6\frac{2}{3}\%$ 1.62 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. 23. 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~~ 3.63 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. 24. 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.

Sec. 25. [EFFECTIVE DATE.]

Section 22 is effective for bonds issued after the date of enactment of this act. The remainder of this article is effective the day following final enactment of this act.

ARTICLE 10 MISCELLANEOUS

Section 1. 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. 2. 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 hospital, a hospital district, any public agency responsible for child support enforcement, and any public agency responsible for the collection of court-ordered restitution.

Sec. 3. 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. 4. 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. 5. Minnesota Statutes 1988, section 270A.04, subdivision 2, is amended to read:

Subd. 2. Any debt owed to a claimant agency shall be submitted by the agency for collection under the procedure established by sections 270A.01 to 270A.12 unless (a) an alternative means of collection is pending and believed to be adequate the debtor is complying with the terms of alternative means of collection, (b) the collection attempt would result in a loss of federal funds, or (c) the agency is unable to supply the department with the necessary identifying information required by subdivision 3 or rules promulgated by the commissioner, or (d) the debt is barred by section 541.05.

Sec. 6. Minnesota Statutes 1988, section 270A.08, subdivision 2, is amended to read:

Subd. 2. (a) This written notice shall clearly and with specificity set forth the basis for the claim to the refund including the name of the benefit program involved if the debt arises from a public assistance grant and the dates on which the debt was incurred and, further, shall advise the debtor of the claimant agency's intention to request setoff of the refund against the debt.

(b) The notice will also advise the debtor that any debt incurred more than six years from the date of the notice to the commissioner under section 270A.07 must not be setoff against a refund and will advise the debtor of the right to contest the validity of the claim at a hearing. The debtor must assert this right by written request to the claimant agency, which request the agency must receive within 45 days of the mailing date of the original notice or of the corrected notice, as required by subdivision 1. If the debtor has not received the notice, the 45 days shall not commence until the debtor has received actual notice. The debtor shall have the burden of showing no notice and shall be entitled to a hearing on the issue of notice as well as on the merits.

Sec. 7. 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. 8. 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. 9. Minnesota Statutes 1988, section 349.212, is amended by adding a subdivision to read:

Subd. 7. [UNTADED 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. 10. 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. 11. 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. 12. [REPEALER.]

Minnesota Statutes 1988, sections 290.612; and 297A.431, are repealed.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 12 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to taxation; recodifying and providing for the administration of certain taxes; making corrections and changes in the administration, collection, and enforcement of taxes, aids, credits, and refunds; transferring certain powers and duties; granting certain powers to counties; 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, subdivisions 2, 5, and 7; 270A.04, subdivision 2; 270A.08, subdivision 2; 274.01, subdivision 1; 275.54; 276.111; 277.15; 279.03, subdivision 2, and by adding a subdivision; 279.37, subdivision 1a; 282.01, subdivision 4; 282.09, subdivision 1; 282.261, subdivision 2; 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; 279.01, subdivision 1; 290.39, subdivision 4; 290.92, subdivision 4c; 290.9201, subdivisions 7 and 8; 290.9705, subdivision 4; 297A.17; 298.28, subdivision 4; 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; 273.124, subdivision 6; 273.13, subdivision 25; 273.1391, subdivision 2; 273.1398, subdivisions 1, 2, 5, 5a, and 6; 274.14; 274.175; 275.07, subdivision 3; 275.50, subdivision 5; 275.51, subdivisions 3f, 3h, and 6; 276.09; 276.10; 276.11, subdivision 1; 277.01, subdivision 1; 277.02; 277.05; 277.06; 287.29, subdivision 1; 290.17, subdivision 2; 290.92, subdivision 4b; 290A.04, subdivisions 2h and 2i; 297A.01, subdivision 3; 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, chapter 270; proposing coding for new law as Minnesota Statutes, chapter 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; 290.923, subdivision 7; 290.93; 290.931; 290.932; 290.933; 290.934, as amended; 290.935; 290.936; 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 290.9201, subdivisions 4, 5, 9, and 10; 290.9705, subdivision 2; 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."

We request adoption of this report and repassage of the bill.

House Conferees: PETER McLAUGHLIN, PAUL ANDERS OGREN, PHIL CARRUTHERS, ANN H. REST AND SIDNEY PAULY.

Senate Conferees: LAWRENCE J. POGEMILLER, DOUGLAS J. JOHNSON, EMBER D. REICHGOTT, LeROY A. STUMPF AND WILLIAM V. BELANGER, JR.

McLaughlin moved that the report of the Conference Committee on H. F. No. 2480 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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, subdivi-

sion 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, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Himle	Lasley	Nelson, C.
Anderson, G.	Dawkins	Hugoson	Lieder	Nelson, K.
Battaglia	Dille	Jacobs	Limmer	Neuenschwander
Bauerly	Dorn	Janezich	Long	O'Connor
Begich	Forsythe	Jaros	Lynch	Ogren
Bennett	Frederick	Jefferson	Macklin	Olsen, S.
Bertram	Frerichs	Jennings	Marsh	Olsen, E.
Bishop	Girard	Johnson, A.	McDonald	Olson, K.
Blatz	Greenfield	Johnson, R.	McEachern	Omann
Boo	Gruenes	Johnson, V.	McGuire	Onnen
Brown	Gutknecht	Kalis	McLaughlin	Orenstein
Burger	Hartle	Kelly	McPherson	Osthoff
Carlson, D.	Hasskamp	Kelso	Milbert	Ostrom
Carlson, L.	Haukoos	Kinkel	Miller	Otis
Carruthers	Hausman	Knickerbocker	Morrison	Ozment
Clark	Heap	Kostohryz	Munger	Pappas
Cooper	Henry	Krueger	Murphy	Pauly

Pellow	Rest	Schreiber	Sviggum	Wagenius
Pelowski	Rice	Seaberg	Swenson	Waltman
Peterson	Richter	Segal	Tjornhom	Weaver
Poppenhagen	Rodosovich	Simoneau	Tompkins	Welle
Price	Rukavina	Skoglund	Trimble	Wenzel
Pugh	Runbeck	Solberg	Tunheim	Williams
Quinn	Sarna	Sparby	Uphus	Winter
Redalen	Schafer	Stanius	Valento	Spk. Vanasek
Reding	Scheid	Steensma	Vellenga	

Those who voted in the negative were:

Kahn

The bill was repassed, as amended by Conference, 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 bill as a Special Order to be acted upon immediately preceding Special Orders pending for today, Wednesday, April 11, 1990:

S. F. No. 1821.

SPECIAL ORDERS

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 third 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	Boo	Dawkins	Gutknecht	Jacobs
Anderson, G.	Brown	Dille	Hartle	Janezich
Battaglia	Burger	Dorn	Hasskamp	Jaros
Bauerly	Carlson, D.	Forsythe	Haukoos	Jefferson
Begich	Carlson, L.	Frederick	Hausman	Jennings
Bennett	Carruthers	Frerichs	Heap	Johnson, A.
Bertram	Clark	Girard	Henry	Johnson, R.
Bishop	Cooper	Greenfield	Himle	Johnson, V.
Blatz	Dauner	Gruenes	Hugoson	Kahn

Kalis	McLaughlin	Orenstein	Rice	Swiggum
Kelly	McPherson	Osthoff	Richter	Swenson
Kelso	Milbert	Ostrom	Rodosovich	Tjornhom
Kinkel	Miller	Otis	Rukavina	Tompkins
Knickerbocker	Morrison	Ozment	Runbeck	Trimble
Kostohryz	Munger	Pappas	Sarna	Tunheim
Krueger	Murphy	Pauly	Schafer	Uphus
Lasley	Nelson, C.	Pellow	Scheid	Valento
Lieder	Nelson, K.	Pelowski	Schreiber	Vellenga
Limmer	Neuenschwander	Peterson	Seaberg	Wagenius
Long	O'Connor	Poppenhagen	Segal	Waltman
Lynch	Ogren	Price	Simoneau	Weaver
Macklin	Olsen, S.	Pugh	Skoglund	Welle
Marsh	Olson, E.	Quinn	Solberg	Wenzel
McDonald	Olson, K.	Redalen	Sparby	Williams
McEachern	Omann	Reding	Stanius	Winter
McGuire	Onnen	Rest	Steensma	Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 1807 was reported to the House.

Schreiber moved to amend S. F. No. 1807, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [HENNEPIN COUNTY; PUBLIC SAFETY BUILDING BONDS.]

Hennepin county may issue and sell general obligation bonds of the county in an amount not exceeding \$110,000,000 to finance the acquisition and construction of a public safety building and related facilities. The obligations shall be issued in accordance with Minnesota Statutes, chapter 475, except that their issuance is not subject to approval by the electors under section 475.58. The obligations issued under this section and the property taxes levied to pay the obligations shall not be included in the calculation of Hennepin county's bond and building fund levy limitation under Minnesota Statutes, section 373.40.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after compliance by the board of county commissioners of Hennepin county with Minnesota Statutes, section 645.021, subdivision 3.”

Delete the title and insert:

“A bill for an act relating to Hennepin county; permitting the issuance of obligations by the county board for a public safety building.”

The motion prevailed and the amendment was adopted.

The Speaker called Quinn to the Chair.

Ozment moved to amend S. F. No. 1807, as amended, as follows:

Page 1, after line 18, insert:

“Sec. 2. [ROSEMOUNT; ARMORY LEVY.]

Subdivision 1. [ARMORY LEVY.] The city of Rosemount in Dakota county may levy not more than \$95,000 per year and otherwise incur debt under Minnesota Statutes, chapter 193 or 475 or both, to acquire and better an armory and to be serviced by the levy without regard to the limits on debt service and debt otherwise provided by chapter 193 or 475. This levy amount is not subject to the limitations under Minnesota Statutes, sections 275.50 to 275.56.

Subd. 2. [REVERSE REFERENDUM.] If the city council proposes to incur a debt under subdivision 1, it shall pass a resolution stating that fact. Thereafter, the resolution shall 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 shall be held not less than two weeks nor 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 shall also be published in the official newspaper or, if there is no official newspaper, in a newspaper of general circulation in the city. If within 30 days thereafter a petition signed by voters equal in number to ten percent of the votes cast in the city in the last general election requesting a referendum on the proposed resolution is filed with the county auditor, the resolution shall not be 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 referendum. The referendum must be held at a special or general election prior to January 1, 1992.

Subd. 3. [LOCAL APPROVAL.] This section takes effect the day after the governing body of the city of Rosemount complies with Minnesota Statutes, section 645.021, subdivision 3.”

Page 1, line 19, delete “2” and insert “3”

Amend the title as follows:

Page 2, line 4, before the period insert “; permitting Rosemount to incur debt for an armory”.

The motion prevailed and the amendment was adopted.

McLaughlin, Rest and Schreiber moved to amend S. F. No. 1807, as amended, as follows:

Page 1, line 8, before “Hennepin” insert “Subdivision 1. [AUTHORIZATION.]”

Page 1, after line 18, insert:

“Subd. 2. [PLANNING PROCESS.] Hennepin county may not issue and sell the obligations authorized under this section until the board of county commissioners of Hennepin county has entered into a planning process which must include:

(1) comparative analysis of alternative sites, including but not limited to: site preparation factors, proximity to the county courthouse, potential construction or legal delays for each site, and integration into the long range physical plan for the city of Minneapolis;

(2) programmatic plans relating to physical structure, construction, and operational costs; and

(3) continued use of the current jail facilities for correctional purposes for a period of at least ten years.

The planning process must include at least one public hearing. The board of county commissioners and the city council must cooperate in the analysis and planning process described in clause (1). The planning process must be completed by September 1, 1990. If the city refuses to cooperate by engaging in a good faith effort to analyze the public costs and benefits of alternative sites for both the county and city, the county may proceed to issue and sell the bonds notwithstanding this subdivision.”

The motion prevailed and the amendment was adopted.

Ostrom moved to amend S. F. No. 1807, as amended, as follows:

Page 1, after line 18, insert:

“Sec. 3. [DEBT SERVICE LEVY FOR CERTAIN CERTIFICATES OF INDEBTEDNESS.]

Subdivision 1. [LEVY.] Notwithstanding Minnesota Statutes, section 475.754, if a city has issued certificates of indebtedness under that section during calendar year 1989 in an amount not exceeding \$150,000 for the purpose of meeting the unanticipated cost of repairing a major structural defect in a building that was undergoing renovation for which other obligations had been issued previously, any levy to pay the debt service on those certificates shall be a special levy under Minnesota Statutes, section 275.50, subdivision 5, paragraph (c).

Subd. 2. [REVERSE REFERENDUM.] If the city intends to exercise the authority provided by subdivision 1 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."

Amend the title as follows:

Page 2, line 4, before the period insert " ; authorizing a debt service levy for certain certificates of indebtedness"

The motion prevailed and the amendment was adopted.

Olsen, S.; Knickerbocker and Blatz moved to amend S. F. No. 1807, as amended, as follows:

Page 1, line 18, after the period insert:

"Any increased costs attributable to delays in the acquisition, design, or construction of the public safety building and related facilities as a result of the lack of any required municipal approval for the project, except for municipal or state building codes, shall be

borne by that municipality. The increased costs attributed to delays shall be levied on the property within the city which fails to give the required approvals."

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., et al amendment and the roll was called. There were 42 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abrams	Gutknecht	Macklin	Pauly	Sviggum
Bennett	Heap	Marsh	Pellow	Swenson
Blatz	Henry	McDonald	Rest	Tjornhom
Boo	Himle	Miller	Richter	Tompkins
Burger	Hugoson	Nelson, C.	Runbeck	Valento
Forsythe	Johnson, V.	Olsen, S.	Schafer	Waltman
Frederick	Knickerbocker	Omann	Scheid	
Frerichs	Limmer	Onnen	Schreiber	
Girard	Lynch	Osthoff	Stanius	

Those who voted in the negative were:

Anderson, G.	Hasskamp	Lieder	Ozment	Sparby
Battaglia	Hausman	Long	Pappas	Steenasma
Bauerly	Jacobs	McEachern	Pelowski	Trimble
Begich	Janezich	McGuire	Peterson	Tunheim
Bertram	Jaros	McLaughlin	Price	Uphus
Brown	Jefferson	Milbert	Pugh	Vellenga
Carlson, D.	Jennings	Munger	Quinn	Wagenius
Carlson, L.	Johnson, A.	Murphy	Redalen	Weaver
Carruthers	Johnson, R.	Nelson, K.	Reding	Welle
Clark	Kahn	Neuenschwander	Rice	Wenzel
Cooper	Kalis	O'Connor	Rodosovich	Williams
Dauner	Kelly	Ogren	Rukavina	Winter
Dawkins	Kelso	Olson, E.	Sarna	Spk. Vanasek
Dille	Kinkel	Olson, K.	Segal	
Dorn	Kostohryz	Orenstein	Simoneau	
Greenfield	Krueger	Ostrom	Skoglund	
Hartle	Lasley	Otis	Solberg	

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

S. F. No. 1807, A bill for an act relating to local government; permitting the issuance of obligations by the Hennepin county board for a public safety building; permitting Rosemount to incur debt for an armory; requiring a planning process and public hearing.

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 121 yeas and 8 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Frerichs	Gutknecht	Himle	Miller
Girard	Haukoos	McPherson	Sviggum

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

H. F. No. 1894 was reported to the House.

Gutknecht, McDonald, Sviggum, Tjornhom, Weaver, Dille, Macklin and Schreiber moved to amend H. F. No. 1894, the first engrossment, as follows:

Page 2, after line 26, insert:

“Sec. 4. [177.45] [SEVERANCE PAY LIMIT.]

(a) If financial assistance from a state agency is provided to a person directly or to a local unit of government or nonprofit organization on behalf of a person who is engaged in the manufacture or sale of goods and services, the person may not make a payment that is compensation for termination of employment from a project funded in whole or in part by the financial assistance in an amount exceeding one year of salary of the person receiving the payment. This limit includes payment for accrued vacation time. This limit does not apply to:

(1) payment for accrued wages, payments under a retirement plan

or early retirement policy, or other payments made for a reason other than compensation for termination of employment;

(2) payment, in the form of periodic contributions by the employer toward premiums for group insurance coverage for a former employee, if the payments are made under a collective bargaining agreement or personnel plan; or

(3) payment required as a result of a settlement or decision in a proceeding before a court or administrative agency or in an internal grievance proceeding.

(b) "State agency" means any agency defined under section 16B.01, subdivision 2, the Greater Minnesota Corporation and the iron range resources and rehabilitation board.

(c) Project has the same meaning as given it in section 177.42, subdivision 2."

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 Gutknecht et al amendment and the roll was called. There were 124 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kahn	Murphy	Price
Anderson, G.	Frerichs	Kalis	Nelson, C.	Pugh
Battaglia	Girard	Kelly	Neuenschwander	Quinn
Bauerly	Gruenes	Kelso	O'Connor	Redalen
Begich	Gutknecht	Kinkel	Ogren	Reding
Bennett	Hartle	Knickerbocker	Olsen, S.	Rest
Bertram	Hasskamp	Kostohryz	Olson, E.	Ricc
Blatz	Haukoos	Krueger	Olson, K.	Richter
Boo	Hausman	Lieder	Omann	Rodosovich
Brown	Heap	Limmer	Onnen	Rukavina
Burger	Henry	Lynch	Orenstein	Runbeck
Carlson, D.	Himle	Macklin	Osthoff	Sarna
Carlson, L.	Hugoson	Marsh	Ostrom	Schafer
Carruthers	Jacobs	McDonald	Otis	Scheid
Clark	Janezich	McEachern	Ozment	Schreiber
Cooper	Jaros	McGuire	Pappas	Seaberg
Dauner	Jefferson	McPherson	Pauly	Segal
Dawkins	Jennings	Milbert	Pellow	Simoneau
Dille	Johnson, A.	Miller	Pelowski	Skoglund
Dorn	Johnson, R.	Morrison	Peterson	Solberg
Forsythe	Johnson, V.	Munger	Poppenhagen	Sparby

Stanius	Tjornhom	Uphus	Waltman	Williams
Steenasma	Tompkins	Valento	Weaver	Winter
Sviggum	Trimble	Vellenga	Welle	Spk. Vanasek
Swenson	Tunheim	Wagenius	Wenzel	

Those who voted in the negative were:

Lasley

The motion prevailed and the amendment was adopted.

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; 137; and 177.

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

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

S. F. No. 1366 was reported to the House.

Bishop, Steensma, Bertram, Winter, Bauerly, Wenzel, Battaglia, McEachern, Solberg, Hasskamp, Sparby, Osthoff, Morrison, Begich, Abrams, Seaberg, Boo, Hartle, Dempsey, Heap, Forsythe, Pugh, Swenson, Dille, Brown, Burger, Stanius and Carlson, D., moved to amend S. F. No. 1366, as follows:

Page 1, line 13, after the period insert "It is an unfair discriminatory practice for a person to engage in conduct that would constitute a violation of section 609.746, subdivision 2; 609.79, subdivision 1; or 609.795, subdivision 1, clause (3); because of the victim's or another's military service or actual or perceived political affiliation."

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 93 yeas and 31 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Onnen	Solberg
Anderson, G.	Frerichs	Knickerbocker	Osthoff	Sparby
Battaglia	Girard	Kostohryz	Otis	Stanius
Bauerly	Gruenes	Krueger	Ozment	Steensma
Begich	Gutknecht	Lieder	Pauly	Sviggum
Bennett	Hartle	Limmer	Pellow	Swenson
Bertram	Hasskamp	Lynch	Pelowski	Tjornhom
Bishop	Haukoos	Macklin	Peterson	Tompkins
Blatz	Heap	Marsh	Poppenhagen	Tunheim
Boo	Henry	McGuire	Pugh	Uphus
Brown	Himle	McPherson	Quinn	Valento
Burger	Hugoson	Milbert	Redalen	Waltman
Carlson, D.	Jacobs	Miller	Reding	Weaver
Carruthers	Janezich	Morrison	Richter	Wenzel
Cooper	Jennings	Neuenschwander	Rodosovich	Williams
Dauner	Johnson, R.	O'Connor	Runbeck	Winter
Dille	Johnson, V.	Olsen, S.	Schafer	Spk. Vanasek
Dorn	Kalis	Olson, E.	Scheid	
Forsythe	Kelso	Omann	Seaberg	

Those who voted in the negative were:

Carlson, L.	Kahn	Murphy	Rice	Vellenga
Clark	Kelly	Nelson, K.	Rukavina	Wagenius
Dawkins	Lasley	Orenstein	Sarna	Welle
Greenfield	Long	Ostrom	Segal	
Jaros	McDonald	Pappas	Simoneau	
Jefferson	McLaughlin	Price	Skoglund	
Johnson, A.	Munger	Rest	Trimble	

The motion prevailed and the amendment was adopted.

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 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 41 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Hausman	McLaughlin	Pauly	Trimble
Carlson, L.	Jaros	Munger	Price	Vellenga
Carruthers	Jefferson	Murphy	Rest	Wagenius
Clark	Johnson, A.	Nelson, C.	Rice	Weaver
Dawkins	Kahn	Nelson, K.	Rukavina	Williams
Dille	Kelly	Olson, K.	Sarna	
Forsythe	Kostohryz	Orenstein	Segal	
Greenfield	Long	Otis	Simoneau	
Hasskamp	McGuire	Pappas	Swenson	

Those who voted in the negative were:

Battaglia	Gutknecht	Lasley	Onnen	Schreiber
Bauerly	Hartle	Lieder	Osthoff	Seaberg
Begich	Haukoos	Limmer	Ostrom	Solberg
Bennett	Heap	Lynch	Ozment	Sparby
Bertram	Henry	Macklin	Pellow	Stanius
Blatz	Himle	Marsh	Pelowski	Steensma
Boo	Hugoson	McDonald	Peterson	Sviggum
Brown	Jacobs	McEachern	Poppenhagen	Tjornhom
Burger	Janezich	McPherson	Pugh	Tompkins
Carlson, D.	Jennings	Milbert	Quinn	Tunheim
Cooper	Johnson, R.	Miller	Redalen	Uphus
Dauner	Johnson, V.	Morrison	Reding	Valento
Dorn	Kalis	Neuenschwander	Richter	Waltman
Frederick	Kelso	O'Connor	Rodosovich	Welle
Frerichs	Kinkel	Olsen, S.	Runbeck	Wenzel
Girard	Knickerbocker	Olson, E.	Schafer	Winter
Gruenes	Krueger	Omann	Scheid	Spk. Vanasek

The bill was not passed, as amended.

S. F. No. 1983 was reported to the House.

Omann moved to amend S. F. No. 1983, as follows:

Page 1, line 11, after "may" insert "with the approval of the commissioner"

The motion prevailed and the amendment was adopted.

Boo moved to amend S. F. No. 1983, as amended, as follows:

Page 1, after line 13, insert:

"Sec. 2. [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.

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective on approval by the Duluth city council and compliance with section 645.021."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

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 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 1 nay as follows:

Those who voted in the affirmative were:

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

Swenson	Tunheim	Wagenius	Wenzel
Tjornhom	Uphus	Waltman	Williams
Tompkins	Valento	Weaver	Winter
Trimble	Vellenga	Welle	Spk. Vanasek

Those who voted in the negative were:

Skoglund

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

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

Speaker pro tempore Quinn called Rodosovich to the Chair.

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

The bill was passed and its title agreed to.

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 third 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	Lasley	Onnen	Seaberg
Anderson, G.	Gutknecht	Lieder	Orenstein	Segal
Battaglia	Hartle	Limmer	Osthoff	Simoneau
Bauerly	Hasskamp	Long	Ostrom	Skoglund
Beard	Haukoos	Lynch	Ozment	Solberg
Begich	Hausman	Macklin	Pappas	Sparby
Bennett	Heap	Marsh	Pauly	Stanisus
Bertram	Henry	McDonald	Pellow	Steenasma
Bishop	Himle	McEachern	Pelowski	Svigum
Blatz	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
Cooper	Johnson, R.	Murphy	Rest	Wagenius
Dauner	Johnson, V.	Nelson, C.	Rice	Waltman
Dawkins	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
Girard	Kostohryz	Olson, K.	Scheid	
Greenfield	Krueger	Omman	Schreiber	

The bill was passed and its title agreed to.

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 third 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	Lasley	Onnen	Seaberg
Anderson, G.	Gruenes	Lieder	Orenstein	Segal
Battaglia	Gutknecht	Limmer	Osthoff	Simoneau
Bauerly	Hartle	Long	Ostrom	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	Swiggum
Blatz	Himle	McGuire	Peterson	Swenson
Boo	Hugoson	McLaughlin	Poppenhagen	Tjornhom
Brown	Janezich	McPherson	Price	Tompkins
Burger	Jaros	Milbert	Pugh	Trimble
Carlson, D.	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	Neuenschwander	Rodosovitch	Weaver
Dille	Kelly	O'Connor	Rukavina	Welle
Dorn	Kelso	Ogren	Runbeck	Wenzel
Forsythe	Kinkel	Olsen, S.	Sarna	Williams
Frederick	Knickerbocker	Olson, E.	Schafer	Winter
Frerichs	Kostohryz	Olson, K.	Scheid	Spk. Vanasek
Girard	Krueger	Omann	Schreiber	

The bill was passed and its title agreed to.

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 third 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	Burger	Frerichs	Hugoson	Kinkel
Anderson, G.	Carlson, D.	Girard	Jacobs	Knickerbocker
Battaglia	Carlson, L.	Greenfield	Janezich	Kostohryz
Bauerly	Carruthers	Gruenes	Jaros	Krueger
Beard	Clark	Gutknecht	Jefferson	Lasley
Begich	Cooper	Hartle	Jennings	Lieder
Bennett	Dauner	Hasskamp	Johnson, A.	Limmer
Bertram	Dawkins	Haukoos	Johnson, R.	Long
Bishop	Dille	Hausman	Johnson, V.	Lynch
Blatz	Dorn	Heap	Kahn	Macklin
Boo	Forsythe	Henry	Kalis	Marsh
Brown	Frederick	Himle	Kelso	McDonald

McEachern	Olsen, S.	Poppenhagen	Scheid	Trimble
McGuire	Olson, E.	Price	Schreiber	Tunheim
McLaughlin	Olson, K.	Pugh	Seaberg	Uphus
McPherson	Omann	Quinn	Segal	Valento
Milbert	Onnen	Redalen	Simoneau	Vellenga
Miller	Orenstein	Reding	Skoglund	Wagenius
Morrison	Osthoff	Rest	Solberg	Waltman
Munger	Ostrom	Rice	Sparby	Weaver
Murphy	Ozment	Richter	Stanius	Welle
Nelson, C.	Pappas	Rodosovich	Steensma	Wenzel
Nelson, K.	Pauly	Rukavina	Sviggum	Williams
Neuenschwander	Pellow	Runbeck	Swenson	Winter
O'Connor	Pelowski	Sarna	Tjornhom	Spk. Vanasek
Ogren	Peterson	Schafer	Tompkins	

The bill was passed and its title agreed to.

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 third 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	Omann	Schreiber
Anderson, G.	Gruenes	Lasley	Onnen	Seaberg
Battaglia	Gutknecht	Lieder	Orenstein	Segal
Bauerly	Hartle	Limmer	Osthoff	Simoneau
Beard	Hasskamp	Long	Ostrom	Skoglund
Begich	Haukoos	Lynch	Ozment	Solberg
Bennett	Hausman	Macklin	Pappas	Sparby
Bertram	Heap	Marsh	Pauly	Stanius
Bishop	Henry	McDonald	Pellow	Steensma
Blatz	Himle	McEachern	Pelowski	Sviggum
Boo	Hugoson	McGuire	Peterson	Swenson
Brown	Jacobs	McLaughlin	Poppenhagen	Tjornhom
Burger	Janezich	McPherson	Price	Tompkins
Carlson, D.	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
Dille	Kalis	Neuenschwander	Rodosovich	Weaver
Dorn	Kelly	O'Connor	Runbeck	Welle
Forsythe	Kelso	Ogren	Rukavina	Wenzel
Frederick	Kinkel	Olsen, S.	Sarna	Williams
Frerichs	Knickerbocker	Olson, E.	Schafer	Winter
Girard	Kostohryz	Olson, K.	Scheid	Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 2156 was reported to the House.

McLaughlin, Jefferson, Otis, Rice, Sarna and Skoglund moved to amend S. F. No. 2156, as follows:

Page 3, after line 33, insert:

“Sec. 2. Laws 1974, chapter 182, section 1, as amended by Laws 1984, chapter 499, section 2, is amended to read:

Section 1. [MINNEAPOLIS, CITY OF; COMPENSATION FOR LIBRARY BOARD MEMBERS.] Notwithstanding any provision of the home rule charter to the contrary, each trustee of the library board of the city of Minneapolis may be compensated at the rate of up to \$3,600 per annum paid in such a manner as may be determined by the library board; and approved by the mayor of Minneapolis. Such compensation to be paid as an operating expense of the board.”

Page 3, line 34, delete “2” and insert “3”

Page 4, line 2, delete “2” and insert “3”

Page 4, line 3, after the period insert “Section 2 is effective after its approval by a majority of all the members of the library board of the city of Minneapolis, and compliance with Minnesota Statutes, section 645.021, subdivision 3.”

Amend the title as follows:

Page 1, line 4, after the semicolon insert “providing for the compensation of the Minneapolis library board;”

Page 1, line 5, after “subdivision” insert “; Laws 1974, chapter 182, section 1, as amended”

POINT OF ORDER

Schreiber raised a point of order pursuant to rule 3.9 that the McLaughlin et al amendment was not in order. Speaker pro tempore Rodosovich ruled the point of order not well taken and the amendment in order.

The question recurred on the McLaughlin et al amendment to S. F. No. 2156. The motion prevailed and the amendment was adopted.

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 third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 114 yeas and 16 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Carlson, D.	Jennings	Miller	Schreiber
Frerichs	Johnson, V.	Orenstein	Sviggum
Gutknecht	Knickerbocker	Poppenhagen	Uphus
Haukoos	McDonald	Schafer	Welle

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

S. F. No. 1999 was reported to the House.

Cooper moved to amend S. F. No. 1999, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 31.94, is amended to read:

31.94 [DEPARTMENTAL DUTIES.]

The department shall enforce sections 31.92 to ~~31.94~~ 31.95. The department shall withhold from sale or trade any product sold, labeled, or advertised in violation of sections 31.92 to ~~31.94~~ 31.95.

The department shall investigate the offering for sale, labeling, or advertising of an article or substance as organically grown, organically processed, or produced in an organic environment if there is reason to believe that action is in violation of sections 31.92 to ~~31.94~~ 31.95.

The department may adopt rules, including emergency rules, that further clarify organic food standards and marketing practices.

Sec. 2. Minnesota Statutes 1988, section 31.95, is amended to read:

31.95 [ORGANIC CERTIFICATION.]

Subdivision 1. [DESIGNATION.] The commissioner shall designate one or more organizations located in this state, made up of organic food growers, manufacturers, or sellers, to certify organically grown seeds, products, and food.

Subd. 2. [~~FEES.~~] The commissioner shall prescribe fees to be charged to persons for certification of organically grown seeds, production, and food under section 16A.128. By 1991, fees collected must reflect the total annual cost of certification.

Subd. 3. [CERTIFICATION REQUIREMENT.] An organic certification agency may not refuse services or certification to a person:

- (1) whose seeds, production products, and food meet certification requirements; and
- (2) who has paid membership dues and certification fees.

Subd. 4. [RULES.] The organic certification organization may draft rules for submission to the commissioner to adopt for implementation of the organically grown certification program.

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.

Sec. 3. [REPEALER.]

Minnesota Statutes 1988, section 31.95, subdivision 2, is repealed."

Delete the title and insert:

"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 motion prevailed and the amendment was adopted.

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 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	Greenfield	Krueger	Omann	Schreiber
Anderson, G.	Gruenes	Lasley	Onnen	Seaberg
Battaglia	Gutknecht	Lieder	Orenstein	Segal
Bauerly	Hartle	Limmer	Osthoff	Simoneau
Beard	Hasskamp	Long	Ostrom	Skoglund
Begich	Haukoos	Lynch	Ozment	Solberg
Bennett	Hausman	Macklin	Pappas	Sparby
Bertram	Heap	Marsh	Pauly	Stanis
Bishop	Henry	McDonald	Pellow	Steenma
Blatz	Himle	McEachern	Pelowski	Sviggum
Boo	Hugoson	McGuire	Peterson	Swenson
Brown	Jacobs	McLaughlin	Poppenhagen	Tjornhom
Burger	Janezich	McPherson	Price	Tompkins
Carlson, D.	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
Dille	Kalis	Neuenschwander	Rodosovich	Weaver
Dorn	Kelly	O'Connor	Rukavina	Welle
Forsythe	Kelso	Ogren	Rumbeck	Wenzel
Frederick	Kinkel	Olsen, S.	Sarna	Williams
Frerichs	Knickerbocker	Olson, E.	Schafer	Winter
Girard	Kostohryz	Olson, K.	Scheid	Spk. Vanasek

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

S. F. No. 1831 was reported to the House.

Cooper moved that S. F. No. 1831 be continued on Special Orders. The motion prevailed.

S. F. No. 1854 was reported to the House.

Pugh moved to amend S. F. No. 1854, as follows:

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."

Delete the title and insert:

"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; proposing coding for new law as Minnesota Statutes, chapter 13B."

The motion prevailed and the amendment was adopted.

Kelly moved to amend S. F. No. 1854, as amended, as follows:

Page 3, after line 28, insert:

"Sec. 4. 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) (5). 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. 5. 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)~~ (3)(a) and (c), (4), and (5).

Sec. 6. 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)~~ (3)(a) and (c), and (5). 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. 7. 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)~~ (3)(a) and (c), (4), and (5). 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."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1854, 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 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	Bennett	Burger	Dauner	Frerichs
Anderson, G.	Bertram	Carlson, D.	Dawkins	Girard
Battaglia	Bishop	Carlson, L.	Dille	Greenfield
Bauerly	Blatz	Carruthers	Dorn	Gruenes
Beard	Boo	Clark	Forsythe	Gutknecht
Beglich	Brown	Cooper	Frederick	Hartle

Hasskamp	Kostohryz	Nelson, K.	Pugh	Stanius
Haukoos	Krueger	Neuenschwander	Quinn	Steensma
Hausman	Lasley	O'Connor	Redalen	Sviggum
Heap	Lieder	Ogren	Reding	Swenson
Henry	Limmer	Olsen, S.	Rest	Tjornhom
Himle	Long	Olson, E.	Rice	Tompkins
Hugoson	Lynch	Olson, K.	Richter	Trimble
Jacobs	Macklin	Omamn	Rodosovich	Tunheim
Janezich	Marsh	Onnen	Rukavina	Uphus
Jaros	McDonald	Orenstein	Runbeck	Valento
Jefferson	McEachern	Osthoff	Sarna	Vellenga
Jennings	McGuire	Ostrom	Schafer	Wagenius
Johnson, A.	McLaughlin	Ozment	Scheid	Waltman
Johnson, R.	McPherson	Pappas	Schreiber	Weaver
Johnson, V.	Milbert	Pauly	Seaberg	Welle
Kahn	Miller	Pellow	Segal	Wenzel
Kalis	Morrison	Pelowski	Simoneau	Williams
Kelso	Munger	Peterson	Skoglund	Winter
Kinkel	Murphy	Poppenhagen	Solberg	Spk. Vanasek
Knickerbocker	Nelson, C.	Price	Sparby	

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

S. F. No. 2349 was reported to the House.

Simoneau moved that S. F. No. 2349 be continued on Special Orders. The motion prevailed.

S. F. No. 2181 was reported to the House.

Begich moved to amend S. F. No. 2181, as follows:

Page 4, after line 19, insert:

"Sec. 7. Minnesota Statutes 1988, section 179A.16, is amended by adding a subdivision to read:

Subd. 2a. [ESSENTIAL EMPLOYEES; INTEREST ON CONTRACT AWARD.] An interest arbitration award or a negotiated contract settlement involving essential employees shall include an award of or provision for interest from the date of the expiration of the old contract to the effective date of the contract settlement award or negotiated settlement. The rate of interest shall be that provided under section 549.09. Each employee shall receive a share of the interest prorated on the basis of salary."

Page 5, line 5, delete "7" and insert "8"

Page 5, line 6, after the period insert "Section 7 applies to all contracts expiring on or after its effective date."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Speaker pro tempore Rodosovich called Simoneau to the Chair.

POINT OF ORDER

Sviggum raised a point of order pursuant to rule 3.10 that the Begich amendment was not in order. Speaker pro tempore Simoneau ruled the point of order not well taken and the amendment in order.

Speaker pro tempore Simoneau called Quinn to the Chair.

Sviggum moved to amend the Begich amendment to S. F. No. 2181, as follows:

Page 1, line 20, delete "shall" and insert "may"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 40 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Bishop	Girard	Jennings	Omann	Sviggum
Blatz	Gruenes	Lynch	Pauly	Swenson
Boo	Gutknecht	Macklin	Poppenhagen	Tompkins
Burger	Haukoos	Marsh	Redalen	Uphus
Dille	Heap	McDonald	Richter	Valento
Forsythe	Henry	McPherson	Schafer	Waltman
Frederick	Himle	Miller	Schreiber	Weaver
Frerichs	Hugoson	Morrison	Seaberg	Welle

Those who voted in the negative were:

Abrams	Carlson, L.	Jacobs	Kinkel	McLaughlin
Anderson, G.	Carruthers	Janezich	Knickerbocker	Milbert
Battaglia	Clark	Jaros	Kostohryz	Munger
Bauerly	Cooper	Jefferson	Krueger	Murphy
Beard	Dauner	Johnson, A.	Lasley	Nelson, C.
Begich	Dawkins	Johnson, R.	Lieder	Nelson, K.
Bennett	Dorn	Johnson, V.	Limmer	Neuenschwander
Bertram	Greenfield	Kahn	Long	O'Connor
Brown	Hasskamp	Kalis	McEachern	Ogren
Carlson, D.	Hausman	Kelly	McGuire	Olsen, S.

Olson, E.	Pellow	Rice	Skoglund	Vellenga
Olson, K.	Pelowski	Rodosovich	Solberg	Wagenius
Onnen	Peterson	Rukavina	Sparby	Wenzel
Orenstein	Price	Runbeck	Stanius	Williams
Osthoff	Pugh	Sarna	Steensma	Winter
Ostrom	Quinn	Scheid	Tjornhom	Spk. Vanasek
Ozment	Reding	Segal	Trimble	
Pappas	Rest	Simoneau	Tunheim	

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Begich amendment and the roll was called. There were 112 yeas and 16 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dille	Girard	McPherson	Schreiber
Forsythe	Haukoos	Miller	Sviggum
Frederick	Hugoson	Poppenhagen	Tompkins
Frerichs	Jennings	Schafer	Valento

The motion prevailed and the amendment was adopted.

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 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	Greenfield	Krueger	Omamm	Schreiber
Anderson, G.	Gruenes	Lasley	Onnen	Seaberg
Battaglia	Gutknecht	Lieder	Orenstein	Segal
Bauerly	Hartle	Limmer	Osthoff	Simoneau
Beard	Hasskamp	Long	Ostrom	Skoglund
Begich	Haukoos	Lynch	Ozment	Solberg
Bennett	Hausman	Macklin	Pappas	Sparby
Bertram	Heap	Marsh	Pauly	Stanisus
Bishop	Henry	McDonald	Pellow	Steensma
Blatz	Himle	McEachern	Pelowski	Sviggum
Boo	Hugoson	McGuire	Peterson	Swenson
Brown	Jacobs	McLaughlin	Poppenhagen	Tjornhom
Burger	Janezich	McPherson	Price	Tompkins
Carlson, D.	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
Dille	Kalis	Neuenschwander	Rodosovich	Weaver
Dorn	Kelly	O'Connor	Rukavina	Welle
Forsythe	Kelso	Ogren	Runbeck	Wenzel
Frederick	Kinkel	Olsen, S.	Sarna	Williams
Frerichs	Knickerbocker	Olson, E.	Schafer	Winter
Girard	Kostohryz	Olson, K.	Scheid	Spk. Vanasek

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

S. F. No. 1703 was reported to the House.

Trimble moved to amend S. F. No. 1703, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 97A.205, is amended to read:

97A.205 [ENFORCEMENT OFFICER POWERS.]

An enforcement officer is authorized to:

(1) execute and serve court issued warrants and processes relating to wild animals, wild rice, public waters, water pollution, conservation, and use of water, in the same manner as a constable or sheriff;

(2) enter any land to carry out the duties and functions of the division;

(3) make investigations of violations of the game and fish laws;

(4) take an affidavit, if it aids an investigation;

(5) arrest, without a warrant, a person who is detected in the actual violation of the game and fish laws, a provision of chapters 84, 84A, 85, 86A, 88 to 106A, 361, sections 89.51 to 89.61; or 609.66, subdivision 1, clauses (1), (2), (5), and (7); and 609.68; and

(6) take an arrested person before a court in the county where the offense was committed and make a complaint.

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.

Sec. 5. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; authorizing the enforcement of certain natural resource laws by conservation officers; 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; amending Minnesota Statutes 1988, sections 97A.205; 97A.315, subdivision 1; 97B.055, subdivision 1; and 97B.325."

The motion prevailed and the amendment was adopted.

Krueger moved to amend S. F. No. 1703, as amended, as follows:

Page 3, after line 2, insert:

"Sec. 5. [OSAKIS MILL.]

The department of natural resources shall not allow the demolition of the Osakis Milling Company mill at Osakis, in Douglas county, until: (1) proper historical documentation of the site has been made that is adequate for a Historic American Engineering Record description and history of the mill; and (2) all items have been salvaged that are considered historically significant by the state historical society."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

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 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 95 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Lasley	Ostrom	Simoneau
Battaglia	Greenfield	Lieder	Pappas	Skoglund
Bauerly	Gruenes	Limmer	Pauly	Stanisus
Bennett	Hartle	Long	Pellow	Steensma
Bertram	Hasskamp	Lynch	Peterson	Swiggum
Bishop	Hausman	Macklin	Poppenhagen	Swenson
Blatz	Heap	Marsh	Price	Tjornhom
Boo	Henry	McEachern	Pugh	Trimble
Brown	Himle	McGuire	Redalen	Tunheim
Burger	Jaros	McLaughlin	Reding	Uphus
Carlson, L.	Jefferson	Munger	Rest	Valento
Carruthers	Jennings	Murphy	Rice	Vellenga
Clark	Johnson, A.	Nelson, C.	Rodosovich	Wagenius
Cooper	Johnson, R.	Nelson, K.	Rukavina	Waltman
Dauner	Kahn	Neuenschwander	Runbeck	Weaver
Dawkins	Kelly	O'Connor	Sarna	Welle
Dille	Knickerbocker	Olsen, S.	Schreiber	Williams
Dorn	Kostohryz	Onnen	Seaberg	Winter
Forsythe	Krueger	Orenstein	Segal	Spk. Vanasek

Those who voted in the negative were:

Anderson, G.	Haukoos	McDonald	Omann	Solberg
Beard	Hugoson	McPherson	Osthoff	Sparby
Begich	Jacobs	Milbert	Pelowski	Tompkins
Carlson, D.	Janezich	Miller	Quinn	Wenzel
Frerichs	Johnson, V.	Ogren	Richter	
Girard	Kalis	Olson, E.	Schafer	
Gutknecht	Kinkel	Olson, K.	Scheid	

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

S. F. No. 2208 was reported to the House.

There being no objection, S. F. No. 2208 was continued on Special Orders.

S. F. No. 1946 was reported to the House.

Bertram moved to amend S. F. No. 1946, as follows:

Delete everything after the enacting clause and 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.

Sec. 2. Minnesota Statutes 1988, section 582.30, subdivision 3, is amended to read:

Subd. 3. [MORTGAGE ON AGRICULTURAL PROPERTY ENTERED AFTER MARCH 22, 1986.] (a) If a mortgage entered after March 22, 1986 on property used in agricultural production is foreclosed and sold, a deficiency judgment may only be obtained by filing a separate an action for a deficiency judgment and a determi-

nation of the fair market value of the property within 90 days after the foreclosure sale. A court may allow a deficiency judgment only if it determines that the sale of the property was conducted in a commercially reasonable manner.

(b) The amount of the deficiency judgment is limited to the difference of the fair market value of the property, and the amount remaining unpaid on the mortgage if the foreclosure is under chapter 580 or the amount of the judgment if the foreclosure is under chapter 581. ~~A separate jury proceeding must be brought to determine the fair market value of the property.~~ The property may not be presumed to be sold for its fair market value. A party adversely affected by a deficiency judgment may submit evidence relevant to establishing the fair market value of the property. Notice of the time and place where the action for the deficiency judgment and the determination of fair market value of the property is to be determined heard must be given to all parties adversely affected by the judgment.

Sec. 3. Minnesota Statutes 1988, section 582.30, subdivision 4, is amended to read:

Subd. 4. [JUDGMENT ON MORTGAGE NOTE.] A personal judgment may not be executed against a mortgagor liable on a mortgage note entered after March 22, 1986 secured by real property used in agricultural production, unless the fair market value of the property is determined by a jury in a separate proceeding as provided in subdivision 3, ~~paragraph (b)~~. The personal judgment on the mortgage note may not be for more than the difference of the amount due on the note and the fair market value of the property.

Sec. 4. Minnesota Statutes 1988, section 582.30, subdivision 5, is amended to read:

Subd. 5. [MORTGAGE ON AGRICULTURAL PROPERTY ENTERED ON OR BEFORE MARCH 22, 1986.] (a) If a mortgage entered on or before March 22, 1986 on property used in agricultural production is foreclosed and sold, a deficiency judgment may only be obtained by filing a separate an action for a deficiency judgment and a determination of the fair market value of the property within 90 days after the foreclosure sale. A court may allow a deficiency judgment only if it determines that the sale of the property was conducted in a commercially reasonable manner.

(b) The amount of the deficiency judgment is limited to the difference of the fair market value of the property, and the amount remaining unpaid on the mortgage if the foreclosure is under chapter 580 or the amount of the judgment if the foreclosure is under chapter 581. ~~A separate jury proceeding must be brought to determine the fair market value of the property.~~ The property may not be presumed to be sold for its fair market value. A party adversely

affected by a deficiency judgment may submit evidence relevant to establishing the fair market value of the property. Notice of the time and place where the action for the deficiency judgment and the determination of fair market value of the property is to be determined heard must be given to all parties adversely affected by the judgment.

Sec. 5. Minnesota Statutes 1988, section 582.30, subdivision 6, is amended to read:

Subd. 6. [JUDGMENT ON MORTGAGE NOTE.] A personal judgment may not be executed against a mortgagor liable on a mortgage note entered on or before March 22, 1986 secured by real property used in agricultural production, unless the fair market value of the property is determined by a jury in a separate proceeding as provided in subdivision 5, paragraph (b). The personal judgment on the mortgage note may not be for more than the difference of the amount due on the note and the fair market value of the property.

Sec. 6. Minnesota Statutes 1988, section 582.30, subdivision 7, is amended to read:

Subd. 7. [STATUTE OF LIMITATIONS ON EXECUTING JUDGMENT.] A deficiency judgment or personal judgment obtained to enforce a mortgage debt on property used in agricultural production may be enforced by execution, but the judgment may not be executed after ~~three~~ ten years from the date judgment was entered.

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."

Delete the title and insert:

"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; authorizing agreements with persons who fail to file certain reports; amending Minnesota Statutes 1988, sections 500.24, subdivision 4; and 582.30, subdivisions 3, 4, 5, 6, and 7."

The motion prevailed and the amendment was adopted.

Onnen, Sparby and Bertram moved to amend S. F. No. 1946, as amended, as follows:

Page 3, line 31, after the period insert "The report required under paragraph (b) must be completed prior to a reduction or waiver under this paragraph. The commissioner may enter into an agreement under this paragraph only once for each person required to file under this subdivision."

The motion prevailed and the amendment was adopted.

Sparby, Krueger, Brown, Bertram, Kalis and Redalen moved to amend S. F. No. 1946, as amended, as follows:

Pages 5 and 6, delete section 6

Amend the title accordingly

The motion prevailed and the amendment was adopted.

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 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	Cooper	Hugoson	Lieder	Neuenschwander
Anderson, G.	Dauner	Jacobs	Limmer	O'Connor
Anderson, R.	Dawkins	Janezich	Long	Ogren
Battaglia	Dille	Jaros	Lynch	Olsen, S.
Bauerly	Dorn	Jefferson	Macklin	Olson, K.
Beard	Forsythe	Jennings	Marsh	Omann
Begich	Frederick	Johnson, A.	McDonald	Onnen
Bennett	Frerichs	Johnson, R.	McEachern	Orenstein
Bertram	Girard	Johnson, V.	McGuire	Osthoff
Bishop	Greenfield	Kahn	McLaughlin	Ostrom
Blatz	Gutknecht	Kalis	McPherson	Ozment
Boo	Hartle	Kelly	Milbert	Pauly
Brown	Hasskamp	Kelso	Miller	Pellow
Burger	Haukoos	Kinkel	Morrison	Pelowski
Carlson, D.	Hausman	Knickerbocker	Munger	Peterson
Carlson, L.	Heap	Kostohryz	Murphy	Poppenhagen
Carruthers	Henry	Krueger	Nelson, C.	Price
Clark	Himle	Lasley	Nelson, K.	Pugh

Quinn	Runbeck	Skoglund	Tompkins	Weaver
Redalen	Sarna	Solberg	Trimble	Welle
Reding	Schafer	Sparby	Tunheim	Wenzel
Rest	Scheid	Stanius	Uphus	Williams
Rice	Schreiber	Steensma	Valento	Winter
Richter	Seaberg	Sviggum	Vellenga	Spk. Vanasek
Rodosovich	Segal	Swenson	Wagenius	
Rukavina	Simoneau	Tjornhom	Waltman	

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

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 third 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	Kostohryz	Omann	Schreiber
Anderson, G.	Greenfield	Krueger	Onnen	Seaberg
Anderson, R.	Gruenes	Lasley	Orenstein	Segal
Battaglia	Gutknecht	Lieder	Osthoff	Simoneau
Bauerly	Hartle	Limmer	Ostrom	Skoglund
Beard	Hasskamp	Long	Ozment	Solberg
Begich	Haukoos	Lynch	Pappas	Sparby
Bennett	Hausman	Macklin	Pauly	Stanius
Bertram	Heap	Marsh	Pellow	Steensma
Bishop	Henry	McDonald	Pelowski	Sviggum
Blatz	Himle	McEachern	Peterson	Swenson
Boo	Hugoson	McGuire	Poppenhagen	Tjornhom
Brown	Jacobs	McPherson	Price	Tompkins
Burger	Janezich	Milbert	Pugh	Trimble
Carison, D.	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	Neuenschwander	Rodosovich	Weaver
Dille	Kalis	O'Connor	Rukavina	Welle
Dorn	Kelly	Ogren	Runbeck	Wenzel
Forsythe	Kelso	Olsen, S.	Sarna	Williams
Frederick	Kinkel	Olson, E.	Schafer	Winter
Frerichs	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek

The bill was passed and its title agreed to.

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 third 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	Ozment	Sparby
Bauerly	Hasskamp	Lynch	Pappas	Stanius
Beard	Haukoos	Macklin	Pauly	Steenma
Begich	Hausman	Marsh	Pellow	Svigum
Bennett	Heap	McDonald	Pelowski	Swenson
Bertram	Henry	McEachern	Peterson	Tjornhom
Bishop	Himle	McGuire	Poppenhagen	Tompkins
Blatz	Hugoson	McLaughlin	Price	Trimble
Boo	Jacobs	McPherson	Pugh	Tunheim
Brown	Janezich	Milbert	Quinn	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
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	Neuenschwander	Rukavina	Wenzel
Dawkins	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	
Girard	Krueger	Onnen	Segal	

The bill was passed and its title agreed to.

S. F. No. 354, A bill for an act relating to trusts; permitting the creation of custodial trusts; adopting the uniform custodial trust act; proposing coding for new law as Minnesota Statutes, chapter 529.

The bill was read for the third 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	Bertram	Carruthers	Frederick	Haukoos
Anderson, G.	Bishop	Clark	Frerichs	Hausman
Anderson, R.	Blatz	Cooper	Girard	Heap
Battaglia	Boo	Dauner	Greenfield	Henry
Bauerly	Brown	Dawkins	Gruenes	Himle
Beard	Burger	Dille	Gutknecht	Hugoson
Begich	Carlson, D.	Dorn	Hartle	Jacobs
Bennett	Carlson, L.	Forsythe	Hasskamp	Janezich

Jaros	Macklin	Olson, K.	Rice	Tjornhom
Jefferson	Marsh	Omann	Richter	Tompkins
Jennings	McDonald	Onnen	Rodosovich	Trimble
Johnson, A.	McEachern	Orenstein	Rukavina	Tunheim
Johnson, R.	McGuire	Osthoff	Runbeck	Uphus
Johnson, V.	McLaughlin	Ostrom	Sarna	Valento
Kahn	McPherson	Ozment	Schafer	Vellenga
Kalis	Milbert	Pappas	Scheid	Wagenius
Kelly	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	Neuenschwander	Pugh	Sparby	Spk. Vanasek
Lieder	O'Connor	Quinn	Stanius	
Limmer	Ogren	Redalen	Steenasma	
Long	Olsen, S.	Reding	Sviggum	
Lynch	Olson, E.	Rest	Swenson	

The bill was passed and its title agreed to.

S. F. No. 1729 was reported to the House.

Sviggum moved to amend S. F. No. 1729, as follows:

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, sleeting, 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.

Delete the title and insert:

“A bill for an act relating to traffic regulations; requiring motorists to activate vehicle lights during inclement weather conditions; providing that violation is not negligence per se or prima facie evidence of negligence; amending Minnesota Statutes 1988, section 169.48.”

The motion prevailed and the amendment was adopted.

Kelly moved to amend S. F. No. 1729, as amended, as follows:

Page 2, after line 16, insert:

“Sec. 2. [169.985] [TRAFFIC CITATION QUOTAS PROHIBITED.]

A law enforcement agency may not order, mandate, require, or suggest to a peace officer a quota for the issuance of traffic citations on a daily, weekly, monthly, quarterly, or yearly basis.”

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Kelly amendment and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the amendment was adopted.

Lynch moved to amend S. F. No. 1729, as amended, as follows:

Page 1, after line 16, insert:

"Sec. 2. Minnesota Statutes 1988, section 169.346, subdivision 2, is amended to read:

Subd. 2. [SIGNS; PARKING SPACES TO BE FREE OF OBSTRUCTIONS.] (a) Handicapped parking spaces must be designated and identified by the posting of signs incorporating the international symbol of access in white on blue ~~and~~ indicating that the parking space is reserved for handicapped persons with vehicles displaying the required certificate, license plates, or insignia, and indicating that violators are subject to a fine of up to \$200. A sign posted for the purpose of this section must be visible from inside a vehicle parked in the space, be kept clear of snow or other obstructions which block its visibility, and be nonmovable or only movable by authorized persons.

(b) The owner or manager of the property on which the designated parking space is located shall ensure that the space is kept free of obstruction. If the owner or manager allows the space to be blocked by snow, merchandise, or similar obstructions for 24 hours after receiving a warning from a peace officer, the owner or manager is guilty of a misdemeanor and subject to a fine of up to \$500."

Page 2, after line 16, insert:

"Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective November 15, 1990."

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 Lynch amendment 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	Simoneau
Battaglia	Hartle	Limmer	Osthoff	Skoglund
Bauerly	Hasskamp	Long	Ostrom	Solberg
Beard	Haukoos	Lynch	Ozment	Sparby
Begich	Hausman	Macklin	Pappas	Stanisus
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	Vellenga
Clark	Johnson, A.	Munger	Rest	Wagenius
Cooper	Johnson, R.	Murphy	Rice	Waltman
Dauner	Johnson, V.	Nelson, C.	Richter	Weaver
Dawkins	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	Olsen, E.	Scheid	
Girard	Kostohryz	Olson, K.	Schreiber	

The motion prevailed and the amendment was adopted.

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 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	Krueger	Omann	Schreiber
Anderson, G.	Greenfield	Lasley	Onnen	Seaberg
Anderson, R.	Gruenes	Lieder	Orenstein	Segal
Battaglia	Gutknecht	Limmer	Osthoff	Simoneau
Bauerly	Hartle	Long	Ostrom	Skoglund
Beard	Haukoos	Lynch	Ozment	Solberg
Begich	Hausman	Macklin	Pappas	Sparby
Bennett	Heap	Marsh	Pauly	Stanius
Bertram	Henry	McDonald	Pellow	Steensma
Bishop	Himle	McEachern	Pelowski	Swiggum
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	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	Neuenschwander	Rodosovich	Weaver
Dille	Kelly	O'Connor	Rukavina	Welle
Dorn	Kelso	Ogren	Runbeck	Wenzel
Forsythe	Kinkel	Olsen, S.	Sarna	Williams
Frederick	Knickerbocker	Olson, E.	Schafer	Winter
Frerichs	Kostohryz	Olson, K.	Scheid	Spk. Vanasek

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

S. F. No. 2012, 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 third 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	Burger	Girard	Janezich	Krueger
Anderson, G.	Carlson, D.	Greenfield	Jaros	Lasley
Anderson, R.	Carlson, L.	Gruenes	Jefferson	Lieder
Battaglia	Carruthers	Gutknecht	Jennings	Limmer
Bauerly	Clark	Hartle	Johnson, A.	Long
Beard	Cooper	Hasskamp	Johnson, R.	Lynch
Begich	Dauner	Haukoos	Johnson, V.	Macklin
Bennett	Dawkins	Hausman	Kahn	Marsh
Bertram	Dille	Heap	Kelly	McDonald
Bishop	Dorn	Henry	Kelso	McEachern
Blatz	Forsythe	Himle	Kinkel	McGuire
Boo	Frederick	Hugoson	Knickerbocker	McLaughlin
Brown	Frerichs	Jacobs	Kostohryz	McPherson

Milbert	Omann	Pugh	Seaberg	Tunheim
Miller	Onnen	Quinn	Segal	Uphus
Morrison	Orenstein	Rédalen	Simoneau	Valento
Munger	Osthoff	Reding	Skoglund	Vellenga
Murphy	Ostrom	Rest	Solberg	Wagenius
Nelson, C.	Ozment	Rice	Sparby	Waltman
Nelson, K.	Pappas	Rodosovich	Stanisus	Weaver
Neuenschwander	Pauly	Rukavina	Steensma	Welle
O'Connor	Pellow	Runbeck	Sviggum	Wenzel
Ogren	Pelowski	Sarna	Swenson	Williams
Olsen, S.	Peterson	Schafer	Tjornhom	Winter
Olsen, E.	Poppenhagen	Scheid	Tompkins	Spk. Vanasek
Olsen, K.	Price	Schreiber	Trimble	

The bill was passed and its title agreed to.

S. F. No. 1827 was reported to the House.

Orenstein moved that S. F. No. 1827 be continued on Special Orders. The motion prevailed.

S. F. No. 409 was reported to the House.

McLaughlin moved that S. F. No. 409 be continued on Special Orders. The motion prevailed.

H. F. No. 2304 was reported to the House.

Bertram moved that H. F. No. 2304 be continued on Special Orders. The motion prevailed.

S. F. No. 1777 was reported to the House.

Kostohryz moved that S. F. No. 1777 be continued on Special Orders. The motion prevailed.

H. F. No. 2152 was reported to the House.

Rodosovich moved that H. F. No. 2152 be continued on Special Orders. The motion prevailed.

S. F. No. 2281 was reported to the House.

Rice moved to amend S. F. No. 2281, as follows:

Page 1, after line 14, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after final enactment.

Sec. 3. [EFFECTIVE DATE.]

1990 S. F. No. 1794, if enacted, is effective the day following final enactment."

The motion prevailed and the amendment was adopted.

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 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	Omann	Schreiber
Anderson, G.	Greenfield	Krueger	Onnen	Seaberg
Anderson, R.	Gruenes	Lasley	Orenstein	Segal
Battaglia	Gutknecht	Lieder	Osthoff	Simoneau
Bauerly	Hartle	Limmer	Ostrom	Skoglund
Beard	Hasskamp	Long	Ozment	Solberg
Begich	Haukoos	Lynch	Pappas	Sparby
Bennett	Hausman	Macklin	Pauly	Stanius
Bertram	Heap	Marsh	Pellow	Steensma
Bishop	Henry	McDonald	Pelowski	Sviggum
Blatz	Himle	McGuire	Peterson	Swenson
Boo	Hugoson	McLaughlin	Poppenhagen	Tjornhom
Brown	Jacobs	McPherson	Price	Tompkins
Burger	Janezich	Milbert	Pugh	Trimble
Carlson, D.	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	Neuenschwander	Rodosovich	Weaver
Dille	Kalis	O'Connor	Rukavina	Welle
Dorn	Kelly	Ogren	Runbeck	Wenzel
Forsythe	Kelso	Olsen, S.	Sarna	Williams
Frederick	Kinkel	Olson, E.	Schafer	Winter
Frerichs	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek

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

S. F. No. 394 was reported to the House.

Jaros moved to amend S. F. No. 394, as follows:

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.”

The motion prevailed and the amendment was adopted.

Jaros moved to amend S. F. No. 394, as amended, as follows:

Page 1, after line 21, insert:

“Sec. 2. [STUDENT DAY.] The second Friday in May of each year shall be designated “Student Day” to recognize all elementary, secondary, and post-secondary students in Minnesota.”

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

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

Those who voted in the negative were:

Frerichs

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

Dille moved that the following statement be printed in the permanent Journal of the House:

"It was my intention to vote in the negative on Wednesday, April 11, 1990, when the vote was taken on final passage of S. F. No. 1366. In error I pressed the yea button rather than the nay button." The motion prevailed.

Schreiber and Valento introduced:

House Resolution No. 25, A house resolution terminating the payment of per diem to members of the Minnesota House of Representatives after April 11, 1990.

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

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2081:

Reding, Rukavina, Rice, Lasley and Haukoos.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2103:

Reding; Johnson, R.; Knickerbocker; O'Connor and Simoneau.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2162:

Williams, Dille and Jefferson.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2230:

Jefferson, Winter and Pauly.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2365:

Pugh, Carruthers and Marsh.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2390:

Vellenga, Wagenius, Kelly, Blatz and Janezich.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 488:

Simoneau, McGuire and Morrison.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1150:

Pugh, Bishop and Kelly.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1873:

Seaberg, Kelly and Pappas.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 12:00 noon, Thursday, April 12, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Thursday, April 12, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

